



Stock code: 8176

Z-COM, Inc.,

2024 Annual Report

Website : <http://mops.twse.com.tw>

Company Website : <https://www.zcom.com.tw>

Printed date: March 31, 2025

I. Names, titles, phones and emails of the spokesman and the deputy spokesman:

Spokesman

Name : WU CHIA-FANG

Title : President

Tel. : (03)577-7364

Email : catherine@zcom.com.tw

Deputy spokesman

Name : CHUANG, HUI-HUA

Title : Accounting Supervisor

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Email : jessie@zcom.com.tw

II. Addresses and phones of Headquarters, Branches and Plant:

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III. Name, address, website and phone of the Stock Agent :

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Address : 3F., No. 17, Bo-ai Rd., Zhongzheng District, Taipei City 100, Taiwan

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Phone : (02)2381-6288

IV. Name, Firm, address and phone of the acting independent auditors :

CPAs : Liu, Jung-Chin and Chang, Cheng-Tao

CPA Firm : EY Business Advisory Services Inc.

Address : 9F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City

Website : www.ey.com/taiwan

Tel. : (02)2757-8888

V. Foreign securities exchange corporation listing : None

VI. Website : www.zcom.com.tw

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I 、 Letter to Shareholders

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 2024 and an outline of the business plan for 2025.

As the threat of COVID-19 gradually subsided, and the international economy is recovering. However, the ongoing Russia-Ukraine war continues to affect the global economy significantly, with decreased demand and widespread pessimism. Meanwhile, the continuous Gaza conflict threatens Red Sea shipping, compounding negative impacts. In addition, the re-election of President Donald Trump in the United States has introduced challenges to the new international economic order through his administration's isolationist stance.

Shipments to existing customers grew somewhat last year, and this year we hope the European economy will emerge from its shadow, generating more demand. The topic of AI continues to captivate attention, with more mature applications expected to emerge in the coming years. Edge computing applications utilizing AI are poised to grow steadily.

Last year, we successfully concluded the Ministry of Economic Affairs' Pre-6G Research Project and the Ministry of Transportation's Smart Rail 5G project for the Tamsui Light Rail under the New Taipei Metro Corporation. We developed a train driver assistance system to optimize safety and increase speed. Security features were integrated into zMEC, and GenAI was used to train and validate several app models, enriching the functionality of zMEC. Moving forward, we aim to integrate industrial control applications with IT in smart rail and energy IoT applications. Our outdoor product SP250-S5 was awarded the National Brand Yushan Award for "Best Product" and attained ISO 27001 certification.

In alignment with our ESG strategy, we aim to enhance product energy efficiency through innovative technology, driving energy-saving, carbon reduction, and the promotion of the circular economy. These technological advancements contribute to smart city development. Furthermore, we actively engage in social responsibility activities to achieve economic, environmental, and social excellence, creating sustainable value and societal impact.

I. Financial performance of 2024 :

- i. Operating Results: The individual financial statement for 2024 showed operating income of NT\$556 million, it has grown compared to the previous year. The gross profit margin was 19%, operating net loss was NT\$9,846 thousand, and after-tax net profit was only NT\$30,806 thousand, with earnings per share of NT\$0.45. Consolidated operating income was NT\$562

million, with a gross profit margin of 32%, operating net income of NT\$16,110 thousand, and consolidated after-tax net profit of NT\$29,926 thousand.

- ii. Budget Execution Status: The company did not publicly forecast financial performance for 2024.
- iii. Analysis of financial revenue and expenditure and profitability: The company's consolidated operating income for 2024 was NT\$562 million, up more than 20% from the previous year, with a gross profit margin of 32%, slightly lower than the previous year's 34%. Consolidated after-tax net profit was NT\$29,926 thousand, and after-tax net profit attributable to the parent company was NT\$30,806 thousand, with earnings per share of NT\$0.45.
- iv. Technological Developments:
 - a) Upgraded zMEC capabilities by integrating Time Synchronized Networking (TSN) and firewall apps within containers, establishing a heterogeneous 5G-Wi-Fi AIoT platform with enhanced UTM security functionality for broader AIoT promotion.
 - b) Advanced system applications in ESG and renewable energy domains, including energy creation, storage, consumption monitoring, and energy-saving solutions, as well as applications in smart rails.
 - c) Released Wi-Fi 6E technology capable of achieving speeds up to 10Gbps and developed smart IoT applications like industrial-grade smart boxes and poles.
 - d) SP-250-S5 received the "First Prize" at the 2024 National Brand Yushan Awards.

II. Summary of 2025 Operational Plan and Future Development Strategy for the Company:

- i. Continued efforts to drive enterprise network marketing and apply critical networks to hazardous slope areas, smart construction sites, metro stations, rail crossings, and logistics hubs for indoor and outdoor systems. We aim to expand opportunities, enhance brand visibility, and extend private network vertical applications to Southeast Asia and India.
- ii. Strengthening collaboration with industry through government-funded research projects to develop new business opportunities by enhancing zMEC performance and application domains.
- 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.
- 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. The epidemic may rebound and become widespread and regular, digitization, cybersecurity

requirements, remote monitoring, and effective use of AI/ML and other AI generation tools are becoming prevalent in new applications.

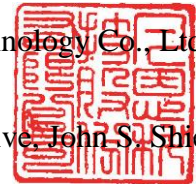
- ii. Promotion of renewable energy policies: Seizing opportunities in environmental sustainable ESG and new energy.
- iii. Overall economic environment: International economic growth momentum is slowing down, moving towards a slow recovery phase.

IV. 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



II、Corporate Governance Report

(I) Directors, Supervisors and Management Team

A.Directors and Supervisors:

1. Directors and Supervisors:

March 31, 2025

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Fan En Technology. Co., Ltd	-			2013.05.31	3,609,909	5.03%	3,860,909	5.38%	0	0	0	0		Chairman of Z-COM, Inc.	None	None	None	None
		Legal Representative: John S. Shieh	M 70~79	2022.05.26	3	1995.02.23	3,173,933	4.43%	3,182,933	4.44%	0	0	0	0	Ph.D. in Systems Engineering from the Georgia Institute of Technology, USA Associate Professor in the Department of Telecommunications Engineering at National Chiao Tung University, Taiwan Senior Consultant at the Industrial Technology Research Institute, a non-profit organization in Taiwan Research Manager at Bell Labs, American Telephone and Telegraph Company in New Jersey, USA Industry Analyst at the IBM Corporation in Gaithersburg, USA GM at Z-COM	Corporate Chairman Appoints Representative of Z-COM, Inc. Chief Executive Officer of Research and Development at Z-COM, Inc. Director of NANJING Z-COM WIRELESS CO., LTD Director of Eco Energy Corporation.	None	None	None	None
Director	R.O.C.	WINIFRED INTERNATIONAL CORP.	-	2022.05.26	3	1995.02.23	521,276	0.73%	521,276	0.73%	0	0	0	0		Director of Z-COM, Inc.	None	None	None	None

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
		Legal Representative: WU, TZY-HSIN	F 61~70			2015.06.11	0	0	0	0	0	0	0	0	0	Master's degree in Communication Disorders from the State University of New York in the United States President of the Taiwan Chapter of Toastmasters International Speech therapist/ a recognized assistant professor by the Ministry of Education at Craniofacial Research Center of Chang Gung Memorial Hospital in Taipei	CEO of CP Yen Foundation Director of Zhi-Shan Foundation, Taiwan Director of WINIFRED INTERNATIONAL CORP. Legal Representative and Chairman of the Board of Directors of – ZCOM, Inc. Director of Taiwan Active Aging Association. Director of GREAT SEQUOIA CORP.	None	None	None
Director	R.O.C.	CHEN, YU AN	M 61~70	2022.05.26	3	2015.05.29	894,935	1.25%	894,935	1.25%	63,194	0.09%	0	0	Master's degree in Engineering from the Transportation Research Institute at National Chiao Tung University Chairman of Ablere Electronic Co., Ltd. Supervisor of United Integrated Services Co., Ltd Supervisor of Z-COM, Inc. Director of United Integrated Services Co., Ltd	Vice Chairman of Ablere Electronic Co., Ltd. Director of Ablere Electronic Co., Ltd. Director of Z-COM, Inc. Director of Eco Energy Corporation.	None	None	None	None
Director	R.O.C.	WU CHIA-FANG	F 51~60	2022.05.26	3	2019.05.31	907,027	1.27%	925,027	1.29%	0	0	0	0	Bachelor of English, National Changhua University of Education ITI Ministry of Economic Affairs Foreign Trade Association Trade Talent Development Program-Master's degree equivalent Marketing and Sales Director, Z-COM, Inc. Deputy General Manager, Z-COM, Inc. Vice President, Z-COM, Inc. Legal Representative and Director, Z-COM, Inc. Director, Z-Wireless Technology, LTD.	Director, Z-COM, Inc. Director of Fan En Technology. Co., Ltd. Director of Z-COM Technology, LTD. CEO of JiangXi Zwaveasia Technology Co., Ltd. Director of CHUNGWA SOCHAMP TECHNOLOGY INC. CEO of Z-COM, Inc.	None	None	None	None

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	CHOU, YIH-HENG	M 71~80	2022.05.26	3	2003.07.17	0	0	0	0	0	0	0	0	Ph.D. in Business Administration from National Chengchi University. Professor at the Department of Business Administration, National Sun Yat-sen University Founding Dean of the College of Management, National Chiayi University Dean of Academic Affairs and Vice President of National Sun Yat-sen University Guest Professor at Kaohsiung Medical University CEO of Accreditation of Chinese Collegiate School of Business (ACCBE) Executive Director of Chinese Management Association	CEO of Accreditation of Chinese Collegiate School of Business Independent Director of Z-COM, Inc.	None	None	None	None
Independent Director	R.O.C.	HUANG, TAI-SHENG	M 71~80	2022.05.26	3	2007.06.29	0	0	0	0	226,758	0.32%	0	0	National Taiwan University, Master of Civil Engineering Chief Engineer, Freeway Bureau, MOTC Lecturer and Associate Professor, Traffic and Transportation Graduate Program, National Yang-Ming Chiao Tung University Chairman of METRO CONSULTING SERVICE LTD.	Lecturer and Associate Professor, Department Transportation and Logistics Management Independent Director of Z-COM, Inc.	None	None	None	None
Independent Director	R.O.C.	SU, YUAN-LIANG	M 71~80	2022.05.26	3	2015.05.29	0	0	0	0	0	0	0	0	Ph.D. in Systems Engineering from Georgia Institute of Technology, USA GM of Networking Business Group at Lite-On Technology Corporation CEO of ARIMA PHOTOVOLTAIC & OPTICAL CORP.	Chairman of Surplus Energy Inc. Independent Director of Z-COM, Inc. Independent Director of Alerex Electronic Co., Ltd. Legal Representative and Director of ARIMA PHOTOVOLTAIC & OPTICAL CORP.	None	None	None	None

2. Major shareholders of the institutional shareholders:

March 31, 2025

Name of Institutional Shareholders	Major Shareholders	Ratio
Fan En Technology. Co., Ltd.	WU CHIA-FANG	36.61%
	John S. Shieh	24.64%
	JUNG-SHENG Shieh	16.95%
	Fan Shieh	9.90%
	En Shieh	9.90%
	HU TA YU	2.00%
WINIFRED INTERNATIONAL CORP.	ZONG YUAN INTERNATIONAL LIMITED	42.79%
	FU AN GLOBAL INVESTMENT LIMITED	33.17%
	YEN WANG,CHEN-CHEN	13.70%
	LIN,KUANG-WEI	3.25%
	LIN,HSIANG-WEI	3.25%
	YEN,KE -WEN	1.20%
	YEN,LI-AN	1.20%
	YEN,KE-LI	1.20%
	WU, TZY-HSIN	0.24%

3. Major shareholders of the Company's major institutional shareholders:

March 31, 2025

Name of Institutional Shareholders	Major Shareholders	Ratio
ZONG YUAN INTERNATIONAL LIMITED	A company incorporated in the British Virgin Islands TRIUMPH EXCEL ASIA LIMITED	100%
FU AN GLOBAL INVESTMENT LIMITED	WU, TZY-HSIN	99.46%
	YEN WANG,CHEN-CHEN	0.54%

4. Professional qualifications and independence analysis of directors and supervisors:

<div>Criteria</div> <div>Name</div>	Professional Qualification Requirements& Work Experiences	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Fan En Technology Co., Ltd. Legal Representative: John S. Shieh	<ol style="list-style-type: none"> 1. Possess the professional qualifications and experience required for business, legal affairs, finance, accounting/company business. 2. Served as the chairman, Legal Representative of the Board of Directors and CTO of Z-COM, Inc., Director of NANJING Z-COM WIRELESS CO., LTD. 		0
WINIFRED INTERNATIONAL CORP. Legal Representative: WU, TZY-HSIN	<ol style="list-style-type: none"> 1. Possess the professional qualifications and experience required for business, legal affairs, finance, accounting/company business. 2. Served as Representative Director of Z-COM, Inc., CEO of CP Yen Foundation, Director of Zhi-Shan Foundation, Taiwan, Director of WINIFRED INTERNATIONAL CORP., Director of Taiwan Active Aging Association, Director of GREAT SEQUOIA CORP. 		0
CHEN, YU AN	<ol style="list-style-type: none"> 1. Possess the professional qualifications and experience required for business, legal affairs, finance, accounting/company business. 2. Served as Representative Director of Z-COM, Inc., Director of Ablere Electronic Co., Ltd., Director of JE Environmental Technology Co. Ltd., Director of United Integrated Services Co., Ltd, Director of Z-COM, Inc., Director of Eco Energy Corporation. 		0

<div>Criteria</div> <div>Name</div>	Professional Qualification Requirements & Work Experiences	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
WU CHIA-FANG	<ol style="list-style-type: none"> 1. Possess the professional qualifications and experience required for business, legal affairs, finance, accounting/company business. 2. Served as CEO of Z-COM, Inc., Legal Representative and Director, Z-COM, Inc., Director of Fan En Technology Co., Ltd., Director of Z-COM Technology, LTD., CEO of JiangXi Zwaveasia Technology Co., Ltd. 		0
CHOU, YIH-HENG	<ol style="list-style-type: none"> 1. Qualifications: Lecturers or above from public or private universities or colleges with expertise in business, law, finance, accounting, or corporate operations. 2. Has served as an independent director, Executive Director of Chinese Management Association, CEO of Accreditation of Chinese Collegiate School of Business (ACCBE) 	<p>Independent directors satisfy the requirements of independence including but not limited to:</p> <ol style="list-style-type: none"> 1. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not serve as directors, supervisors or employees. 2. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any Z-COM shares. 3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an “audit service” or a “non-audit service” 	0

<div>Criteria</div> <div>Name</div>	Professional Qualification Requirements & Work Experiences	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
HUANG, TAI-SHENG	<ol style="list-style-type: none"> 1. Qualifications: Lecturers or above from public or private universities or colleges with expertise in business, law, finance, accounting, or corporate operations. 2. Has served as an independent director of Z-COM, Inc., a Lecturer and Associate Professor, Traffic and Transportation Graduate Program, National Yang-Ming Chiao Tung University. 	<p>Independent directors satisfy the requirements of independence including but not limited to:</p> <ol style="list-style-type: none"> 1. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not serve as directors, supervisors or employees. 2. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any Z-COM shares. 3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an “audit service” or a “non-audit service” 	0

<div>Criteria</div> <div>Name</div>	Professional Qualification Requirements & Work Experiences	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yuan-liang Su	<ol style="list-style-type: none"> 1. Qualifications: Lecturers or above from public or private universities or colleges with expertise in business, law, finance, accounting, or corporate operations. 2. Has served as the independent director of Z-COM, Inc., Chairman of Surflux Energy Inc., Chairman of Arima Lasers Corp., Independent Director of Ablere Electronic Co., Ltd. , Legal Representative and Director of ARIMA PHOTOVOLTAIC & OPTICAL CORP. 	<p>Independent directors satisfy the requirements of independence including but not limited to:</p> <ol style="list-style-type: none"> 1. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not serve as directors, supervisors or employees. 2. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any Z-COM shares. 3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an “audit service” or a “non-audit service” 	1

5. Diversity and independence of the Board of Directors:

Name	sex	Employee	Age			Term		Professional experience					Professional qualifications					
			< 60	61~69	> 70	less than 3 years	more than 3	Capability	capability of management	Capability	Industry	capability of risk	Communication	Transportation	Sales & Marketing	Financial	Environment	Medical Education
Representative of Fan En Technology Co., Ltd. John S. Shieh S. Shieh	M	✓			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Representative of Whitford International Corp. ·· WU, TZY-HSIN	F			✓				✓	✓	✓	✓	✓				✓		✓
CHEN, YUAN	M			✓				✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
WU CHIA-FANG	F	✓	✓					✓	✓	✓	✓	✓	✓		✓			
Chou, I-Heng	M				✓		✓	✓	✓	✓	✓	✓			✓	✓		✓
Huang, Tai-Sheng	M				✓		✓	✓	✓	✓	✓	✓	✓	✓			✓	✓
Yuan-liang Su	M				✓		✓	✓	✓	✓	✓	✓	✓		✓		✓	✓

(1) Diversification of the Board of Directors:

In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company has stipulated in Article 20 of the "Corporate Governance Best Practice Principles" that the composition of the Board of Directors should consider diversification. The Company should formulate appropriate diversification policies based on its own operation, operation type, and development needs. These policies should include, but not limited to, the following criteria:

Basic conditions and values: gender, age, nationality, and culture.

Professional knowledge and skills: professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industrial experience.

The composition of the Company's Board of Directors considers diversification, and appropriate diversification policies are formulated based on its own operation, operation type, and development needs. The nomination and selection of members of the Board of Directors follow the provisions of the Company's Articles of Association. In addition to evaluating the academic and professional qualifications of each candidate, stakeholder opinions are also considered, and relevant regulations such as the "Director Election Regulations" and "Corporate Governance Best Practices" are adhered to, ensuring the diversity and independence of the Board members.

The current Board of Directors consists of 7 members, including 4 directors and 3 independent directors, who possess expertise in finance, management, and the Company's industry. Each director and independent director has their own specific expertise. The 4 directors excel in leadership, operational judgment, management, crisis management, and possess industry knowledge and international market insight. Additionally, the 3 independent directors, namely Chou I-Heng, Huang Tai-Sheng, and Yuan-Liang Su, specialize in finance and taxation, environmental energy, communication engineering, transportation, and business marketing, providing valuable insights into the Company's operations. There are five directors who are not employees of the Company. Four directors are aged over 70, two directors are aged between 61 to 69, and one director is aged fewer than 60. Female directors occupy two seats. None of the seven directors has any circumstances defined in Article 30 of the Company Law. Our company adheres to the principle of merit-based selection in the appointment of board members, while also considering diversity factors such as gender, age, nationality, and cultural background. Due to industry characteristics and historical factors, past board appointments have primarily focused on professional expertise and experience, without specific gender ratio requirements. Currently, there are two female board members; however, this does not meet the one-third representation threshold. Moving forward, the company will prioritize female candidates in the nomination process and actively seek experienced female professionals to join the board. Additionally, an internal talent development program will be established to enhance the career progression of senior female management, thereby expanding the pool of future board candidates.

(2) Independence of the Board of Directors:

The Board of Directors includes three independent directors whom are nominated and selected by stockholder meeting from the list of candidates and the proportion of independent directors is 43%. Their professional qualification and selection are in compliance with “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.

Independent directors satisfy the requirements of independence including but not limited to: Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not serve as directors, supervisors or employees. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any Z-COM shares. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an “audit service” or a “non-audit service”

B. Management team:

March 31, 2025

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by nominee arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
CEO	R.O.C.	WU CHIA-FANG	F	2019.01.01	925,027	1.29%	0	0	0	0	Bachelor of English, National Changhua University of Education ITI Ministry of Economic Affairs Foreign Trade Association Trade Talent Development Program-Master's degree equivalent Marketing and Sales Director, Z-COM, Inc. Deputy General Manager, Z-COM, Inc. Vice President, Z-COM, Inc. Legal Representative and Director, Z-COM, Inc. Director of XIN HUI ZHI Investment Co., Ltd Director, Z-Wireless Technology, LTD.	Director, Z-COM, Inc. Director of Fan En Technology. Co., Ltd. Director of Z-COM Technology, LTD. CEO of JiangXi Zwaveasia Technology Co., Ltd. Director of CHUNGHWA SOCHAMP TECHNOLOGY INC. CEO of Z-COM, Inc.	None	None	None	
CTO	R.O.C.	John S. Shieh	M	2019.06.21	3,182,933	4.44%	0	0	0	0	Ph.D. in Systems Engineering from the Georgia Institute of Technology, USA Associate Professor in the Department of Telecommunications Engineering at National Chiao Tung University, Taiwan Senior Consultant at the Industrial Technology Research Institute, a non-profit organization in Taiwan Research Manager at Bell Labs, American Telephone and Telegraph Company in New Jersey, USA Industry Analyst at the IBM Corporation in Gaithersburg, USA GM at Z-COM	Corporate Chairman Appoints Representative of Z-COM, Inc. Chief Executive Officer of Research and Development at Z-COM, Inc. Director of NANJING Z-COM WIRELESS CO., LTD Director of Eco Energy Corporation.	None	None	None	
Accounting officer	R.O.C.	CHUANG HUI-HUA	F	2022.06.09	0	0%	0	0	0	0	Deputy Director of Finance Department, GIGA SOLAR MATERIALS CORPORATION Deputy Director of Finance Department, GIGASTORAGE CORPORATION Finance Manager, GINGY Technology Inc. Accounting manager of Z-COM, Inc. Corporate Governance Officer of Z-COM, Inc.(Note1)	None	None	None	None	

Corporate Governance Officer (Note1)	R.O.C.	Chen Te Kun	M	2023.06.25	0	0%	0	0	0	0	Bachelor of Accounting, Chung Yuan Christian University Accounting section chief, Billionton Systems Inc. Finance Manager, Shanghai Awinic Technology Co., Ltd. Finance Manager, Suzhou Avision Inc. Finance Manager of Z-COM, Inc.	Chairman of Nanjing Z—Wireless Technology Co., Ltd. Director of Z-WIRELESS INTERNATIONAL, LTD Director of ZCOMAX TECHNOLOGIES, INC. Supervisor of NANJING Z-COM WIRELESS CO., LTD Supervisor of NANJING ZHI WEI YA COMMUNICATION TECHNOLOGY CO., LTD	None	None	None	
Audit Officer (Note2)	R.O.C.	Tu, Chien Ping	M	2023.07.03	0	0%	0	0	0	0	Master of Accounting, Providence University Deputy Section Chief at Ernst & Young Global Limited, Taiwan firm Account of Z-COM, Inc. Audit Officer of Z-COM, Inc.	None	None	None	None	
Audit Officer (Note2)	R.O.C.	Li Hsiu Hua	F	2024.10.30	0	0%	0	0	0	0	Department of Industrial Engineering and Management, Oriental Institute of Technology Senior Engineer of Z-COM, Inc.	None	None	None	None	

Note 1: Mr. Chen Te-Kun retired on June 7, 2024. From the same date, Ms. Chuang Hui-Hua, the accounting supervisor, concurrently assumed the role, which was ratified by the board of directors on August 5, 2024.

Note 2: The original Audit Supervisor Mr. Chien-Ping Tu resigned and was dismissed on September 13, 2024. Ms. Hsiu-Hua Li took over the position and the board of directors ratified this on October 30, 2024.

(II) Remuneration Paid to Directors, President, Vice President

A. Remuneration Paid to Directors and Independent Directors

2024/12/31 Unit: NT\$ Thousand

Title	Name	Director' s Remuneration								(A+B+C+D) as a % of Net Income (Note7)	
		Base Compensation(A) (Note1)		Severance Pay and Pensions (B)		Compensation to Directors (C) (Note2)		Allowances (D) (Note3)			
		ZCOM	From All Consolida ted Entities (Note9)	Z-COM	From All Consolida ted Entities	Z-COM	From All Consolida ted Entities	Z-COM	From All Consolida ted Entities	Z-COM	From All Consolidate d Entities
Chairman	Fan En Technology. Co., Ltd. Representative : John S. Shieh	0	0	0	0	0	0	30	30	0.10%	0.10%
Director	Winifred International Corp. Representative : WU, TZY-HSIN	0	0	0	0	0	0	6	6	0.02%	0.02%
Director	CHEN, YU AN	0	0	0	0	0	0	24	24	0.08%	0.08%
Director	WU CHIA-FANG	0	0	0	0	0	0	30	30	0.10%	0.10%
Independen t Director	CHOU, YIH-HENG	150	150	0	0	0	0	30	30	0.58%	0.58%
Independen t Director	Huang, Tai-Sheng	150	150	0	0	0	0	30	30	0.58%	0.58%
Independen t Director	Yuan-liang Su	150	150	0	0	0	0	24	24	0.56%	0.56%

*The remuneration disclosed in the Remuneration paid to the president and vice president differs from the concept of income defined according to Income Tax law; therefore, the table is for the purpose of information disclosure instead of tax levy.

Title	Name	Relevant Remunerations Received by Directors who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to net income (Note7)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note8)
		Salary, bonuses and allowances (E) (Note4)		Severance Pay (F) (Note5)		Employee Compensation (G) (Note6)						
		Z-COM	From All Consolidated Entities	Z-COM	From All Consolidated Entities	Z-COM		From All Consolidated Entities (Note6)		Z-COM	From All Consolidated Entities	
Cash	Stock					Cash	Stock					
Chairman	Fan En Technology. Co., Ltd. Representative : John S. Shieh	3,881	3,881	815	815	0	0	0	0	15.34%	15.34%	None
Director	Winifred International Corp. Representative : WU, TZY-HSIN	0	0	0	0	0	0	0	0	0.02%	0.02%	None
Director	CHEN, YU AN	0	0	0	0	0	0	0	0	0.08%	0.08%	None
Director	WU CHIA-FANG	3,515	4,375	815	815	0	0	0	0	14.15%	16.95%	None
Independent Director	CHOU, YIH-HENG	0	0	0	0	0	0	0	0	0.58%	0.58%	None
Independent Director	Huang, Tai-Sheng	0	0	0	0	0	0	0	0	0.58%	0.58%	None
Independent Director	Yuan-liang Su	0	0	0	0	0	0	0	0	0.56%	0.56%	None
1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: Policy and system: For the remuneration of independent directors, besides referring to results of director performance evaluations, each director’s degree of participation and												

contribution to the Company's operations, performance and risks to remuneration shall be considered. It should not lead the independent directors to engage in behaviors that exceed the company's risk tolerance in pursuit of compensation. The compensation and remuneration system should be reviewed regularly based on the situation. To provide a reasonable and effective performance evaluation and compensation system for independent directors, the overall compensation and links the reasonableness and fairness of performance as well as the Company's business performance and the remuneration standards of competitor should be considered.

Standards and structure: The remuneration of independent directors is the remuneration due to independent directors serving companies, including fixed remuneration, traveling expenses, remuneration and various bonuses.

The relationship between the performance of the company's independent directors and their remuneration: The remuneration of the directors of the company is based on the provisions of Article 27 of the company's articles of association, which shall not exceed 3% of the current year's profit. The degree and performance evaluation shall be considered as a whole, and the considerations shall be based on six major aspects, including mastery of the company's goals and tasks, awareness of directors' responsibilities, degree of participation in company operations, internal relationship management and communication, directors' professional and continuing education, and internal control. Other special contributions or significant negative events are also taken into account in the performance evaluation, prepare distribution proposals and distribute after approval by the board of directors, and report at the shareholders' regular meeting.

2. Other than as disclosed in the above table, the remuneration earned by Directors providing services (e.g. providing consulting services as a non-employee) to the Company and all consolidated entities in the latest fiscal year: None

*The content of remuneration disclosed in this form is different from the concept of income in the income tax law. Therefore, this form is for information disclosure and not for taxation purposes.

Note1: Refers to the remuneration (including director salary, duty allowances, severance pay, various bonuses, incentives, etc.) paid to the directors in the most recent year

Note2: The board of directors of our company resolved on March 5^h, 2025 not to distribute director and supervisor remuneration and employee remuneration.

Note3: Refers to the relevant businzhicles). For the housing, automobiles and other transportation vehicles, or the exclusive personal expenses provided, the nature and cost of the assets, the actual or imputed rent at fair market value, the gasoline expense, and other payments should be disclosed. In addition, for the chauffeur appointed, please explain in the notes regarding the remuneration paid but the amount will not be included in the total remuneration amount.

Note4: Refers to the salary, job allowance, severance pay, resignation compensation, prize money, incentive payments, traveling expenses, special expenses, allowances, dormitories, and transportation vehicles paid to the directors who are also employees (including concurrent President, Vice President, other managers, and employees) in the most recent year. For the housing, automobiles and other transportation vehicles, or the exclusive personal expenses provided, the nature and cost of the assets, the actual or imputed rent at fair market value, the gasoline expense, and other payments should be disclosed. In addition, for the chauffeur appointed, please explain in the notes regarding the remuneration paid but the amount will not be included in the total remuneration amount. In addition, the salary expenses recognized under IFRS 2 "Share-based Payment," including the acquisition of employee share option certificates, restricted employee rights to new shares, and participation in cash capital increases to subscribe for shares, should also be included in the remuneration.

Note5: Refers to retirement pensions legally allocated on a monthly basis and accounted for proportionally based on the number of individuals, but not actually disbursed.

Note6: Refers to the directors who are also employees (including concurrent President, Vice President, other managers and employees) obtained employee remuneration (including shares and cash) in the most recent year. The board of directors of our company resolved on March 5^h, 2025 not to distribute director and supervisor remuneration and employee remuneration.

Note7: Net income after tax refers to the net income after tax in the individual financial report of the most recent year. The net income after tax for 2024 was 30,806 thousand NTD.

Note8. a. The remuneration amount received by the board directors from the invested companies other than the subsidiaries or parent companies should be disclosed in

this column (if none, please indicate "none").

b. Remuneration meant for the relevant rewards, income, employee bonus, and business expense collected by the board directors of the Company acted as a director, supervisor, or manager of the invested companies other than the subsidiaries or parent companies.

Note9: The total amount of remuneration paid to the directors of our company, as well as all other companies included in the consolidated financial statements, should be disclosed.

B. Remuneration paid to the president and vice presidents:

2024/12/31 Unit: NT\$ Thousand

Title	Name	Salary (A)		Severance Pay (B) (Note3)		Bonuses and Allowance etc. (C)		Employee Compensation (D) (Note1)				Ratio of total compensation (A+B+C+D) to net income (Note4)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Z-COM	From all Consolidated Entities	Z-COM	From all Consolidated Entities	Z-COM	From all Consolidated Entities	Z-COM		From all Consolidated Entities		Z-COM	From all Consolidated Entities	
								Cash	Stock	Cash	Stock			
CEO	WU CHIA-FANG	3,515	4,375	815	815	0	0	0	0	0	0	14.06%	16.85%	None
Chief Technology Officer (Note2)	John S. Shieh	3,881	3,881	815	815	0	0	0	0	0	0	15.24%	15.24%	None

* The remuneration disclosed in the Remuneration paid to the president and vice president differs from the concept of income defined according to Income

Tax law; therefore, the table is for the purpose of information disclosure instead of tax levy.

Note1: The board of directors of our company decided not to distribute any remuneration to directors, supervisors, and employees on March 5th, 2025.

Note2: The Chairman of our company appointed the representative of our company, Mr. John S. Shieh as the CTO (Chief Technology Officer) on June 21, 2019.

Note3: Refers to the retirement pension allocated monthly according to the law, which is amortized and recognized according to the number of people, but has not been actually paid.

Note4: Net income after tax refers to the net income after tax in the individual financial report of the most recent year. The net income after tax for 2024 was 30,806 thousand NTD.

C. Employee Compensation amount paid to managers

2024/12/31 Unit : NT\$ Thousand

Title		Name	Stock bonus amount	Cash bonus amount (Note1)	Total	Ratio of Total Amount to Net Income (%)
Manager	Representative appointed by the Chairman / CTO	John S. Shieh	0	0	0	0%
	CEO	WU CHIA-FANG	0	0	0	0%
	Accounting Officer	CHUANG,HUI-H UA	0	0	0	0%
	Governance Officer (Notec2)	Chen Te Kun	0	0	0	0%

* The compensation disclosed in the Employee Compensation amount paid to manager differs from the concept of income defined according to Income Tax law; therefore, the table is for the purpose of information disclosure instead of tax levy.

Note1: Our company's board of directors decided not to distribute remuneration to directors, supervisors, and employees on March 5th 2025.

Note2: Mr. Chen Te-Kun retired on June 7, 2024. From the same date, Ms. Chuang Hui-Hua, the accounting supervisor, concurrently assumed the role, which was ratified by the board of directors on August 5, 2024.

D. The remuneration of the top five highest-paid executives

2024/12/31 Unit : NT\$ Thousand

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowance etc. (C)		Employee Compensation (D) (Note1)				Ratio of total compensation (A+B+C+D) to net income (%) (Note5)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Z-COM	From all Consolidated Entities	Z-COM	From all Consolidated Entities	Z-COM	From all Consolidated Entities	Z-COM		From all Consolidated Entities		Z-COM	From all Consolidated Entities	
								Cash	Stock	Cash	Stock			
CEO	WU CHIA-FANG	3,515	4,375	815 (Note3)	815 (Note3)	0	0	0	0	0	0	14.06%	16.85%	None
Representative appointed by the Chairman / CTO	John S. Shieh	3,881	3,881	815 (Note3)	815 (Note3)	0	0	0	0	0	0	15.24%	15.24%	None
Accounting Officer	CHUANG HUI-HUA	1,205	1,205	64	64	0	0	0	0	0	0	4.12%	4.12%	None
Governance Officer(Note2)	Chen Te Kun	625	625	30	30	0	0	0	0	0	0	2.13%	2.13%	None

* The compensation disclosed in the Employee Compensation amount paid to manager differs from the concept of income defined according to Income Tax law; therefore, the table is for the purpose of information disclosure instead of tax levy.

Note1: Our company's board of directors decided not to distribute remuneration to directors, supervisors, and employees on March 5th 2025.

Note2: Chen Te-Kun retired on June 7, 2024. From the same date, Ms. Chuang Hui-Hua, the accounting supervisor, concurrently assumed the role, which was ratified by the board of directors on August 5, 2024.

Note3: This refers to the monthly provision of retirement pensions in accordance with the law, which is recognized as an expense based on the number of people and allocated accordingly, but has not actually been paid.

Note4: In the fiscal year 113 (2024), our company had only four "managers" who met the requirements of the letter of instruction numbered 0920001301 issued by the Taiwan Financial Supervisory Commission. Therefore, this table only shows the remuneration of these four executives.

Note5: Net income after tax refers to the net income after tax in the individual financial report of the most recent year. The net income after tax for 2024 was 30,806 thousand NTD.

E. Remuneration Policy

1. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income. The total remuneration for directors and supervisors for fiscal year 113(2024) has increased compared to fiscal year 112(2023) due to the higher attendance rate at board meetings in fiscal year 113(2024). The total remuneration for the general manager and the chief research and development officer has also increased compared to fiscal year 112(2023), due to salary adjustments made in fiscal years 112(2023) and 113(2024) to account for the reduced salaries in fiscal year 111(2022) caused by the operational conditions at that time.

2024/12/31 Unit : NT\$ Thousand

Item/year	Z-COM				All consolidated subsidiaries			
	2023		2024		2023		2024	
	Remuneration Amount	Ratio of total remuneration to net income	Remuneration Amount	Ratio of total remuneration to net income	Remuneration Amount	Ratio of total remuneration to net income	Remuneration Amount	Ratio of total remuneration to net income
Directors	618	10.72%	624	2.03%	618	10.72%	624	2.03%
CEO and CTO	8,431	146.30%	9,026	29.30%	8,623	149.63%	9,886	32.09%
Total	9,049	157.02%	9,650	31.33%	9,241	160.35%	10,510	34.12%
Net Income	5,763	100.00%	30,806	100.00%	5,763	100.00%	30,806	100.00%

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance:

2-1. The company's policy, standards, and structure for directors' remuneration are as follows:

- (1) Independent directors of the company receive fixed compensation. Other directors are only reimbursed for transportation fees for attending board meetings and do not receive other fixed salary compensation.
- (2) Directors' remuneration is allocated based on the company's Articles of Association, Article 27, and cannot exceed 3% of the annual profit. If the company has accumulated losses, these must be covered first.
- (3) In years with profit distribution, directors' remuneration considers the company's operational performance, future risks, development strategies, and industry trends. Individual directors' performance evaluation results are also taken into account to ensure reasonable compensation. Performance evaluation and remuneration allocation are reported to the Compensation Committee and Board of Directors for review and approval. The remuneration allocation policy is reviewed as needed, considering the overall environment and business strategies to ensure sustainable operations and balance the interests of stakeholders.

For the fiscal year 113, since there was no profit, directors' performance evaluations were conducted, but no remuneration was distributed to the directors.

- (4) The performance evaluation indicators for individual directors include the following six criteria:
 - A. Mastery of company goals and missions: Directors fully understand the company's core values and have a clear understanding of all strategic goals set by the board of directors.
 - B. Awareness of directors' duties: Fully understanding the legal obligations of directors, maintaining confidentiality of internal information obtained while performing their duties, etc.
 - C. Participation in company operations: Attending board meetings, contributing effectively during meetings, assessing and supervising potential and existing risks, and engaging in discussions about the internal control system's implementation and follow-up. Avoid holding multiple directorships concurrently.
 - D. Internal relationship management and communication: Good interaction with the management team, and effective communication with auditors and other board members.
 - E. Professional expertise and continuous learning: Maintaining professional knowledge required for board decision-making and continuing to strengthen skills through further education.

- F. Internal control: Participating in conflict-of-interest discussions, effectively evaluating and supervising various internal control systems and risk management, accounting systems, financial conditions and reports, and audit reports and their follow-up.

2.2 The company's policy, standards, and structure for managerial remuneration are as follows:

- (1) According to the company's "Regulations on Directors and Managers' Salaries and Remuneration," the structure of managerial remuneration is described as follows:
 - A. Fixed Remuneration: Includes basic salary, additional compensation for managerial roles, meal allowances, and retirement contributions. Variable Remuneration: Includes bonuses for Dragon Boat Festival, Mid-Autumn Festival, and Lunar New Year, as well as work-related allowances and rewards, employee stock options, and various subsidies.
 - B. The distribution of annual bonuses is determined based on the company's annual profit and employee salary regulations. If the total amount of managerial salaries and the three festival bonuses exceed 15 months, the remuneration distribution must be reviewed by the Compensation Committee and approved by the Board of Directors, based on managerial performance.
 - C. Employee Compensation: In accordance with Article 27 of the company's Articles of Association, employee compensation is allocated based on managerial performance and distributed after the review and approval of the Compensation Committee and the Board of Directors.
 - D. Annual Salary Adjustment: Salary adjustments are determined annually based on managerial performance, with approval from the Compensation Committee and the Board of Directors.
- (2) Performance evaluation indicators for managers must include the following three aspects:
 - A. Financial Performance Indicators: Revenue and profit, achievement of budget targets, growth, and new market development.
 - B. Strategic and Operational Management: Execution of plans and policies, strategic planning capabilities, and decision-making skills.
 - C. Corporate Sustainability: Sustainability commitments, risk management, and implementation of key ESG (Environmental, Social, and Governance) initiatives.

2.3 The relationship between remuneration and future risks: The remuneration paid to directors and managers by the company is subject to necessary adjustments based on changes in the overall economy and industry conditions. It also considers the company's

future development, profitability, and operational risks, with appropriate adjustments based on future risk factors.

(III) Corporate Governance

A. Board of Directors:

During 2024 and up until the date of printing of the annual report for 2025, our board of directors held a total of 5 meetings (A). The attendance record of the directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Fan En Technology Co., Ltd. Legal representative: John S. Shieh	5	0	100%	
Director	Winifred International Corp. Representative: WU, TZY-HSIN	1	2	20%	
Director	CHEN, YU AN	5	0	100%	
Director	WU CHIA-FANG	5	0	100%	
Independent Director	CHOU, YIH-HENG	5	0	100%	
Independent Director	Huang, Tai-Sheng	4	1	80%	
Independent Director	Yuan-liang Su	5	0	100%	

Other mentionable items:

(I) If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and company's responses should be specified:

◎ : attendance ☆ : by proxy * : absent

Independent Director	First time	Second time	Third time	Fourth time	Fifth time
CHOU, YIH-HENG	◎	◎	◎	◎	◎
Huang, Tai-Sheng	◎	◎	◎	◎	☆
Yuan-liang Su	◎	◎	◎	◎	◎

(i) Matters referred to in Article 14-3 of the Securities and Exchange Act.

Please refer to the important resolutions of our company's shareholders' meetings and board of directors (see [pages 99~102](#) for details).

(ii) If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.

(II) The implementation of directors' recusal of interest-related proposals shall state the director's name, content of the proposal, reasons for recusal due to interests, and participation in voting:

On March 6th, 2024, at the eighth meeting of the tenth board of directors, the issue of employee compensation for the year 2023 was discussed. According to Article 27 of the company's bylaws, the company should distribute 10% to 15% of the annual profits as employee compensation and not more than 3% of the annual profits as director compensation. However, if the company has accumulated losses, they should be compensated first. As there were no profits in 2023, there will be no distribution of employee or director compensation. The motion was passed without objection after the Chairman consulted the attending directors.

On August 5th, 2024, at the tenth meeting of the tenth board of directors, regarding the salary adjustment for managers and general employees for the fiscal year 2024, in accordance with Article 16 of the board of directors' regulations, those with conflicts of interest with themselves or their representatives should recuse themselves. Therefore, Chairman John S. Shieh and Director WU CHIA-FANG of Fan En Technology. Co., Ltd. recused themselves. When the Chairman recused himself from the case, independent Director CHOU, YIH-HENG temporarily assumed the role of Chairman. The salary adjustment was made after consultation with the director according to the decision of the Compensation Committee. The attendance directors present had no objections, and the case was passed. After review by the Compensation Committee, it was decided that the salary adjustment for managers would be assigned within an average increase of 4% in line with the adjustment for general employees.

On August 5th, 2024, at the sixth meeting of the tenth board of directors, regarding the salary of the company's governance executives, in accordance with Article 16 of the board of directors' regulations, those with conflicts of interest with themselves or their representatives should recuse themselves. Therefore, the company's governance executives recused themselves. The Chairman consulted the attending directors, and there were no objections to the case, and it was passed.

- (III) Listed OTC companies shall disclose information such as the evaluation cycle and period, evaluation scope, method, and evaluation content of the board of directors' self (or peer) evaluation, and fill in the implementation status of the board of directors' evaluation.

Please refer to [pages 33~36](#) for details on the implementation of the board of directors' self-evaluation for 2024.

- (IV) Assessment of the objectives to strengthen the functions of the board of directors in the current and recent years (such as establishing an audit committee, enhancing information transparency, etc.) and the implementation status evaluation.

- (i) Strengthen the Board's Functions: The Audit Committee of the Company holds at least one meeting per quarter as required by law, and may convene meetings as necessary to assist the Board of Directors in making decisions and strengthen the Board's supervisory function.
- (ii) Improve information transparency: The major decisions and financial information of the Company's Board of Directors have been disclosed in accordance with regulations on the Taiwan Stock Exchange and Gre Tai Securities Market. Business information is also disclosed on the Company's website, ensuring that investors can obtain information in a timely manner.
- (iii) From 2024 to 2025 the date of the printing date of the annual report, a total of 5 audit committee meetings and 5 board meetings were held, with at least two independent directors present at each meeting.
- (iv) The operation of the board of directors of the company is held in accordance with Regulations Governing Procedure for Board of Directors we also arrange training courses for directors (please

refer to Appendix One) to maintain core values and professional abilities.

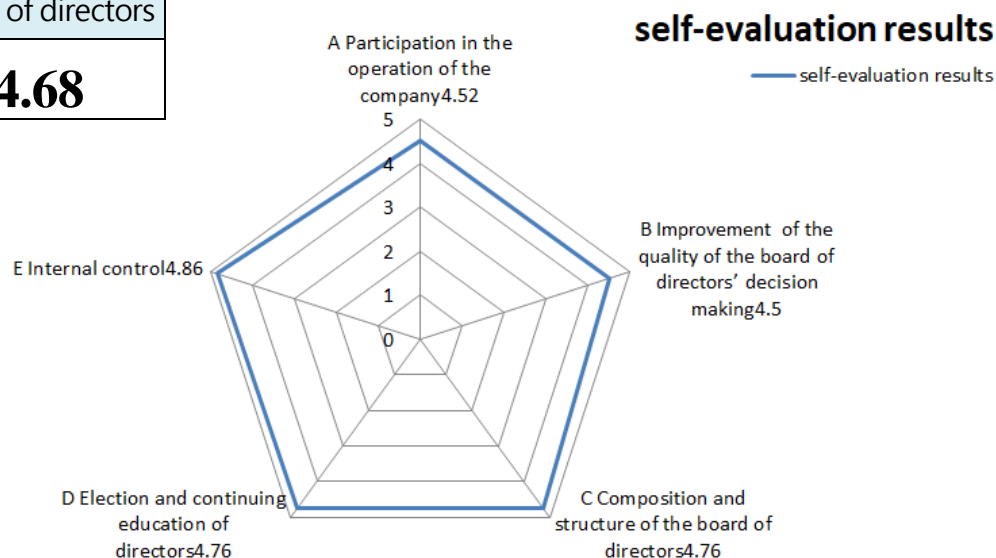
B. Evaluation of the Board of Directors and Functional Committees:

1. The content and results of the performance evaluation of the board of directors are as follows:

evaluation cycle	evaluation period	evaluation scope	evaluation method	Evaluation items
Once a year	2024/1/1~2024/12/31	Board of Director	Board of directors self-evaluation	A. Participation in the operation of the company B. Improvement of the quality of the board of directors' decision making C. Composition and structure of the board of directors. D. Election and continuing education of directors E. Internal control.

(一) The board of directors

score **4.68**



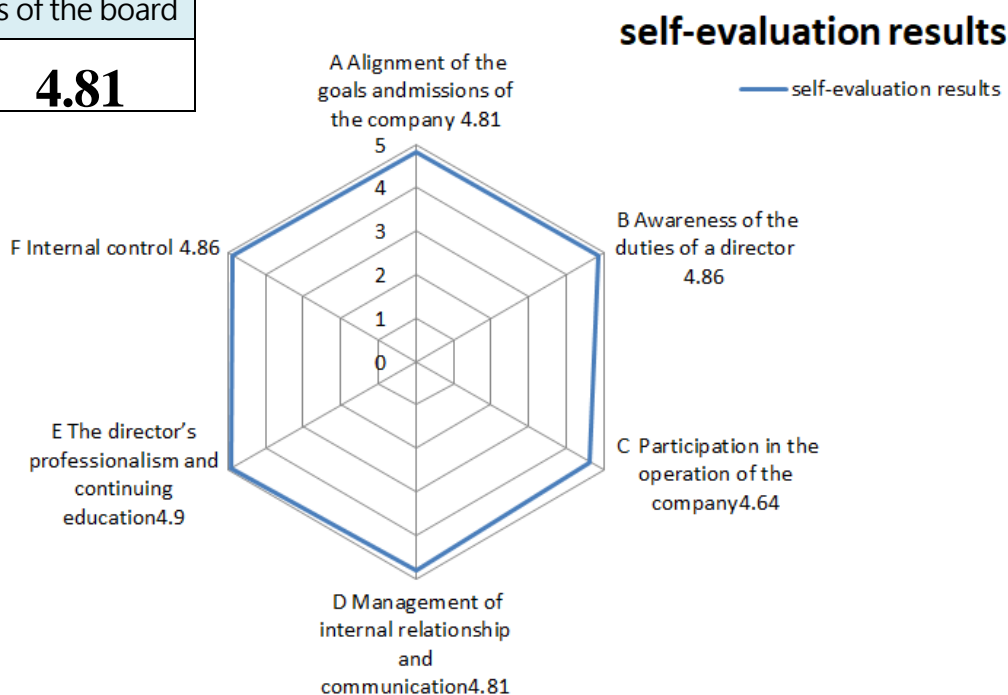
The average score for the overall performance of the Board of Directors is 4.68 out of 5, between "strongly agree" and "agree". As demonstrated, the overall board's operation has been effective. The board of directors has fully guided and supervised the company's strategy, major business and risk management, which meets the requirements of corporate governance.

2. The content and results of the performance evaluation of the directors are as follows:

evaluation cycle	evaluation period	evaluation scope	evaluation method	Evaluation items
Once a	2024/1/1~2024/12/31	Individual	board	A. Alignment of the goals and

year		directors' performance evaluation	member' s self-evaluation	missions of the company B. Awareness of the duties of a director C. Participation in the operation of the company D. Management of internal relationship and communication E. The director's professionalism and continuing education F. Internal control
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(□) Members of the board
score 4.81



The average score for the performance of the individual directors is 4.81 out of 5, between "strongly agree" and "agree". The directors strongly agree with most of the performance of evaluation items. As demonstrated, the directors have positive comments on the efficiency and effectiveness of the operation of various indicators.

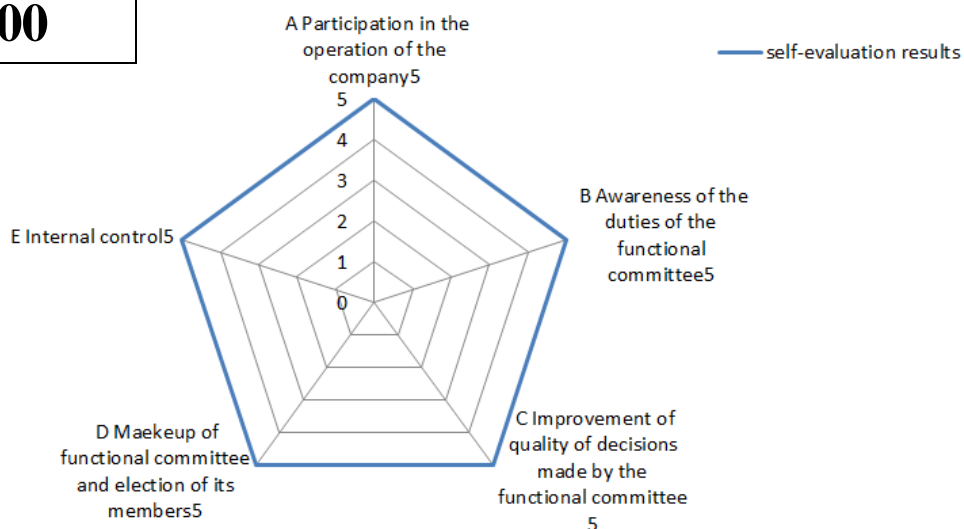
3. The content and results of the performance evaluation of the Audit Committee and the Compensation Committee are as follows :

evaluation	evaluation period	evaluation	evaluation	Evaluation items
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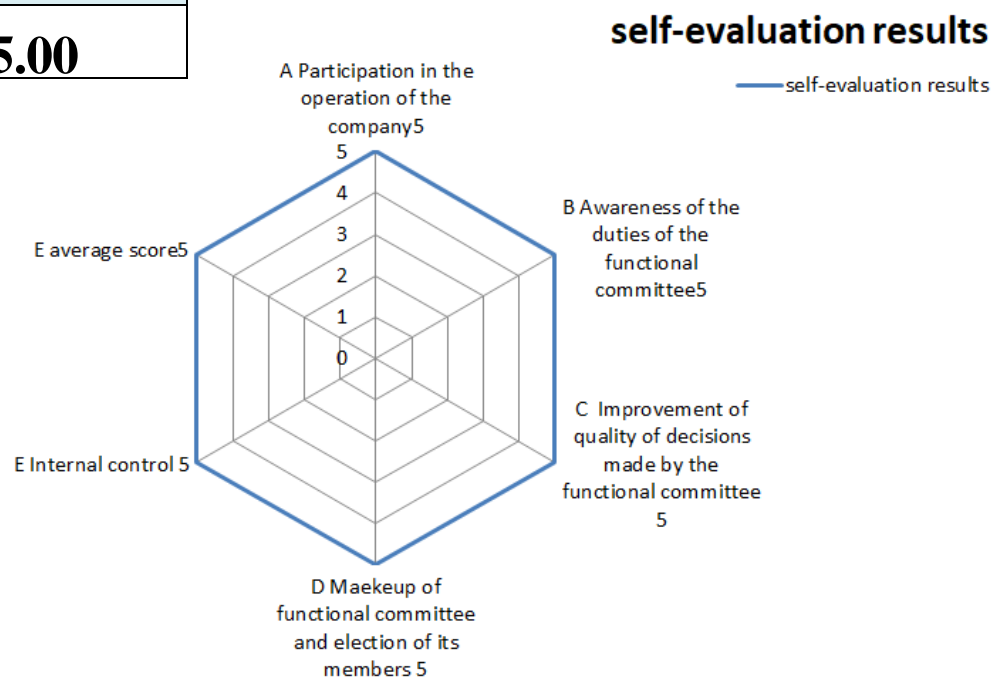
cycle		scope	method	
Once a year	2024/1/1~2024/12/31	Audit Committee	self-evaluation of Audit Committee members	A. Participation in the operation of the company B. Awareness of the duties of the functional committee C. Improvement of quality of decisions made by the functional committee D. Makeup of functional committee and election of its members E. Internal control
Once a year	2024/1/1~2024/12/31	Compensation Committee	self-evaluation of Compensation Committee members	A. Participation in the operation of the company B. Awareness of the duties of the functional committee C. Improvement of quality of decisions made by the functional committee D. Makeup of functional committee and election of its members E. Internal control

(三) Audit Committee	
score	5.00

self-evaluation results



(三) Compensation Committee	
score	5.00



The Audit Committee and the Compensation Committee both received an average score of 5.00, indicating a very high level of agreement. This demonstrates that the functional committees are operating effectively overall and are exercising their due powers and functions.

C. Audit Committee:

A total of 5 (A) Audit Committee meetings were held in 2024 and the date of 2025 which the annual publication.

(A) The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Independent Director	CHOU, YIH-HENG	5	0	100%	
Independent Director	Huang, Tai-Sheng	4	1	80%	
Independent Director	Yuan-liang Su	5	0	100%	
Other mentionable items:					
I、If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion					

should be specified.

(i) Matters referred in Article 14-5 of the Securities and Exchange Act.

(ii) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

II 、 The independent director's implementation of the recusal of the proposal of interest should state the name of the independent director, the content of the proposal, the reason for the recusal of the interest, and the status of participation in voting: None.

III 、 Descriptions of the communications between the independent directors, the internal auditors, and the independent auditors (which should include the material items, methods, and results of the audits on the corporate finance and/or operations, etc.).

(i) The communication between Independent directors' and CPAs:

Date	directors	Independent directors	Audit Committee	Discussion items with CPAs	Opinion & Result
2024.03.06		√	√	CPA explained the audit results of financial statements of 2023 (consolidated and unconsolidated).	no objection
2024.10.30		√	√	CPA explained the audit results of financial statements for the 3rd quarter of 2024.	no objection
2025.03.05		√	√	CPA explained the audit results of financial statements of 2024 (consolidated and unconsolidated).	no objection

(ii) The communication between Independent directors and internal Auditors:

Date	directors	Independent directors	Audit Committee	Discussion items with Chief internal auditor	Opinion & Result
2024.01.25		√	√	Audit plan execution status for December 2023.	no objection
2024.02.22		√	√	Audit plan execution status for January 2024.	no objection
2024.03.06	√	√	√	Execution status of the audit plan for 2023, tracking status of the audit report for 2023-Q4.	no objection
2024.03.22		√	√	Audit plan execution status for February 2024.	The Audit Committee has reviewed and approved it, and the independent directors have no objections.
2024.04.22		√	√	Audit plan execution status for March 2024.	The Audit Committee has reviewed and approved it, and the independent directors have no objections.
2024.05.07	√	√	√	2024 Audit Report Tracking Status-Q1.	The Audit Committee has reviewed and approved it, and the independent directors have

					no objections.
2024.05.21		√	√	Audit plan execution status for April 2024.	The Audit Committee has reviewed and approved it, and the independent directors have no objections.
2024.07.01		√	√	Audit plan execution status for May 2024.	The Audit Committee has reviewed and approved it, and the independent directors have no objections.
2024.07.29		√	√	Audit plan execution status for June 2024.	The Audit Committee has reviewed and approved it, and the independent directors have no objections.
2024.08.05	√	√	√	2024 Audit Report Tracking Status-Q2.	The Audit Committee has reviewed and approved it, and the independent directors have no objections.
2024.08.12		√	√	Audit plan execution status for July 2024.	The Audit Committee has reviewed and approved it, and the independent directors have no objections.
2024.09.06		√	√	Audit plan execution status for August 2024.	The Audit Committee has reviewed and approved it, and the independent directors have no objections.
2024.10.07		√	√	Audit plan execution status for September 2024.	The Audit Committee has reviewed and approved it, and the independent directors have no objections.
2024.10.30	√	√	√	2024 Audit Report Tracking Status-Q3.	The Audit Committee has reviewed and approved it, and the independent directors have no objections.
2024.11.05		√	√	Audit plan execution status for October 2024.	The Audit Committee has reviewed and approved it, and the independent directors have no objections.
2024.12.06		√	√	Audit plan execution status for November 2024.	The Audit Committee has reviewed and approved it, and the independent directors have no objections.
2025.01.02		√	√	Audit plan execution status for December 2024.	The Audit Committee has reviewed and approved it, and the independent directors have no objections.
2025.02.03		√	√	Audit plan execution status for January 2025	The Audit Committee has reviewed and approved it, and the independent directors have no objections.
2025.03.05	√	√	√	Execution status of the audit plan	The Audit Committee has reviewed and

				for 2024, tracking status of the audit report for 2024-Q4.	approved it, and the independent directors have no objections.
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(B) Audit Committee proposals and resolutions:

Meeting date	Subjects	Resolution results	Implementation	Matters referred in Article 14-5 of the Securities and Exchange Act	Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors
The 7nd meeting of the 2nd session on March 6, 2024	1. 2023 business report & 2023 annual financial statements	The matter is approved by all Independent Directors.	Execute according to the resolution.	V	None
	2. loss-off setting proposal for 2023	The matter is approved by all Independent Directors.	Execute according to the resolution.	V	
	3. Discussion on the execution status of the audit plan for 2023 and the assessment of the effectiveness of internal control systems is proposed.	The matter is approved by all Independent Directors.	Execute according to the resolution.	V	
	4. Assessment of Independence & qualifications of CPAs and renewal of 2024 CPAs.	The matter is approved by all Independent Directors.	Execute according to the resolution.	V	

	<p>5. List of non-assurance services to be provided by Ernst & Young and its related entities in 2024.</p> <p>6. Amendment of “Organizational Rules of Audit Committee”.</p>	<p>The matter is approved by all Independent Directors.</p> <p>The matter is approved by all Independent Directors.</p>	<p>Execute according to the resolution.</p> <p>Execute according to the resolution.</p>		
The 8th meeting of the 2nd session on May 7, 2024	<p>1. 2024 first quarter financial statements.</p> <p>2. Discussion on renewal of annual credit agreement with banks.</p>	<p>The matter is approved by all Independent Directors.</p> <p>The matter is approved by all Independent Directors.</p>	<p>Execute according to the resolution.</p> <p>Execute according to the resolution.</p>	V	None
The 9th meeting of the 2nd session on August 5, 2024	<p>1. 2024 2nd quarter financial statements.</p> <p>2. Appointment of the governance officer of Z-COM.</p>	<p>The matter is approved by all Independent Directors.</p> <p>The matter is approved by all Independent Directors.</p>	<p>Execute according to the resolution.</p> <p>Execute according to the resolution.</p>	V V	None
The 10th meeting of the 2nd session on October 30, 2024	<p>1. 2024 third quarter financial statements.</p> <p>2. Making 2025 internal audit plan.</p> <p>3. Discussion on renewal of annual credit agreement with banks.</p>	<p>The matter is approved by all Independent Directors.</p> <p>The matter is approved by all Independent Directors.</p> <p>The matter is approved by all Independent Directors.</p>	<p>Execute according to the resolution.</p> <p>Execute according to the resolution.</p> <p>Execute according to the resolution.</p>	V V	None

	<p>4. Appointment of new audit officer.</p> <p>5. Establish the "Sustainable Information Management Measures."</p> <p>6. Establish the "Internal Control System for Sustainable Information Management."</p>	<p>The matter is approved by all Independent Directors.</p> <p>The matter is approved by all Independent Directors.</p> <p>The matter is approved by all Independent Directors.</p>	<p>Execute according to the resolution.</p> <p>Execute according to the resolution.</p> <p>Execute according to the resolution.</p>	V	
The 11th meeting of the 2nd session on March 5, 2025	<p>1. 2024 business report & 2024 annual financial statements</p> <p>2. loss-off setting proposal for 2024</p> <p>3. Discussion on the execution status of the audit plan for 2024 and the assessment of the effectiveness of internal control systems is proposed.</p> <p>4. Assessment of Independence & qualifications of CPAs and renewal of 2025 CPAs.</p> <p>5. List of non-assurance services to be provided by Ernst & Young and its related entities in 2025.</p> <p>6. Amendment of "Organizational Rules of Audit Committee".</p>	<p>The matter is approved by all Independent Directors.</p> <p>The matter is approved by all Independent Directors.</p> <p>The matter is approved by all Independent Directors.</p> <p>The matter is approved by all Independent Directors.</p> <p>The matter is approved by all Independent Directors.</p> <p>The matter is approved by all Independent Directors.</p>	<p>Execute according to the resolution.</p> <p>Execute according to the resolution.</p> <p>Execute according to the resolution.</p> <p>Execute according to the resolution.</p> <p>Execute according to the resolution.</p> <p>Execute according to the resolution.</p>	<p>V</p> <p>V</p> <p>V</p>	None

(Appendix I: Board of Directors training record in 2024)

Title	Name	Date of appointment	Training date		Organizer(s)	Courses	Training hours
			start	end			
Independent Director	CHOU, YIH-HE NG	2022/05/26	2024/09/23	2024/09/23	Taipei Foundation Of Finance	Corporate Governance - AI Supervision	3.0
Independent Director	CHOU, YIH-HE NG	2022/05/26	2024/10/01	2024/10/01	Taiwan Corporate Governance Association	How the Board of Directors Formulates ESG Sustainable Governance Strategies	3.0
Independent Director	HUANG, TAI-SHENG	2022/05/26	2024/10/04	2024/10/04	Taiwan Corporate Governance Association	Global Trends and Risk Management of Digital Innovation Technologies and AI Development	3.0
Independent Director	HUANG, TAI-SHENG	2022/05/26	2024/10/08	2024/10/08	Chinese National Association of Industry and Commerce	Nvidia's Three Trillion Miracle: New Thinking on the Semiconductor Industry Revolution Behind AI	3.0
Independent Director	Yuan-liang Su	2022/05/26	2024/05/14	2024/05/14	Taiwan Corporate Governance Association	Analysis of the Renewable Energy Certificate System and Green Power Trading	3.0
Independent Director	Yuan-liang Su	2022/05/26	2024/11/12	2024/11/12	Taiwan Corporate Governance Association	Innovative Thinking for Corporate Growth in the AI Era	3.0
Legal representative of the board of directors	John S. Shieh	2022/05/26	2024/05/13	2024/05/13	Taipei Foundation Of Finance	Trends in Sustainable Finance and Corporate Responses in the Context of Net Zero Carbon Emissions	3.0
Legal representative of the board of directors	John S. Shieh	2022/05/26	2024/11/12	2024/11/12	Taiwan Corporate Governance Association	Innovative Thinking for Corporate Growth in the AI Era	3.0
Legal representative of the board of directors	WU, TZY-HSIN	2022/05/26	2024/10/28	2024/10/28	Taipei Foundation Of Finance	Trends in Generative AI Industry Development	3.0
Legal representative of the board	WU, TZY-HSIN	2022/05/26	2024/11/05	2024/11/05	Institute of Taiwan Project Management	Corporate Sustainable Development and ESG, SDGs Action Plans and	3.0

Title	Name	Date of appointment	Training date		Organizer(s)	Courses	Training hours
			start	end			
of directors						Strategy Formulation	
Director	CHEN, YU AN	2022/05/26	2024/03/26	2024/03/26	Taiwan Securities Association	Application of Big Data in Credit Risk Management	3.0
Director	CHEN, YU AN	2022/05/26	2024/06/19	2024/06/19	Taiwan Securities Association	Trends in Domestic and International Net Zero Transformation and Corporate Response Strategies	3.0
Director	WU CHIA-FANG	2022/05/26	2024/04/26	2024/04/26	Securities and Futures Institute	Global and Taiwan Economic Outlook for 2024	3.0
Director	WU CHIA-FANG	2022/05/26	2024/08/16	2024/08/16	Taiwan Corporate Governance Association	Data Center Evolution: Development Trends of Silicon Photonics and AI Servers	3.0

D. The company's implementation of corporate governance and its deviating from the "Corporate Governance

Best-Practice Principles for TWSE/GTSM Listed Companies" and the root cause:

Assessment Item	Implementation Status (Note)			Deviating from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root cause
	Yes	No	Abstract Illustration	
I、Does Company follow "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" to establish and disclose its corporate governance practices?	V		Since its establishment, Z-Com has been committed to excellent governance and insists on transparent operation. On May 31, 2013, the Company Governance Practice Guidelines were approved by the shareholders' meeting, and the Guidelines are periodically revised in accordance with laws and regulations. In addition, the Company has established a compensation committee and an audit committee under the board of directors to enhance the board's functions and to exercise its supervisory role. Moreover, the Company has formulated and implemented a sound internal control system and made every effort to ensure equal treatment of shareholders and protect their rights. For related measures and implementation status, please refer to the Market Observation Post System or our website: http://www.zcom.com.tw .	In compliance with the Corporate Governance Best Practice Principles for Listed and OTC Companies
II、Shareholding Structure & Shareholders' Rights (i) Does Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented	V		(i) To ensure the interests of shareholders, the company has established a spokesperson system, and cooperates with the stock affairs agency, "SinoPac Securities Corp., Shareholder Services Department," to handle matters such as shareholder	In compliance with the Corporate Governance Best Practice Principles for

Assessment Item	Implementation Status (Note)			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
accordingly?			proposals, inquiries, and disputes.	Listed and OTC Companies
(ii) Does Company process a list of major shareholders and beneficial owners of these major shareholders?	V		(ii) The company has a dedicated person to handle matters related to shareholder services, and maintains close communication with the shareholder service agency to keep track of major shareholder shareholding changes and report on the shareholding status of insiders on a monthly basis, ensuring the stability of management rights.	In compliance with the Corporate Governance Best Practice Principles for Listed and OTC Companies
(iii) Has the Company built and execute a risk management system and “firewall” between the Company and its affiliates?	V		(iii) The management rights and responsibilities of the company and its affiliated companies are clearly defined; also, business transactions are conducted in accordance with the laws and regulations. We have established internal regulations such as the "Operating Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises," "Operating Procedures for Subsidiary Supervision," "Operating Procedures for Endorsement and Guarantee," "Operating Procedures for Lending Funds to Others," and "Asset Acquisition or Disposal Procedures" as operational norms for financial and business transactions between related enterprises,	In compliance with the Corporate Governance Best Practice Principles for Listed and OTC Companies

Assessment Item	Implementation Status (Note)			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
(iv) Has the Company established internal rules prohibiting insider trading on undisclosed information?	V		<p>establishing appropriate risk management mechanisms and firewalls.</p> <p>(iv)</p> <ol style="list-style-type: none"> On August 28, 2012, the company established the "Internal Handling of Material Information and Prevention of Insider Trading Management Procedures" to establish a sound internal mechanism for handling and disclosing material information, while strictly prohibiting employees and managers from trading securities with undisclosed material information in the market, in order to protect the interests of investors and maintain the rights of the company. The company conducts education and training to current directors, managers, and employees on the "Regulations Governing the Prevention of Insider Trading" and related laws and regulations at least once a year, and arranges education and training for newly appointed directors and managers within 3 months after taking office. New employees are educated and trained by the Human Resources Department during pre-employment training. In the year 2024, our company provided a total of 14 training 	In compliance with the Corporate Governance Best Practice Principles for Listed and OTC Companies

Assessment Item	Implementation Status (Note)			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
			<p>sessions for the current directors. The course content included topics such as corporate sustainable development, trends and corporate response strategies related to net-zero transformation, AI supervision, and applications in big data credit risk management.</p> <p>On December 25, 2024, during the quarterly meeting, we conducted insider trading prevention education for all employees. Additionally, on December 2, 2024, we provided education and advocacy to company managers and employees via email. The related educational presentation materials have been placed in the internal employee system for reference and reading by all employees.</p> <p>4. Furthermore, during the monthly internal equity changes investigation, our company simultaneously sends notifications to remind directors and insiders that they are prohibited from trading their stocks during the closed period, which is thirty days before the annual financial report announcement and fifteen days before the quarterly financial report announcement. This is to prevent directors from unintentionally violating these regulations. In the future, we will regularly include reminders about insider trading regulations in the insider shareholding</p>	

Assessment Item	Implementation Status (Note)			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
			change notification emails at the end of each month to ensure directors are aware of these rules.	
III 、Composition and Responsibilities of the Board of Directors. (i) Has the Board of Directors established a diversity policy, set goals, and implemented them accordingly?	V		(i) 1. Our company has set out the criteria for the composition of the board of directors in the "Practical Guidelines for Corporate Governance" and "Regulations for Director Elections," emphasizing the importance of diversity. We have formulated appropriate diversity policies based on our own operations, business models, and development needs, which should include but are not limited to the following two aspects of standards: (1) Basic criteria and values: gender, age, nationality, and culture. (2) Professional knowledge and skills: professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. 2. According to Article 20 of "Corporate Governance Best Practice Principles," the Board of Directors should generally possess the necessary knowledge, skills, and attributes required to carry out their duties. To achieve the ideal goal of corporate governance, the Board of Directors should have the	In compliance with the Corporate Governance Best Practice Principles for Listed and OTC Companies

Assessment Item	Implementation Status (Note)			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
			<p>following overall capabilities:</p> <p>(1) Operational judgment ability.</p> <p>(2) Accounting and financial analysis ability.</p> <p>(3) Business management ability.</p> <p>(4) Crisis management ability.</p> <p>(5) Industry knowledge.</p> <p>(6) International market perspective.</p> <p>(7) Leadership ability.</p> <p>(8) Decision-making ability.</p> <p>3. The company currently has 7 directors, including 3 independent directors, all of whom have the knowledge, skills, accomplishments and rich academic experience necessary to perform their duties. In addition, the company also pays attention to gender equality in the composition of the board of directors. The target ratio of female directors is more than 25%. Currently, out of 7 directors, including 2 female directors, the ratio has reached 29%. For more information on the diversity of our board of directors, please refer to page16-17.</p> <p>4. The board of directors has established a diversity policy which is disclosed at Z-COM’s website.</p>	

Assessment Item	Implementation Status (Note)			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
(ii) Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees?		V	(ii) The company established the Compensation Committee on December 6 2011 and Audit Committee May 31 2019. The company has not yet established other functional committees and will study and improve as needed in the future based on the company's requirements.	The company has not yet established other functional committees and will study and improve as needed in the future based on the company's requirements.
(iii) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors, and used the results as reference for directors’ remuneration and renewal?	V		(iii) 1. The company has established the Regulations Governing the Board Performance Evaluation on March 10 2020. The Company shall conduct the evaluation of board performance regularly. The evaluation methods include internal assessment, self-assessment of the board members, peer evaluation, or any other appropriate method. The evaluation report of the board and functional committees for 2024 has been submitted to the Board on March 5th 2025 and disclosed in Z-COM’s website. The evaluation report can also be reviewed by Market Observation Post System. 2. The article 8 of the Regulations Governing the Board Performance Evaluation specifies that performance	In compliance with the Corporate Governance Best Practice Principles for Listed and OTC Companies

Assessment Item	Implementation Status (Note)			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
(iv) Does the Company regularly evaluate its external auditors’ independence?	V		<p>evaluation results of the company's board of directors shall be used as a reference when selecting or nominating directors; and the performance evaluation results of individual directors shall be used as a reference for determining their salary and compensation.</p> <p>(iv) 1. According to the article 29 of “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” listed and OTC companies should select professional, responsible, and independent certified public accountants. They should regularly (at least once a year) refer to the Audit Quality Indicators (AQIs) to assess the independence and suitability of the accountant.</p> <p>2. On March 6, 2023, the board of the company approved the revision of the "Independence Assessment Measures for CPAs” which stipulates that the company should regularly (at least once a year) refer to the audit quality indicators (AQIs) to assess the independence of the appointed auditors, and the evaluation results should be submitted to the board of directors for resolution.</p> <p>3. The board meeting of the company approved the regular</p>	In compliance with the Corporate Governance Best Practice Principles for Listed and OTC Companies

Assessment Item	Implementation Status (Note)			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause																		
	Yes	No	Abstract Illustration																			
			<div>evaluation of the independence, competence and professionalism of CPAs and obtained the statement of independence by CPAs on March 6 2024 and March 5 2025.</div> <div>4. The evaluation results of the independence of CPAs are as follows:</div> <table><thead><tr><th>Independence</th><th>Yes</th><th>No</th></tr></thead><tbody><tr><td>(I) Has the CPA not served as a director of the company or an affiliated company?</td><td>V</td><td></td></tr><tr><td>(II) Is the certified accountant not a shareholder of the company or an affiliated company?</td><td>V</td><td></td></tr><tr><td>(III) Is the CPA not compensated by the company or any affiliated companies?</td><td>V</td><td></td></tr><tr><td>(IV) Has the CPAs confirmed that their affiliated CPA firm has complied with relevant independence regulations?</td><td>V</td><td></td></tr><tr><td>(V) Have any of the joint practicing CPAs of the CPA firm to which the CPA belongs not served as a director, manager, or held a position with significant influence on audit matters for Z-COM within the past year?</td><td>V</td><td></td></tr></tbody></table>	Independence	Yes	No	(I) Has the CPA not served as a director of the company or an affiliated company?	V		(II) Is the certified accountant not a shareholder of the company or an affiliated company?	V		(III) Is the CPA not compensated by the company or any affiliated companies?	V		(IV) Has the CPAs confirmed that their affiliated CPA firm has complied with relevant independence regulations?	V		(V) Have any of the joint practicing CPAs of the CPA firm to which the CPA belongs not served as a director, manager, or held a position with significant influence on audit matters for Z-COM within the past year?	V		
Independence	Yes	No																				
(I) Has the CPA not served as a director of the company or an affiliated company?	V																					
(II) Is the certified accountant not a shareholder of the company or an affiliated company?	V																					
(III) Is the CPA not compensated by the company or any affiliated companies?	V																					
(IV) Has the CPAs confirmed that their affiliated CPA firm has complied with relevant independence regulations?	V																					
(V) Have any of the joint practicing CPAs of the CPA firm to which the CPA belongs not served as a director, manager, or held a position with significant influence on audit matters for Z-COM within the past year?	V																					

Assessment Item	Implementation Status (Note)					Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause						
	Yes	No	Abstract Illustration									
			<table><tr><td>(VI) The CPAs have not provided audit services for the company for seven consecutive years.</td><td>V</td><td></td></tr><tr><td>(VII) Has the CPAs complied with the regulations on independence in the Norm of Professional Ethics for CPA No.10?</td><td>V</td><td></td></tr></table> <p>5. In addition, on March 6 2023, the Audit Committee and the Board of Directors passed the 5 major aspects and 13 indicators of the AQIs disclosure framework issued by the Financial Supervisory Commission to evaluate the ability and commitment of the accounting firm and the audit team to improve audit quality.</p>			(VI) The CPAs have not provided audit services for the company for seven consecutive years.	V		(VII) Has the CPAs complied with the regulations on independence in the Norm of Professional Ethics for CPA No.10?	V		
(VI) The CPAs have not provided audit services for the company for seven consecutive years.	V											
(VII) Has the CPAs complied with the regulations on independence in the Norm of Professional Ethics for CPA No.10?	V											
IV 、 Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors’ compliance of law, handling matters related to board meetings and shareholders’ meetings	V		The company has set up part-time personnel for corporate governance, responsible for corporate governance-related matters, including: handling matters related to meetings of the board of directors and shareholders' meetings in accordance with the law, handling company registration and changes in registration, preparing minutes of meetings of the board of directors and shareholders' meetings, providing information required for the directors to carry out their duties, and updating in accordance with			In compliance with the Corporate Governance Best Practice Principles for Listed and OTC Companies						

Assessment Item	Implementation Status (Note)			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
according to law, and recording minutes of board meetings and shareholders’ meetings)?			the directors' backgrounds and current laws, and regularly arranging annual director training courses.	
V 、Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders’ questions on corporate responsibilities?	V		1. The company has established communication channels with banks and other creditors, employees, customers, manufacturers and shareholders, and respects and safeguards their legitimate rights and interests. 2. The company website has a "Stakeholder Zone" set up to provide a smooth communication channel between various stakeholders and the company. 3. In addition, the company website also has multiple contact windows such as "Contact Us" and "Investor Zone" for diversified communication.	In compliance with the Corporate Governance Best Practice Principles for Listed and OTC Companies
VI 、Has the Company appointed a professional registrar for its Shareholders’ meeting?	V		The company appointed SinoPac Securities (Shares) Co., Ltd. to handle the affairs of the shareholders' meeting.	In compliance with the Corporate Governance Best Practice Principles for Listed and OTC Companies
VII 、Information Disclosure				

Assessment Item	Implementation Status (Note)			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
(i) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	V		(i) Z-COM discloses its financials business and corporate governance status on its website at http://www.zcom.com.tw (in Chinese and English). The company’s financial and business information can also be inquired by “Market Observation Post System”.	In compliance with the Corporate Governance Best Practice Principles for Listed and OTC Companies
(ii) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors’ conference etc.)?	V		(ii) The company has set up an English website, and designated a special person to be responsible for information collection and disclosure, and implemented a spokesperson system. The spokesperson is: CEO WU CHIA-FANG. The financial, business and governance information of the company can be inquired through the company's website or “Market Observation Post System.”	In compliance with the Corporate Governance Best Practice Principles for Listed and OTC Companies
(iii) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second and third quarter financial statements as well as the operating status of each month before the prescribed deadline?		V	(iii) The company has not announced and submitted the annual financial report within two months after the end of the fiscal year, nor has it announced and submitted the first, second and third quarter financial reports and the operating conditions of each month in advance.	will be made based on the company's situation

Assessment Item	Implementation Status (Note)			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
VIII、Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	V		<p>The corporate governance best practices and related regulations formulated by our company can be accessed through “Market Observation Post System or Z-COM’s website: http://www.zcom.com.tw/”</p> <p>To prevent the company or insiders from erroneously or intentionally violating the relevant regulations on insider trading due to ignorance of laws and regulations, which will cause the company or insiders to be involved in lawsuits and damage their reputation, the company has established “Procedures for Handling Material Inside Information and the Prevention of Insider Trading” on August 28, 2012, to protect investors and safeguard company interests. The company conducts educational and promotional activities to inform colleagues of relevant laws and regulations and publishes the measures on the company website for reference.</p> <ol style="list-style-type: none"> 1. Employees' rights and interests: The company has always treated employees with integrity and protected their legitimate rights and interests in accordance with the Labor Standards Act. 2. In addition to implementing the pension system, plan employee group insurance and schedule regular health checkups, and encourage employees to participate in various training courses and technical seminars. 	In compliance with the Corporate Governance Best Practice Principles for Listed and OTC Companies

Assessment Item	Implementation Status (Note)			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
			<p>3. The company has a Welfare Committee, which provides employees with discounts and benefits from manufacturers related to food, clothing, housing, transportation, and entertainment. The company also holds annual employee and family activities to allow employees' families to participate in company events, care for employee physical and mental health, and promote harmony between the company and employees' families.</p> <p>4. The company has multiple channels for employees to voice their concerns, with legal and administrative executives and the general manager safeguarding employees' rights and interests. #Dedicated mailbox for sexual harassment at workplace. # Dedicated mailbox for complaint.</p> <p>5. The company has a spokesperson mechanism to answer investor-related questions and maintain a good relationship with investors. °</p> <p>6. The company's operating units maintain a good relationship with suppliers, and regularly hold supplier meetings.</p> <p>7. The company's directors arrange training in accordance with relevant regulations. Please refer to page 42-43 of the annual report for details on Board of Directors training record in 2024.</p>	

Assessment Item	Implementation Status (Note)			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
			<p>8. Our company has established various internal regulations in accordance with the law to carry out various risk management and assessments.</p> <p>9. Implementation of client or customer protection policy: The company maintains a good and stable relationship with customers to create company profits.</p> <p>10. The implementation of the directors' recusal from matters involving conflicts of interest: Directors of the company who have conflicts of interest with the matters discussed in the board meetings have voluntarily recused themselves from voting.</p> <p>11. The company has purchased liability insurance for directors in August 2024, with coverage from August 25, 2024, to August 25, 2025.</p>	
<p>IX、The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange and priority enhancements and measures for those that have not been improved.</p> <p>The improvements in corporate governance evaluation results for the year 2024 are as follows:</p> <ol style="list-style-type: none"> 1. The shareholder meeting handbook and supplementary materials were uploaded 30 days before the shareholders' meeting in 2024. 2. The interim financial reports for 2024 were approved by the Audit Committee and submitted to the Board of Directors for discussion and resolution. 3. In 2024, a Corporate Governance Officer was appointed to handle corporate governance affairs, with their responsibilities and training details explained on the company's website and annual report. 				

Assessment Item	Implementation Status (Note)			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
4. The company uploaded the annual financial reports disclosed in English 18 days before the shareholders' annual meeting in 2024. 5. Significant announcements in 2024 were also released in English simultaneously. The priority enhancements and measures for those that need to be improved in 2025: 1. Enhancing the disclosure of financial and corporate governance-related information on the company's English website. 2. Strengthening the disclosure of sustainable development progress on the company’s website.				

E. The composition of the Remuneration Committee, responsibilities, and operation:

1. Remuneration Committee members

category	Name	Professional qualifications and experience	Independent status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director	Note
Independent Director (Convenor)	CHOU, YIH-HENG	<p>1. Qualifications: Lecturers or above from public or private universities or colleges with expertise in business, law, finance, accounting, or corporate operations.</p> <p>2. Previous independent director of Z-COM, Inc., Executive Director of Chinese Management Association, and CEO of Accreditation of Chinese Collegiate School of Business (ACCBE).</p>	As an independent director, he/she meets the independence requirements, including but not limited to: the individual, spouse, and relatives within the second degree of kinship who have not served as a director, supervisor, or employee of the Company or its related enterprises; do not hold any shares of the Company; do not serve as a director, supervisor, or employee of companies with specific relationships with the Company; and have not received any compensation for providing business, legal, financial, accounting, or other services to the Company or its related enterprises in the past 2 years.	0	
Independent director	Huang, Tai-Sheng	<p>1. Qualifications: Lecturers or above from public or private universities or colleges with expertise in business, law, finance, accounting, or corporate operations.</p> <p>2. Previous Z-COM, Inc. independent director and concurrently served as the associate professor at transportation graduate school of National Chiao Tung University.</p>	As an independent director, he/she meets the independence requirements, including but not limited to: the individual, spouse, and relatives within the second degree of kinship who have not served as a director, supervisor, or employee of the Company or its related enterprises; do not hold any shares of the Company; do not serve as a director, supervisor, or employee of companies with specific relationships with the Company; and have not received any compensation for providing business, legal, financial, accounting, or other services to the Company or its related enterprises in the past 2 years.	0	

category	Name	Professional qualifications and experience	Independent status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director	Note
Independent director	Yuan-liang Su	<p>1. Qualifications: Lecturers or above from public or private universities or colleges with expertise in business, law, finance, accounting, or corporate operations.</p> <p>2. Former independent director of Z-COM, Inc., chairman of Surplux Energy Inc., independent director of AblereX, legal representative of Arima Communications Corp.</p>	As an independent director, he/she meets the independence requirements, including but not limited to: the individual, spouse, and relatives within the second degree of kinship who have not served as a director, supervisor, or employee of the Company or its related enterprises; do not hold any shares of the Company; do not serve as a director, supervisor, or employee of companies with specific relationships with the Company; and have not received any compensation for providing business, legal, financial, accounting, or other services to the Company or its related enterprises in the past 2 years.	1	

2. The operation of Remuneration Committee

(1) There are three members in Remuneration Committee of the Company.

(2) Current term of office: May 26, 2022~May 26, 2025. Remuneration Committee has held a total of 3 meetings for 2024-2025 and up until the date of annual report publication.

(A) Member qualifications and attendance status are as follows: :

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (B/A)	Note
Convener	CHOU, YIH-HENG	3	0	100%	
Committee Member	Huang, Tai-Sheng	2	1	66.7%	
Committee Member	Yuan-liang Su	3	0	100%	
Other required information:					
A、If the Board of Directors does not accept or amend the suggestions of the Remuneration Committee, please state the Board meeting date, term, the motions, content of the resolutions of the Board, and the Company's handling of the opinions proposed by the Remuneration Committee: None.					
B、For resolutions reached by the Remuneration Committee regarding which independent directors have voiced opposing or opinions of all members, and the handling of the opinions of the members: None.					

The current members of 5th Remuneration Committee are 3 independent directors-- Huang, Tai-Sheng, CHOU, YIH-HENG who is the convener of the committee, and Yuan-liang Su. All of them have professional qualifications that comply "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is listed on the Taiwan Stock Exchange or the Taipei Exchange".

(B) Subjects and resolution results by the Remuneration Committee:

Remuneration Committee	Subjects	Resolution results	Company reaction base on the opinion of Compensation Committee
The 4 th meeting of the 5 th	1. Report on the Performance Evaluation Results of the Remuneration Committee for the year 2023.	Report Items	


session on March 6, 2024	1. Discuss on Directors' Remuneration and Employees' Remuneration for the year 2023.	Discussion Items	Presented for Board Discussion
The 5 rd meeting of the 5 th session on August 5, 2024	1. Proposal for the Appointment and Remuneration of the Corporate Governance Officer. 2. Proposal for the Salary Adjustment of Managers for the Year 2024.	Discussion Items	Presented to the board of directors
The 6 rd meeting of the 5 th session on March 5, 2025	1. Report on the Performance Evaluation Results of the Remuneration Committee for the year 2024.	Report Items	
	1. Discuss on Directors' Remuneration and Employees' Remuneration for the year 2024. 2. Proposal to Establish the 'Compensation Regulations for Directors and Senior Managers.	Discussion Items	Presented for Board Discussion

F. Sustainable Development Implementation Status and Deviations from the “Sustainable Development Best Practice

Principles for TWSE/TPEX Listed Companies:

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and reasons
	Yes	No	Abstract Explanation	
I、Has the company established an ESG unit (full-or part time), with a senior manager authorized by the Board of Directors to handle and report related activities to the Board of Directors?	V		<p>1. The company has established a comprehensive governance framework and management mechanism for sustainable development to ensure that the business operations address environmental, social, and corporate governance (ESG) goals. In addition to formulating a Sustainable Development Practices Code, the company also established a Sustainable Development Promotion Office in 2023. This office is responsible for coordinating and promoting sustainability-related matters, led by senior management and reporting regularly to the Board of Directors.</p> <p>2. The Board of Directors reviews the progress of sustainability initiatives on a quarterly (or annual) basis to ensure that related policies, plans, and performance align with the company's strategic objectives and stakeholder expectations. The Board also ensures the continuous improvement of sustainability mechanisms to meet international standards and regulatory requirements.</p>	Complies with “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”

<p>II 、 Does the company follow principles of materiality in evaluating the risks of environmental, social, and corporate governance, and establish relevant policies or strategies?</p>	<p>V</p>	<p>Our company adheres to the business philosophy of "excel in quality" and the principle of significance. While pursuing sustainable operation and profitability, we fulfill our corporate social responsibility, value the rights and interests of stakeholders, and pay attention to environmental, social, and corporate governance issues. Incorporate this into the company' s management policies and operational activities by formulating risk management policies and business continuity plans. Conduct risk impact assessments and promote countermeasures to mitigate the impact and influence of risks. Continuously revise and optimize these measures while conducting annual risk management and identification tasks. For ESG (Environmental, Social, and Governance) issues, the key topics are as follows: Economic Aspect: Economic performance, taxation, integrity management, and information security management. Environmental Aspect: Materials, climate change adaptation, water resources, waste management, and biodiversity. Social Aspect: Talent attraction and retention, social participation, labor relations, occupational health and safety, and product health and safety. The results of these evaluations are incorporated into senior management meetings for tracking and discussion, aiming to achieve the goal of sustainable business operations.</p> <p>Our company conducts risk assessments and analyses on key issues based on the principle of materiality in corporate social responsibility. We formulate corresponding policies and objectives and develop action plans accordingly. Please refer to</p>	<p>Complies with “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”</p>
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		<p>the materiality analysis matrix.</p> 	
<p>III 、Environmental issue</p> <p>(i) Does the company establish an appropriate environmental management system based on its industry characteristics?</p>	V	<p>(i) The company has obtained ISO14001 certification and established an Environmental Safety and Health Management Committee and an ISO14001 Environmental Management System. It continuously addresses global climate change and environmental issues by adhering to environmental protection, energy efficiency, and energy consumption-related laws and standards. The company evaluates risks and opportunities, formulates management plans, conserves energy, and reduces resource waste.</p>	<p>Complies with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies</p>
<p>(ii) Does the company strive to improve energy</p>	V	<p>(ii) The company is committed to improving resource</p>	<p>Complies with Corporate</p>

<p>use efficiency and use environmentally friendly recycled materials with low environmental impact?</p>			<p>utilization efficiency. It has added 213.78 kW/h of clean energy and operates in parallel with its energy management policy. Green design is based on a life-cycle perspective, integrating the 3R principles (Recycle, Reuse, Reduce) into product development. The goal is to create environmentally friendly products that are non-toxic, easy to assemble, and energy-efficient.</p>	<p>Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies</p>
<p>(iii) Does the company assess the potential risks and opportunities of climate change on its current and future business, and take measures to address climate-related issues?</p>	V		<p>(iii) Our company's Sustainability Development Office is responsible for planning and executing various sustainability-related initiatives. In alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework, we conduct regular assessments of the potential risks and opportunities posed by climate change to our operations. By identifying physical risks (such as extreme weather events), transition risks (such as regulatory changes), and opportunities (such as improving resource efficiency), we develop corresponding strategies and action plans. These measures include procuring energy-efficient equipment, enhancing environmental inspection management, promoting paperless operations, improving green manufacturing efficiency, and adopting renewable energy. Through these initiatives, we aim to mitigate the impact of climate change on our operations, seize transformation opportunities, and strengthen corporate resilience and sustainable competitiveness.</p>	<p>Complies with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies</p>

<p>(iv) Has the company calculated the greenhouse gas emissions, water usage, and total waste weight over the past two years and developed policies for energy conservation, carbon reduction, greenhouse gas reduction, water conservation, or waste management?</p>	<p>V</p>	<p>(iv) Environmental Policy of the Company: The company has established continuous action plans and regularly reports information to the Environmental Protection Administration's Industrial Waste Declaration and Management Information System. It also outsources waste treatment to qualified waste disposal vendors.</p> <p>1. Environmental Policy: Compliance with regulations and pollution prevention. Energy conservation and resource recycling. Continuous improvement and performance enhancement.</p> <p>2. Compliance with Regulations: Dedicated personnel collect and compile the latest regulations weekly. Monthly preparation of an environmental regulatory identification table to ensure legal and regulatory compliance.</p> <p>3. Energy Conservation</p> <p>3.1 Electricity:</p> <p>3.1.1 Replace traditional lighting with high-efficiency energy-saving lamps.</p> <p>3.1.2 Daily inspections of the facility to turn off unnecessary lights and air conditioning. Air conditioning temperature set between 24°C and 26°C.</p> <p>3.1.3 Use color-coded labels on power switches as reminders to conserve electricity.</p> <p>3.1.4 Turn off lights during lunch breaks.</p> <p>3.1.5 Adjust central air conditioning operating hours based on weather conditions.</p>	<p>Complies with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies.</p>
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			<p>3.2 Water:</p> <p>3.2.1 Conduct daily facility inspections to check for leaks in toilets, water tanks, faucets, pipe joints, and underground pipelines.</p> <p>3.2.2 Adjust water basin flow rates.</p> <p>3.2.3 Place plastic bottles in toilet water tanks to reduce flush water usage.</p> <p>4. Resource Recycling:</p> <p>Encourage employees to reuse cushioning materials.</p> <p>Donate usable discarded items to social welfare organizations.</p> <p>5. Continuous Improvement:</p> <p>Optimize processes according to the ISO 14001 PDCA cycle.</p> <p>6. Performance Enhancement:</p> <p>Set phased targets and align them with the PDCA cycle to improve overall performance.</p> <p>Statistics on greenhouse gas emissions and total waste volume from the past two years can be found on pages 78-81. Concrete results of the energy-saving policies and environmental initiatives are detailed on pages 78-81.</p>	
<p>IV 、Social issues</p> <p>(i) Does the company establish relevant management policies and procedures in accordance with relevant laws and international human rights conventions?</p>	V		<p>(i) Our company complies with relevant laws and regulations in Taiwan, supports and respects international labor and human rights norms, and refers to norms such as the International Labor Convention and the United Nations Universal Declaration of Human Rights to formulate standards that are in line with business ethics, environmental and social issues,</p>	<p>Complies with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies</p>

<p>(ii) Does the company establish and implement reasonable employee benefits (including compensation, leave, and other benefits), and appropriately reflect business performance or results in employee compensation?</p>	<p>V</p>	<p>human rights, and other public policy commitments. We implement and disclose these standards on our company website. We also protect the legitimate rights and interests of our employees in accordance with labor regulations by providing retirement benefits, establishing a workers' welfare committee to handle various welfare matters, and regularly convening labor-management meetings to understand both parties' perspectives and achieve a win-win situation for labor and management.</p> <p>(ii) The company has established "Employee Work Rules" and "Attendance Management Measures" in accordance with the Labor Standards Act, which cover the basic wage, working hours, leave, retirement benefits, labor insurance benefits, and occupational accident compensation for hired employees, all of which comply with relevant regulations. Additionally, the Employee Welfare Committee, which is elected by employees, is responsible for managing various welfare matters (please refer to the annual report for labor-management relations). For employees, regardless of their seniority, department, position, or job changes, the company negotiates different salaries with them in accordance with relevant legal principles based on their job grades, without any differentiation based on gender, age, race, religion, political stance, marital status, or participation in groups.</p> <p>According to the company's bylaws, 10% to 15% of the</p>	<p>Complies with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies</p>
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<p>(iii) Does the company provide employees with a safe and healthy working environment, and regularly conduct safety and health education for employees?</p>	<p>V</p>	<p>annual profit is allocated for employee compensation, in addition to promotions and performance bonuses, with a comprehensive and reasonable "salary management and performance evaluation system" policy. There is also a compensation committee that combines the company's related policies, employee and managerial performance evaluation systems, and corporate social responsibility policies each year to consider the policies, systems, standards, and structures of salary compensation and incorporate them into the salary compensation policy.</p> <p>(iii) Our company has an annual work environment testing plan developed by the Labor Safety and Health Office, which includes checking the concentration of carbon dioxide and lead in the work environment. The results show that the carbon dioxide concentration is tested twice a year, and all values are below 5000 ppm. The lead concentration is tested once a year, and the value is below 0.05 mg/m³. (For statistics, please refer to pages 78-81)</p> <p>To ensure employee safety, we have established occupational safety and health work rules, hazard communication, and emergency response management procedures as the basis for safety and health management. We also develop annual occupational safety and health management plans and implementation items.</p> <p>1. The content includes: procurement and upgrading of protective equipment, emergency evacuation drills for</p>	<p>Complies with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies</p>
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		<p>personnel, fire safety training and equipment usage, conducting annual health check-ups and health seminars for employees, occupational safety and health (refresher) training for new and existing staff, promotion of safety and health-related information, and automated inspections of various equipment.</p> <p>2. The company regularly conducts general health check-ups for in-service employees in accordance with the "Labor Health Protection Regulations".</p> <p>3. Training</p> <table><tr><th>Content/Year</th><th>2023</th><th>2024</th></tr><tr><td>Hazard General Training (New Members)</td><td>5</td><td>22</td></tr><tr><td>Occupational Education Training for First Aid Personnel Safety and Health</td><td>1</td><td>4</td></tr><tr><td>1. Fire Safety Education and Training 2. Occupational Safety and Fire Safety Education and Training</td><td>1. 15 employees 2. Company-wide fire evacuation drills on June 17 & December 8.</td><td>1. 17 employees 2. Company-wide fire evacuation drills on May 31 & November 8.</td></tr></table> <p>4. No fire incidents occurred in 2024.</p>	Content/Year	2023	2024	Hazard General Training (New Members)	5	22	Occupational Education Training for First Aid Personnel Safety and Health	1	4	1. Fire Safety Education and Training 2. Occupational Safety and Fire Safety Education and Training	1. 15 employees 2. Company-wide fire evacuation drills on June 17 & December 8.	1. 17 employees 2. Company-wide fire evacuation drills on May 31 & November 8.	
Content/Year	2023	2024													
Hazard General Training (New Members)	5	22													
Occupational Education Training for First Aid Personnel Safety and Health	1	4													
1. Fire Safety Education and Training 2. Occupational Safety and Fire Safety Education and Training	1. 15 employees 2. Company-wide fire evacuation drills on June 17 & December 8.	1. 17 employees 2. Company-wide fire evacuation drills on May 31 & November 8.													

<p>(iv) Does the company establish effective career and capability development training plans for employees?</p>	<p>V</p>	<p>(iv) Our company's Administrative Management Department promotes the following initiatives:</p> <p>(1) Annual Training Plan," which effectively plans educational and training courses based on the professional needs of each department's employees to strengthen their professional skills. As for career development in other aspects, the Administrative Management Department selects external courses or training based on their needs and recommends colleagues to participate in external training. After the external training, we hold internal sharing sessions within the company.</p> <p>(2) "Management Training" provides education and training in management skills for colleagues who are promoted annually according to their needs in career development.</p> <p>(3) We value employees' self-growth and have formulated an "Education and Training Operating Procedure" that provides full subsidies for in-house training courses and full subsidies for professional external training for employees who have worked for one year or more. We allocate an annual education and training budget of 1% of the total payroll for all employees.</p> <p>(4) Integrating talent development with company business development strategies to achieve digital transformation in talent information. By implementing practical applications and systematic learning through AI tools, the company</p>	<p>Complies with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies</p>
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<p>(v) Does the company comply with relevant laws and international standards related to issues such as customer health and safety, customer privacy, marketing, and labeling of products and services, and have they established policies and complaint procedures to protect consumer or customer rights?</p>	V		<p>enhances its competitiveness.</p> <p>(v) Our company has established the "Environmental Restricted Substances Management Operating Standards" and maintains effective communication channels with clients. We ensure transparent and efficient complaint-handling procedures for our products and services. For all business operations, we provide dedicated contact points and communication methods to safeguard consumer rights and offer prompt grievance processes. All products produced and sold comply with international regulations on prohibited substances (RoHS, REACH).</p>	<p>Complies with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies</p>
<p>(vi) Has the company established a supplier management policy that requires suppliers to follow relevant regulations on environmental protection, occupational safety and health, labor rights, and other issues, and what is its implementation status?</p>		V	<p>(vi) This corporation has established a "Supplier Management Procedure," in which the environmental and social impacts are also evaluated when conducting procurement activities. For the parts, we require suppliers to provide SGS certification for recognition.</p> <p>This corporation is gradually implementing the compliance of suppliers with relevant regulations on environmental protection, occupational safety and health, and labor rights issues. It is expected that by 2025, the management of suppliers in accordance with these regulations will be fully completed.</p>	<p>The supplier management policy is being gradually implemented.</p>

<p>V 、 Has the company utilized international standards or guidelines when preparing non-financial disclosure reports, such as corporate social responsibility reports? Has the aforementioned report received an attestation or assurance opinion from a third-party verification entity?</p>		<p>V</p>	<p>Our company, in accordance with the "Regulations Governing the Preparation and Submission of Sustainability Reports by Emerging Stock Companies" established by the Taipei Exchange, will begin annually publishing sustainability reports starting in 2024. These reports will be prepared using the Global Reporting Initiative (GRI) Standards as a reference framework. Furthermore, we plan to obtain certification from third-party verification organizations in the future.</p>	<p>Complies with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies</p>
<p>VI 、 If the company has established its own sustainability guidelines in accordance with the " Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, " please describe the differences between its operations and the established guidelines: The company has established its Corporate Social Responsibility (CSR) Practice Principles in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies." The company's operations and practices are closely aligned with these principles, with no significant discrepancies identified.</p>				
<p>VII 、 Other important information for understanding the implementation of sustainable development includes:</p> <ol style="list-style-type: none"> 1. In accordance with the regulations of the labor safety and health organization management and automatic inspection method, a labor safety and health organization (occupational safety and health office) and dedicated personnel are established in compliance with the scale and nature of the company to promote safety and health management matters. 2. A safe working environment is provided for employees, and necessary inspections are carried out for various operations, research and development experiments, air conditioning and lighting, and power equipment in accordance with the established plan (daily/weekly/monthly), and records are kept. In addition, to promote environmental activities, the company has set up resource recycling bins for waste sorting, and qualified vendors are commissioned to handle waste recycling operations. The resource recycling area is located at the back door of the factory, separated by a certain distance from the office space area of colleagues to ensure their safety and peace of mind. The office and factory area undergoes regular environmental disinfection each year, and disinfection vendors are specifically required to use non-toxic and low environmentally damaging cleaning products. 3. In compliance with the regulations for the employment of people with disabilities set by the Ministry of Labor, private enterprise organizations with a total workforce of 67 or more must employ people with disabilities at a rate of 1%, with a minimum of one person. The current number of employees in the company is below 67, in compliance with the legal requirements, and suitable employees with disabilities are given priority in recruitment policies. 4. Actively cultivating local talents (residents of Hsinchu County and City account for 70% of the total company employees) to fulfill corporate social 				

responsibility.

5. Participation in community development and charity organizations through public welfare activities, material donations, corporate volunteer services, or other free professional services (such as assistance targets, sponsorship or donation amounts, and public welfare activities): Public welfare activities initiated by the company's administrative management department and welfare committee members from time to time. The public welfare donation of Z-COM in 2024 is as follows:

Statement	Recipient	The main content	Man-hours	Funding amount for social welfare organizations
Our company continues to care for various disadvantaged groups, such as children and individuals with disabilities. We actively support and participate in various social welfare activities, strengthen community relations, and provide assistance to employees.	Kamalan Cultural Foundation	Cultivating outstanding local talent in Yilan, promoting the development of "Kamalan culture" to boost Yilan's tourism industry, while also assisting in the advancement of cultural and creative industries in Yilan County.	The company	NTD 100,000
	Taipei Guardian Angel Cancer Care Association	By collaborating to organize health seminars, the company aims to enhance employees' health knowledge, provide health education consultations, and facilitate medical resource referrals, thereby establishing a comprehensive medical assistance system. At the same time, the company supports associations in promoting care services for cancer patients, showcasing its social impact on cancer and medical-related issues.	The company	NTD 50,000
	St. Teresa Children Center Children Are Us Foundation	Continuing to purchase cakes and cookies made by the Children Are Us Bakery as a means to encourage individuals with physical and mental disabilities to enhance their self-reliance and life skills.	The company	NTD 7,613

	Andrew Charity Association	"Saving Hope with Small Change, Bringing Hope Home" focuses on underprivileged children and youth from disadvantaged families. Based on individual case assessments, the program provides timely and tailored resources to support the physical and mental well-being of the recipients, fostering their holistic development.	All colleagues	NTD 6,030
	Step30 International Ministries	Collecting unused shoes and clothes from colleagues and their families to be donated through an association, which will transport these items to third-world countries to help local children improve their basic living conditions.	All colleagues	Donated Items: Clothes: 404 pieces Shoes: 46 pairs Backpack: 1 item Donation Amount: NT\$1,020
	Eden Social Welfare Foundation	Actively participating in charity sales events to show care and support for artists with disabilities. Through tangible actions, the company supports their artistic creations, making a humble contribution to society.	The company	NTD 460
	Xianshui Community Development Association, East District, Hsinchu City	Implementing the "Used Office Chair Donation Program" involves donating office chairs in good condition, replaced by the company, to social welfare institutions and local organizations in need. This initiative promotes resource circulation and efficient utilization.	All colleagues	Donated 10 used office chairs.
	Association of Parents with Intellectual Disabilities (APID)		All colleagues	Donated 6 used office chairs.

6. The CO2 and lead concentration testing data for the past two years are as follows:

Item	Date	Place	High	Place	Low	Testing agency
CO2	2023/03/02	536 Supervisor's office	510ppm	Office 511	424ppm	GONG AN ENTERPRISE CO., LTD. Monitoring agency number B0048
CO2	2023/09/13	Meeting room 526	729ppm	Warehouse	627ppm	GONG AN ENTERPRISE CO., LTD. Monitoring agency number B0048
Lead Concentration	2023/03/02	NA	NA	RD Laboratory	<0.000920	Sun Win Technology Co., Ltd No.TOSHA-MA10 TAF Occupational Health Laboratory, Accreditation Number 2049

Item	Date	Place	High	Place	Low	Testing agency
CO2	2024/03/25	511 Supervisor's office	565ppm	Meeting room 500	470ppm	GONG AN ENTERPRISE CO., LTD. Monitoring agency number B0048
CO2	2024/09/27	office area	629ppm	510 Experimental Jig Room	563ppm	GONG AN ENTERPRISE CO., LTD. Monitoring agency number B0048
Lead Concentration	2024/03/25	NA	NA	RD Laboratory	<0.00056	Sun Win Technology Co., Ltd No.TOSHA-MA10 TAF Occupational Health Laboratory, Accreditation Number 2049

Note 1: The regulatory standard for carbon dioxide is 5,000 ppm.

Note 2: The allowable concentration for lead is 0.05 mg/m³.

7. Waste weight (in kilograms) per year:

Filling date	Waste Code	Total
2023	D-0299, Waste Plastic Mixture	12
	D-1801, Commercial waste	240
	D-0799, Waste wood	30
	E-0217, Waste electronic components, substandard products, and defective products	29
2023 Total		311
2024	D-0299, Waste Plastic Mixture	11
	D-1801, Commercial waste	202
	D-0799, Waste wood	40
	E-0217, Waste electronic components, substandard products, and defective products	321
2024 Total		574

8. Waste removal:

Filling Date	Name of Cleaner	Name of Handler	Intermediate treatment method	Final disposal method
03/04/2024	Shun Chu Enterprise Co.	Hsinchu Refuse Incineration Plant	incineration treatment	Landfill treatment
06/05/2024	Shun Chu Enterprise Co.	Hsinchu Refuse Incineration Plant	incineration treatment	Landfill treatment
12/16/2024	JIIN YEEH DING ENTERPRISE CORP.	JIIN YEEH DING ENTERPRISE CORP.	Physical treatment	Landfill treatment

9. Implementation of energy-saving policies for water and electricity management has resulted in the following achievements:

Category	Performance measurement indicators.	Energy conservation goal for 2023	Achievement	Energy conservation goal for 2024	Achievement	Energy conservation goal for 2025
Energy Conservation	Annual Energy consumption/ Last year's total Energy consumption	Maintain a $\pm 3\%$ energy conservation rate until the chiller unit is replaced (expected) in 2026.	↓ 5.8%(Achieved)	Maintain a $\pm 3\%$ energy conservation rate until the chiller unit is replaced (expected) in 2026.	↑ 1.5%(Not Achieved)	Maintain a $\pm 2\%$ energy conservation rate

Category	Performance measurement indicators.	Energy conservation goal for 2023	Achievement	Energy conservation goal for 2024	Achievement	Energy conservation goal for 2025
Water	Annual Water consumption/ Last year's total water consumption	Maintain a $\pm 3\%$ water conservation rate (Exclude public water)	↓ 10.8% (Achieved)	Maintain a $\pm 3\%$ water conservation rate (Exclude public water)	↓ 3.4% (Achieved)	Maintain a $\pm 2\%$ water conservation rate (Exclude public water)

10. The specific achievements of implementing environmental policies for energy conservation and carbon reduction are as follows:

2020~2024

Year\ Item	Water	Electronic	Carbon reduction	Greenhouse Gas Emissions Scope 1 (tCO ₂ e)	Greenhouse Gas Emissions Scope 2 (tCO ₂ e)	Total emissions (tCO ₂ e)	Density (tCO ₂ e/million yuan in sales)
2021	1,820	234,240	119,255	N/A	N/A	N/A	N/A
2022	1,042	193,560	97,971	7.4	97.7	N/A	N/A
2023	1,141	178,440	89,753	7.659	89.753	97.412	0.226
2024	1,103	181,200	89,799	9.889	89.799	99.688	0.179
Last year's equivalent savings.	↓38 度	↑2,760 度	↑46 公斤	↑2.23	↑0.046	↑2.276	↓0.047

F. Implementation Status of Sustainability Initiatives – Climate-related Information

Items	Implementation Status
1. Description of the Board of Directors and Management's Oversight and Governance of Climate-related Risks and Opportunities.	<p>The Board of Directors is responsible for oversight and decision-making. The Sustainable Development Promotion Office serves as the company's dedicated unit, regularly reporting on climate change initiatives, planning, and achievements, and providing periodic updates to the Board of Directors.</p> <p>A monthly business management meeting is held, chaired by the Chairman. The responsible units report irregularly on energy conservation, carbon reduction, initiative planning, and achievements.</p>
2. Explanation of Identified Climate Risks and Opportunities and Their Impact on Business Operations, Strategy, and Financials (Short-term, Mid-term, and Long-term).	<p>Based on the TCFD (Task Force on Climate-related Financial Disclosures) categories of climate-related risks and opportunities, the company evaluates specific risk issues and scenarios affecting operations. Climate-related risks and opportunities are identified and ranked according to their impact level, helping to uncover potential crises and opportunities arising from climate change.</p> <p>Short-, medium-, and long-term climate change risks and opportunities affecting business, strategy, and financial planning are identified. For example:</p> <p>Climate Risks: Policy and regulatory changes, such as carbon fees or taxes, may increase the company's tax burden, management costs, and investment expenses.</p> <p>Climate Opportunities: In terms of products and services, innovation and development of energy-saving, low-carbon, and energy management solutions can meet customer demand for sustainable products, thereby increasing revenue.</p>
3. Explanation of the Financial Impact of Extreme Climate Events and Transition Actions.	<p>Extreme climate events such as typhoons, heavy rainfall, floods, and heat-related disasters may impact the company's financial performance. These events could result in damage to facilities, equipment, and transported goods, or even lead to severe operational disruptions. Additionally, the imposition of carbon fees (taxes) would increase operational costs, further affecting the company's financial profitability. To mitigate financial risks, the company integrates climate change considerations into its risk management and decision-making processes.</p> <p>The company possesses relevant products and technologies that effectively support the monitoring and early warning of extreme climate events, earthquakes, and landslides, enhancing disaster response capabilities.</p> <p>The Sustainable Development Promotion Office formulates response strategies and action plans to minimize climate change impacts on operations, seize opportunities for transformation, and strengthen corporate resilience</p>

	and sustainable competitiveness.
4. Explanation of How the Identification, Assessment, and Management of Climate Risks Are Integrated into the Overall Risk Management System.	Our company follows the framework of the Task Force on Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board to disclose information on climate governance, strategies, risk management, and key metrics. Progress is reported annually in our sustainability report and financial statements. Our risk management policies and procedures have incorporated climate change as a risk category, outlining the identification, analysis, assessment, mitigation, management, and monitoring of relevant climate-related risks.
5. If scenario analysis is used to assess resilience against climate change risks, the applied scenarios, parameters, assumptions, analytical factors, and key financial impacts should be explained.	Our company has not yet conducted a TCFD scenario analysis to assess resilience against climate change risks.
6. If a transition plan has been implemented to manage climate-related risks, provide details of the plan, along with the indicators and targets used to identify and manage physical and transition risks.	Our company currently does not have a transition plan in place to manage climate-related risks.
7. If internal carbon pricing is used as a planning tool, explain the basis for price determination.	Our company currently does not use carbon pricing as a planning tool.
8. If climate-related targets have been set, provide details on the activities covered, the scope of greenhouse gas emissions, the planning timeline, and the annual progress achieved. If carbon offsets or Renewable Energy	<p>Our company has long been dedicated to environmental protection, adopting a green operational model that maximizes production efficiency while minimizing environmental impact—creating a harmonious balance between economic growth and ecological sustainability.</p> <p>Since 2022, we have implemented a three-phase green action plan focused on source reduction and efficiency improvement. This initiative enhances ecological benefits in four key areas: energy conservation, water and electricity efficiency, waste reduction, and greenhouse gas emissions reduction, contributing to a sustainable</p>

Certificates (RECs) are used to achieve these targets, specify the sources and quantities of carbon reduction offsets or the number of RECs utilized.	environment. At this stage, our company does not rely on purchasing Renewable Energy Certificates (RECs) as a carbon reduction measure. Instead, we prioritize self-generation and self-consumption of renewable energy.															
9. Greenhouse Gas Inventory and Assurance Status, Reduction Targets, Strategies, and Specific Action Plans (to be detailed in sections 1-1 and 1-2).	<div>1-1 The greenhouse gas inventory and assurance status for the past two years.</div> <div>1-1-1 Greenhouse Gas Inventory Information.</div> <table><tr><th>Year</th><th>Scope 1. (tCO₂e)</th><th>Scope 2. (tCO₂e)</th><th>Total Emissions. (tCO₂e)</th><th>Intensity. (tCO₂e/ Per Million Revenue.)</th></tr><tr><td>2023</td><td>7.659</td><td>89.753</td><td>97.412</td><td>0.226</td></tr><tr><td>2024</td><td>9.889</td><td>89.799</td><td>99.688</td><td>0.179</td></tr></table> <div>1-1-2 Greenhouse Gas Assurance Information (Not Applicable).</div> <div>Our company’s paid-in capital is below NT\$5 billion. In accordance with the Financial Supervisory Commission’s directive No. 11103849344, the parent company entity is required to disclose inventory information starting from 2026 and assurance information starting from 2028.</div> <div>1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans.</div> <div>(1) Our company plans to implement a digital carbon management platform in 2025 and introduce the ISO 50001 energy management system in 2026. We will continue optimizing energy management and expanding renewable energy infrastructure. Future greenhouse gas reduction targets, strategies, and specific action plans will be formulated in alignment with the implementation timeline.</div> <div>(2) Our company will follow the greenhouse gas disclosure schedule announced by regulatory authorities for listed companies. We will conduct greenhouse gas inventory and assurance procedures accordingly and establish group-wide reduction targets, strategies, and specific action plans.</div>	Year	Scope 1. (tCO ₂ e)	Scope 2. (tCO ₂ e)	Total Emissions. (tCO ₂ e)	Intensity. (tCO ₂ e/ Per Million Revenue.)	2023	7.659	89.753	97.412	0.226	2024	9.889	89.799	99.688	0.179
Year	Scope 1. (tCO ₂ e)	Scope 2. (tCO ₂ e)	Total Emissions. (tCO ₂ e)	Intensity. (tCO ₂ e/ Per Million Revenue.)												
2023	7.659	89.753	97.412	0.226												
2024	9.889	89.799	99.688	0.179												

G. The Differences and Reasons and of fulfillment of integrity management and differences from the integrity management rules of listed and OTC companies:

Evaluation item	Operation Situation			Differences and reasons for non-compliance with the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
	Yes	No	Summary description	
<p>I 、Development of integrity and ethics policy and plan</p> <p>(i) Has the company developed an integrity and ethics policy approved by the board of directors and clearly stated the policy and practices of integrity and ethics in its regulations and external documents, as well as actively implementing the commitment of the board of directors and senior management to the policy of management?</p>	V		<p>(i)</p> <p>1. In order to establish a culture of integrity and promote sound business operations for sustainable development, this corporation passed the "Procedures for Ethical Management and Guidelines for Conduct" during the shareholders' meeting on May 25th, 2012. The relevant provisions will be regularly updated in accordance with changes in laws and regulations by the competent authorities, and implemented after approval by the board of directors and reporting to the shareholders' meeting. The code of conduct and guidelines will also be disclosed on the corporate governance section of the Public Information Observation Station, and applicable to directors, managers, employees, and individuals with substantial controlling power in this corporation and affiliated enterprises and organizations, all of whom are required to comply with relevant laws and regulations.</p> <p>2. The Company explicitly states the ethical standards for</p>	Complies with the regulations of the Code of Conduct for Integrity in Business Operations for listed and OTC companies.

Evaluation item	Operation Situation			Differences and reasons for non-compliance with the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
	Yes	No	Summary description	
(ii) Has the company established a mechanism for assessing the risk of dishonest behavior, regularly analyzing and evaluating business activities with a high risk of dishonest behavior within its business scope, and using it to formulate measures to prevent dishonest behavior, including at least preventive measures for each item of	V		<p>conducting business with integrity in our employee handbook and other regulations. Additionally, we have established a "Rule of Ethics" specifically for our board of directors and managerial staff, who have committed to actively implementing and supervising the execution of our policies for conducting business with integrity.</p> <p>3. Our board of directors and senior management are committed to actively implementing our policies for conducting business with integrity, overseeing the prevention of unethical behavior within the company, and regularly reviewing the effectiveness of these policies in order to continuously improve them.</p> <p>(ii) This corporation has established a " Procedure for Ethical Management and Guidelines for Conduct" and a " Measures for the Report on Illegal, Immoral and Dishonest Acts " These are overseen by the administrative management department to prevent any illegal activity from occurring. In order to ensure the implementation of business integrity, our internal audit personnel regularly review compliance with these</p>	Complies with the regulations of the Code of Conduct for Integrity in Business Operations for listed and OTC companies.

Evaluation item	Operation Situation			Differences and reasons for non-compliance with the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
	Yes	No	Summary description	
<p>paragraph 2 of Article 7 of the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(iii) Does the company specify operating procedures, behavior guidelines, penalties for violations, and complaint mechanisms in the plan to prevent dishonest behavior, and implement and regularly review and revise the aforementioned plan?</p>	V		<p>regulations and prepare audit reports to be submitted to the audit committee and board of directors.</p> <p>If any employee of this corporation is directly or indirectly provided with improper benefits, they must either return or refuse the offer. If returning the benefit is not possible, the employee must report the incident to their immediate supervisor and notify the administrative management department for further action within three days of receiving the benefit.</p> <p>(iii) To prevent dishonest behavior, this corporation has established the "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Conduct" for directors, managers, and employees, which prohibits any form of dishonest behavior. We actively promote and educate our employees on the importance of ethical conduct.</p> <p>Furthermore, this corporation and its subsidiaries have strict accounting, internal control, and audit systems in place to prevent any dishonest behavior. We have also established a whistleblowing system that encourages</p>	Complies with the regulations of the Code of Conduct for Integrity in Business Operations for listed and OTC companies.

Evaluation item	Operation Situation			Differences and reasons for non-compliance with the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
	Yes	No	Summary description	
			both internal and external parties to report any illegal or dishonest behavior. Regular evaluations of relevant business processes are conducted to ensure compliance with ethical standards.	
II・Implementing Business Integrity				
(i) Has the company evaluated the integrity records of its counterparties and included clauses on business integrity in the contracts signed with them?	V		(i) To promote transparency in our transactions and comply with ethical principles, the Corporation has established a written document called the "Supplier Code of Conduct Statement." We provide explanations to our suppliers and require them to sign and return the document.	Complies with the regulations of the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
(ii) Has the company established a dedicated unit under the board of directors to promote corporate integrity management, and regularly (at least once a year) report to the board of directors on its integrity management policy, measures to prevent dishonest behavior, and the supervision	V		(ii) 1. The company has established an Integrity and Governance Team under ESG office, responsible for promoting integrity management, anti-corruption, anti-bribery, and compliance with laws and regulations, and reporting on its implementation to the Board of Directors regularly (at least once a year). The execution	Complies with the regulations of the Code of Conduct for Integrity in Business Operations for listed and OTC companies.

Evaluation item	Operation Situation			Differences and reasons for non-compliance with the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
	Yes	No	Summary description	
and implementation of such measures?			<p>status of corporate integrity operations was reported at the 10th session of the 11th board meeting on October 30th,2024 and documented accordingly.</p> <p>2. The specialized unit of the company should hold internal education and training once a year, arranging the Chairman, CEO (President) or senior management to convey the importance of integrity to directors, employees, and appointees. This company should include integrity management in the employee performance evaluation and human resource policies, setting up an effective reward and punishment system and complaint mechanism to implement integrity management and ethical behavior.</p> <p>3. The company has established a specific reporting system in the "Corporate Governance Practices Code," "Integrity Management Operational Procedures and Behavioral Guidelines," "Code of Conduct," and "Handling Procedures for Reporting Illegal, Unethical, or Dishonest Behavior Cases," actively preventing dishonest behavior. The board of directors, audit committee, and audit department are responsible for</p>	

Evaluation item	Operation Situation			Differences and reasons for non-compliance with the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
	Yes	No	Summary description	
(iii) Has the company established and implemented policies to prevent conflicts of interest, provided appropriate reporting	V		<p>reporting internal violations of integrity management, and external reporting is accepted through an external reporting mailbox. To ensure the sustainable development of the company, we encourage reporting of any illegal behavior and ensure the legal rights and interests of reporters and relevant personnel, clearly specifying that the company should protect and keep confidential the identities of whistleblowers or persons involved in investigations to prevent them from being treated unfairly or retaliated against.</p> <p>4. The internal control operations of the company in the 2024 were checked by the auditing unit and did not find any violations of integrity management. This corporation also did not receive any internal or external reporting letters or legal cases related to integrity management, so we did not violate any relevant regulations on corporate integrity management in 2024.</p> <p>(iii) In order to prevent conflicts of interest, our company has established the "" Procedures for Ethical Management and Guidelines for Conduct", and "Code</p>	Complies with the regulations of the Code of Conduct for Integrity in

Evaluation item	Operation Situation			Differences and reasons for non-compliance with the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
	Yes	No	Summary description	
channels?			of Conduct for Moral Behavior," and "Rules of Procedure for the Board of Directors Meetings." These regulations and procedures are disclosed on the Public Information Observation System and our company website for investors to inquire about, and channels for investors to express their opinions are also provided. Directors who have an interest in any item on the agenda of the board of directors meeting and whose interests may harm the company's interests shall not participate in the discussion or voting, and shall recuse themselves during the discussion and voting process.	Business Operations for listed and OTC companies.
(iv) Has the company established effective accounting and internal control systems to implement ethical management, and has it formulated relevant audit plans based on the assessment of the risk of unethical behavior by the internal audit unit, and verified compliance with the plan? Or has it commissioned an auditor to conduct audits?	V		(iv) The company has established accounting and internal control systems, which are audited by internal auditors on a regular basis according to a plan, and undergo self-assessment and confirmation by external accountants on a yearly basis to ensure the effectiveness of the system's design and implementation.	Complies with the regulations of the Code of Conduct for Integrity in Business Operations for listed and OTC companies.

Evaluation item	Operation Situation			Differences and reasons for non-compliance with the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
	Yes	No	Summary description	
(v) Does the company regularly hold internal and external education and training on ethical management?	V		<p>(v) The company regularly sends senior executives to participate in seminars on corporate integrity organized by regulatory authorities to strengthen the ethical and moral values of the company's management. The company also ensures the implementation of these values in internal management and external business activities.</p> <p>In 2024, the company held external education and training sessions related to corporate integrity issues, including compliance with laws and regulations, accounting systems, and internal controls. Internal education and training sessions were also conducted periodically during various meetings (such as labor-management meetings), actively advocating for and nurturing attitudes of integrity, honesty, fairness, and responsibility among employees.</p> <p>In 2024, the company implemented the integrity operations policy as follows:</p> <ol style="list-style-type: none"> 1. The company participated in 36 external education and training sessions related to integrity operations, including courses on compliance with integrity 	Complies with the regulations of the Code of Conduct for Integrity in Business Operations for listed and OTC companies.

Evaluation item	Operation Situation			Differences and reasons for non-compliance with the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
	Yes	No	Summary description	
			<p>regulations, prevention of insider trading, accounting systems, and internal controls. This amounted to a total of 292 hours.</p> <p>2. The company organizes internal training sessions on integrity management topics, focusing primarily on promoting compliance with integrity-related regulations, preventing insider trading, understanding accounting systems, and strengthening internal controls. These sessions are conducted through informational campaigns.</p> <p>3. The company has established effective accounting systems and internal control systems. Internal audit personnel regularly audit the adherence to these systems. In 2024, the audit plan included 35 audit items which were reported as required on the Market Observation Post System.</p>	
<p>III 、 The operation of the company's whistleblowing system</p> <p>(i) Does the corporation have a specific whistleblowing and reward system in place, and establish convenient channels</p>	V		<p>(i) The company has established a "Whistleblower and Reward System" in the "Employee Work Rules," which explicitly prohibits employees from using the company's name to handle personal affairs or engage in</p>	Complies with the regulations of the Code of Conduct for Integrity in Business Operations for

Evaluation item	Operation Situation			Differences and reasons for non-compliance with the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
	Yes	No	Summary description	
for whistleblowing, and assign appropriate dedicated personnel to handle reported cases?			<p>corrupt activities using their authority. Depending on the nature and content of the case, it will be jointly handled by the legal, auditing, and management units.</p> <p>※ For cases of sexual harassment, please use the dedicated mailbox at adm@zcom.com.tw.</p> <p>※ For complaints, please use the mailbox at adm2@zcom.com.tw.</p> <p>※ For legal matters, please use the mailbox at adm3@zcom.com.tw.</p>	listed and OTC companies.
(ii) Has the company established standard operating procedures for investigating reported matters, including follow-up actions to be taken upon completion of the investigation and related confidentiality mechanisms?	V		(ii)The company has formulated a “Measures for the Report on Illegal, Immoral and Dishonest Acts" which are published on the company's website and also posted on the internal bulletin board.	Complies with the regulations of the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
(iii) Does the company take measures to protect whistleblowers from improper treatment resulting from their whistleblowing?	V		(iii)This company is committed to protecting whistleblowers, and it follows the principle of protection. Each case is investigated by a specialized unit in a confidential manner. Furthermore, we ensure	Complies with the regulations of the Code of Conduct for Integrity in Business Operations for

Evaluation item	Operation Situation			Differences and reasons for non-compliance with the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
	Yes	No	Summary description	
			that whistleblowers (employees and vendors) are not subjected to any threats.	listed and OTC companies.
IV 、Strengthen Information Disclosure Has the company disclosed the content and effectiveness of its established Code of Conduct on its website and the Taiwan Stock Exchange website?	V		The company has disclosed relevant information such as the Guidelines of Conduct for Ethical Management on its website and annual report.	Complies with the regulations of the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
V 、If the company has established its own guidelines of Conduct in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the differences between its operation and the established guidelines: This company has established the "Procedures for Ethical Management and Guidelines for Conduct " and has periodically revised certain provisions in accordance with regulatory changes by the competent authority. The revised code has been approved by the Board of Directors and reported to the shareholders' meeting. It has also been disclosed in the corporate governance section of the Market Observation Post System website. The actual operation of the code is consistent with the established code, and there are no significant differences.				
VI 、Other important information related to the company's integrity operation, such as the review and revision of its integrity code: 1. The company has adopted the "Integrity Operation Procedures and Behavior Guidelines," which was approved by the board of directors on May 25, 2012. The guidelines are periodically revised (first revision on May 29th, 2015, second revision on May 31st, 2019, and third revision on May 29th, 2020) according to regulatory requirements and implemented after being approved by the board of directors and reported to the shareholders. They are also disclosed on the Company's website and on the Market Observation Post System for Corporate Governance. 2. The company adheres to the principles of integrity operation by complying with the Company Law, Securities Exchange Act, Business Accounting Act, Political Donation Act, Anti-Corruption Act, Government Procurement Act, Conflict of Interest Avoidance Act, and other				

Evaluation item	Operation Situation			Differences and reasons for non-compliance with the Code of Conduct for Integrity in Business Operations for listed and OTC companies.
	Yes	No	Summary description	
<p>relevant laws and regulations.</p> <p>3. The company's "Board Meeting Rules" stipulate a system for director recusal. When a director has a personal interest or an interest on behalf of a legal entity represented by the director that may be harmful to the company's interests or should recuse themselves for other reasons, the director must be recused from the discussion and voting after expressing their opinion and answering questions. The director cannot participate in the discussion or vote and cannot act as a proxy for other directors to exercise their voting rights.</p> <p>4. The company regularly reviews potential risks to its integrity to enhance the effectiveness of its integrity operation.</p> <p>5. All employees of the company have carefully reviewed the "Code of Conduct" established by the management unit to enhance personal ethics promote the principles of integrity in business operations, and fulfill corporate social responsibility.</p>				

H. The method of querying the company's governance practices and related regulations:

The company's governance best practices and related regulations can be accessed through the information available on the Market Information Observation System (<http://mops.twse.com.tw/mops/web/index>), or on the company's website at <http://www.zcom.com.tw/>.

I. Other important information to facilitate better understanding of the company's corporate conduct and ethics compliance practices (e.g., review the company's corporate conduct and ethics policy):

To prevent the company or insiders from erroneously or intentionally violating the relevant regulations on insider trading due to ignorance of laws and regulations, which will cause the company or insiders to be involved in lawsuits and damage their reputation, the company has established "Procedures for Handling Material Inside Information and the Prevention of Insider Trading" to protect investors and

safeguard company interests.

The company conducts education and guidance at least once a year on “Procedures for Handling Material Inside Information and the Prevention of Insider Trading” , relevant laws and regulations to current directors, managers and employees. For new directors and managers, education is arranged within three months of assuming their positions, and new employees are educated by human resource department during pre-employment training.

On December 2, 2024, relevant education and advocacy were conducted for managers and employees via message dissemination, and on December 25, 2024, during the quarterly meeting. The content included the promotion of trade secrets and insider trading according to the Securities Exchange Act. The relevant measures and their implementation have been published on the company's website for investors to consult.

J. Internal Control System Execution Status:

1. Statement of Internal Control System:

Z-COM, Inc.

Statement of Internal Control System

Date: March 5, 2025

Based on the findings of a self-assessment, Z-COM, Inc. states the following with regard to its internal control system during the year 2024:

1. Z-COM's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Z-COM takes immediate remedial actions in response to any identified deficiencies.
3. Z-COM evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several items which can be found in the Regulations.
4. Z-COM has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, Z-COM believes that, on December 31, 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of Z-COM's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement was passed by the Board of Directors in their meeting held on March 5, 2025, with none of the seven attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.



Z-COM, Inc.
Chairman: Fan En Technology Co., Ltd.
Legal Representative: John S. Shieh
CEO: WU CHIA-FANG



2. If CPA Was Engaged to Conduct a Special Audit of Internal Control System, Provide Its Audit Report: None.

K. Important resolutions made by the shareholders' meeting and board of directors during the recent year and up to the date of the annual report printing are as follows:

1. During the 2024 and 2025 up to the date of the annual report printing, the company held one shareholders' meeting, and the important resolutions are as follows:

Date of shareholders' meeting	Major Resolutions	Matters listed in Securities and Exchange Act§14-3 or§14-5	Opinions of independent directors and company' s treatment of the opinions	Implementation Status
2024.05.24	Approved			
	1. Annual business report and Financial statements of 2023	V	None	Approved.
	2. Loss off-setting proposal of 2023		None	Due to the loss in 2023, the employees and directors' remuneration were not distributed according to the regulations.
	Discussed			
	1. Amendment to the “Rules of Procedure for Shareholder Meetings” .		None	It has been implemented in accordance with the resolution and announced on the company website.
	2. Amendment to the “ Management for Loans of Funds to Others” .		None	It has been implemented in accordance with the resolution and announced on the company website.

2. During the 2024 and 2025 up to the date of the annual report printing, the company held 5 board meetings, and the important resolutions are as follows:

Date of shareholders' meeting	Major Resolutions	Matters listed in Securities and Exchange Act§14-3 or§14-5	Opinions of independent directors and company's treatment of	Resolution
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			the opinions	
2024.03.06 (the 8 th meeting of 10 th board of directors)	1. 2023 business report & 2023 annual financial statements	V	None	The matter is approved by all the attendees.
	2. loss-off setting proposal for 2023		None	The matter is approved by all the attendees.
	3. Discussion on the execution status of the audit plan for 2023 and the assessment of the effectiveness of internal control systems is proposed		None	The matter is approved by all the attendees.
	4. Assessment of Independence & qualifications of CPAs and renewal of 2024 CPAs.	V	None	The matter is approved by all the attendees.
	5. List of non-assurance services to be provided by Ernst & Young and its related entities in 2024.		None	The matter is approved by all the attendees.
	6. Budget for 2024	V	None	The matter is approved by all the attendees.
	7. Amendment of “Rules of Procedure for Board of the Directors Meeting”		None	The matter is approved by all the attendees.
	8. Amendment of “Organizational Rules of Audit Committee”		None	The matter is approved by all the attendees.
	9. Proposal to convene regular meeting of shareholders for 2024.		None	The matter is approved by all the attendees.
	10. Regular meeting of shareholders for 2024 accepted shareholder proposals and nomination-related matters		None	The matter is approved by all the attendees.
2024.05.07 (the 9 th meeting of 10 th board of	1. 2024 first quarter financial statements.	V	None	The matter is approved by all the attendees.
	2. Discussion on renewal of annual		None	The matter is

directors)	credit agreement with banks.			approved by all the attendees.
2024.08.05 (the 10 th meeting of 10 th board of directors)	1. 2024 2nd quarter financial statements.	V	None	The matter is approved by all the attendees.
	2. Appointment of the governance officer of Z-COM.	V	None	The matter is approved by all the attendees.
	3. Salary adjustment for employees and managers.		None	The matter is approved by all the attendees.
2024.10.30 (the 11 th meeting of 10 th board of directors)	1. 2024 third quarter financial statements.	V	None	The matter is approved by all the attendees.
	2. Making 2025 internal audit plan.		None	The matter is approved by all the attendees.
	3. Discussion on renewal of annual credit agreement with banks.		None	The matter is approved by all the attendees.
	4. Appointment of the Audit officer of Z-COM.	V	None	The matter is approved by all the attendees.
	5. Establish of the "Sustainable Information Management Measures."		None	The matter is approved by all the attendees.
	6. Establish of the "Internal Control System for Sustainable Information Management."		None	The matter is approved by all the attendees.
2525.03.05 (the 12 th meeting of 10 th board of directors)	1. 2024 business report & 2024 annual financial statements	V	None	The matter is approved by all the attendees.
	2. loss-off setting proposal for 2024		None	The matter is approved by all the attendees.
	3. Discussion on the execution status of the audit plan for 2024 and the assessment of the		None	The matter is approved by all the attendees.

	effectiveness of internal control systems is proposed			
	4. Assessment of Independence & qualifications of CPAs and renewal of 2025 CPAs.	V	None	The matter is approved by all the attendees.
	5. List of non-assurance services to be provided by Ernst & Young and its related entities in 2025.		None	The matter is approved by all the attendees.
	6. Budget for 2025	V	None	The matter is approved by all the attendees.
	7. Amendment of the “Article of Incorporation”		None	The matter is approved by all the attendees after adjusting the content.
	8. Amendment of the “Organizational Rules of Audit Committee”		None	The matter is approved by all the attendees.
	9. Establish of the "Compensation Policy for Directors and Managers."		None	The matter is approved by all the attendees.
	10. Election of the 11th Board of Directors		None	The matter is approved by all the attendees.
	11. Proposal to nominate candidates for the company's Directors and Independent Directors.		None	The matter is approved by all the attendees.
	12. Release the Prohibition on Directors from Participation in Competitive Business.		None	The matter is approved by all the attendees.
	13. Proposal to convene regular meeting of shareholders for 2025.		None	The matter is approved by all the attendees.
	14. Regular meeting of shareholders for 2025 accepted shareholder proposals and nomination-related matters		None	The matter is approved by all the attendees.

L. Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors in recent years and as of the Date of this Annual Report: None.

(IV) Audit Fee

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit fee	total	Remarks
Ernst & Young Global Limited, Taiwan	LIU, JUNG-CHIN	2024.01.01~2024.12.31	2,590	650	3,240	Note2
	CHANG,CHENG-TAO	2024.01.01~2024.12.31				
	Lin, Chih-Ren	2024.01.01~2024.12.31		200	200	Transfer pricing services

Note1: The amount of audit fees and non-audit fees paid to certified accountants and their affiliated firms and affiliated companies and the content of non-audit services shall be disclosed.

Note 2: Includes tax visas, important subsidiary review checklists, consolidated and individual English financial statements, shareholders' meeting annual report content reviews, and agreed-upon procedures.

1. If a new PCA Firm is commissioned to serve for an audit fee less than the year before, please disclose the audit fee amount before and after the CPA replacement arranged and the reason for doing so: None.
2. If the audit fee of current year is more than 10% less than the year before, please disclose the audit fee amount and ratio reduced and the root cause of the fee reduction: None.

(V) Replacement of CPAs : None.**(VI) The company's chairman, CEO and Finance or Accounting Officer have held a position in the independent auditing firm or its affiliates over the past year: None.**

(VII) Change in shares held and pledged by directors, managers, and major shareholders holding over 10% of outstanding shares in the most recent year and up to the publication of the annual report:

Title	Name	2024		1/1/2025-3/29/2025	
		Net change in shareholding	Net Change in Shares Pledged	Net change in shareholding	Net Change in Shares Pledged
Chairman	Fan En Technology. Co., Ltd. Representative: John S. Shieh	242,000	0	11,000	0
Director	WINIFRED INTERNATIONAL CORP. Representative: WU, TZY-HSIN	0	0	0	0
Director	CHEN, YU AN	0	0	0	0
Director & CEO	WU CHIA-FANG	18,000	0	0	0
Independent Director	CHOU, YIH-HENG	0	0	0	0
Independent Director	HUANG, TAI-SHENG	0	0	0	0
Independent Director	Yuan-liang Su	0	0	0	0
Legal Representative of the Board and CTO	John S. Shieh	29,000	0	0	0
Accounting Officer	YA, HSI-CHUN	0	0	0	0
Governance Officer	Chen Te Kun	0	0	0	0
Note2					

Note1 : (1) The above information is based on the actual number of shares reported to the competent authority.

(2) Share transfer: None.

(3) Share Pledge: None.

Note2: Mr. Chen Te-Kun retired on June 7, 2024. From the same date, Ms. Chuang Hui-Hua, the accounting supervisor, concurrently assumed the role, which was ratified by the board of directors on August 5, 2024.

(VIII) The Top-10 shareholders who are the spouses or relatives within second-degree to each other:

March 29, 2025

NAME (NOTE 1)	CURRENT SHAREHOLDING		SPOUSE'S/MINOR'S SHAREHOLDING		SHAREHOLDING BY NOMINEE ARRANGEMENT		NAME AND RELATIONSHIP BETWEEN THE COMPANY'S TOP TEN SHAREHOLDERS, OR SPOUSES OR RELATIVES WITHIN TWO DEGREES (NOTE 2)		REMARK
	Shares	%	Shares	%	Shares	%	Title (or name)	Relations	
XIN HUI ZHI Investment Co.,Ltd Person in charge: WU CHEN HUA	5,162,714	7.20%	Not applicable	Not applicable	Not applicable	Not applicable	WU CHIA-FANG	Siblings	
Fan En Technology. Co., Ltd. Person in charge: WU CHIA-FANG	3,866,909	5.39%	Not applicable	Not applicable	Not applicable	Not applicable	WU, CHEN -HUA	Siblings	
CHIEN YEUE ENTERPRISE CO., LTD.	3,673,000	5.12%	Not applicable	Not applicable	Not applicable	Not applicable	None	None	
JOHN S. SHIEH	3,182,933	4.44%	0	0	0	0	None	None	
CHEN, YU-BANG	1,063,890	1.48%	85,887	0.12%	0	0	CHEN, YU AN	Siblings	
WU, CHIA-FANG	925,027	1.29%	0	0	0	0	Fan En Technology. Co., Ltd.	The same person	
TU,MENG-HSIA	908,667	1.27%	0	0	0	0	None	None	
WU, Hong-LIN	905,000	1.26%	0	0	0	0	None	None	
CHEN, YU AN	894,935	1.25%	63,194	0.09%	0	0	CHEN, YU-BANG	Siblings	
XU, YAO-ZONG	763,000	1.06%	0	0	0	0	None	None	

Note 1: All of the top ten shareholders should be listed, and for those who are corporate shareholders, the name of the corporate shareholder and the name of the representative should be listed separately.

Note 2: The shareholders listed above include legal persons and natural persons, and the relationship between them shall be disclosed in accordance with the provisions of the issuer's financial reporting standards.

(IX) The shares of the invested company held by the company, the company's directors, supervisors, managers, and companies controlled directly or indirectly, and the aggregated overall shareholding ratio:

Unit: Shares; % December 31, 2024.

Affiliated Enterprises	Ownership by the company		Direct or indirect ownership by Directors/ Supervisors/ Managers		Total ownership	
	shares	%	shares	%	shares	%
Z-COM TECHNOLOGY, LTD.	9,830	100.00%	0	0	9,830	100.00%
Z-WIRELESS INTERNATIONAL, LTD.	30	100.00%	0	0	30	100.00%
ZHI WEI YA HK LIMITED	11,000	100.00%	0	0	11,000	100.00%
NANJING Z-COM WIRELESS CO., LTD	0	0	25,439	60.57%	25,439	60.57%
Nanjing Z—Wireless Technology Co., Ltd.	0	0	NA	100.00%	NA	100.00%
NANJING ZHI WEI YA COMMUNICATION TECHNOLOGY CO., LTD	0	0	NA	100.00%	NA	100.00%
JiangXi Zwaveasia Technology Co., Ltd.	0	0	NA	100.00%	NA	100.00%
XIN HUI ZHI Investment Co., Ltd (Note 1)	NA	48.81%	NA	48.64%	NA	97.45%
Intelligent platform for IoT services co., LTD.	1,000	100.00%	0	0	1,000	100.00%
ZENEKER INDIA PRIVATE LTD.	NA	100.00%	0	0	NA	100.00%
CHUNGHWA SOCHAMP TECHNOLOGY INC.	1,500	27.27%	0	0	NA	27.27%

Note 1: Since Z-COM, Inc. has substantial control over XIN HUI ZHI Investment Co., Ltd it is required to include XIN HUI ZHI Investment Co., Ltd in its consolidated financial statements from the date on which control is obtained.

III 、Capital Overview

(I) Capital and Shares

A. Sources of capital:

Month/ Year	Per Value (NT\$)	Authorized capital		Paid-in capital		Remark		
		Shares	Amount	Shares	Amount	Source of capital	Capital increased by assets other than cash	Others
1995.03	10	30,000	300,000	8,400	84,000	Establishment of a capital of 300,000 thousand dollars.	—	Note 1
1995.09	10	30,000	300,000	12,000	120,000	Cash capital increase of 36,000 thousand dollars.	—	Note 2
1996.09	10	30,000	300,000	18,000	180,000	Cash capital increase of 60,000 thousand dollars.	—	Note3
1997.02	14	30,000	300,000	24,000	240,000	Cash capital increase of 60,000 thousand dollars.	—	Note4
1997.12	22	50,000	500,000	35,000	350,000	Cash capital increase of 110,000 thousand dollars.	—	Note5
2000.03	25	50,000	500,000	40,000	400,000	Cash capital increase of 50,000 thousand dollars.	—	Note6
2001.01	25	90,000	900,000	60,000	600,000	Cash capital increase of 200,000 thousand dollars.	—	Note7
2002.06	10	100,000	1,000,000	66,000	660,000	Capital surplus transferred to capital stock for an amount of 60,000 thousand dollars.	—	Note8
2004.08	10	100,000	1,000,000	77,600	776,000	Retained earnings transferred to capital stock for an amount of 83,000 thousand dollars, and capital surplus transferred to capital stock for an amount of 33,000 thousand dollars.	—	Note9
2006.11	10	100,000	1,000,000	68,000	680,000	Reduce capital to offset losses for an amount of 96,000 thousand dollars.	—	Note10
2012.09	10	100,000	1,000,000	69,559	695,590	Exercise of employee stock options for a total of 15,590 thousand dollars.	—	Note11

2012.11	10	100,000	1,000,000	71,100	711,000	Exercise of employee stock options for a total of 15,410 thousand dollars.	—	Note12
2013.07	10	100,000	1,000,000	80,023	800,230	Cash capital increase of 89,130 thousand dollars.	—	Note13
2013.09	10	100,000	1,000,000	79,100	791,000	Cancellation of treasury stock for 9,230 thousand dollars, and exercise of employee stock options for a total of 100 thousand dollars.	—	Note14
2016.09	10	100,000	1,000,000	72,500	725,000	Reduce capital to offset losses for an amount of 66,000 thousand dollars.	—	Note15
2022.01	10	100,000	1,000,000	71,701	717,010	Cancellation of treasury stock for 7,990 thousand dollars.	—	Note16

Note1: Yuanshangzi Letter No. 03446 from Hsinchu Science Park Bureau dated March 10, 1995.

Note2: Yuanshangzi Letter No. 14447 from Hsinchu Science Park Bureau dated September 21, 1995.

Note3: Yuanshangzi Letter No. 14912 from Hsinchu Science Park Bureau dated September 3, 1996.

Note4: Yuanshangzi Letter No. 01187 from Hsinchu Science Park Bureau dated February 4, 1997.

Note5: Yuanshangzi Letter No. 26427 from Hsinchu Science Park Bureau dated December 18, 1997.

Note6: Yuanshangzi Letter No. 4652 from Hsinchu Science Park Bureau dated March 14, 2000.

Note7: Yuanshangzi Letter No. 1164 from Hsinchu Science Park Bureau dated January 30, 2001.

Note8: Yuanshangzi Letter No. 014112 from Hsinchu Science Park Bureau dated June 19, 2002.

Note9: Yuanshangzi Letter No 20277 from Hsinchu Science Park Bureau dated August 6, 2004.

Note10: Yuanshangzi Letter No. 29884 from Hsinchu Science Park Bureau dated November 8, 2006.

Note11: Yuanshangzi Letter No. 28780 from Hsinchu Science Park Bureau dated September 13, 2012.

Note12: Yuanshangzi Letter No. 36227 from Hsinchu Science Park Bureau dated November 26, 2012.

Note13: Yuanshangzi Letter No. 21269 from Hsinchu Science Park Bureau dated July 17, 2013.

Note14: Yuanshangzi Letter No 268987 from Hsinchu Science Park Bureau dated September 4, 2013.

Note15: Zhushangzi Letter No. 1050026663 from Hsinchu Science Park Bureau dated September 23, 2016.

Note16: Zhushangzi Letter No. 1110001651 from Hsinchu Science Park Bureau dated January 17, 2022.

Unit: share; thousand shares

Share Type	Authorized Capital			Remarks
	Issued Shares		Total Shares	
Order common stock	71,701	OTC	100,000	OTC

The relevant information that should be disclosed for the issuance and offering of securities under the summary declaration system: not applicable.

B. List of major shareholders:

March 29, 2025

Major Shareholder's Name	Shares	shareholding	percentage
XIN HUI ZHI Investment Co.,Ltd		5,162,714	7.20%
Fan En Technology. Co., Ltd.		3,866,909	5.39%
CHIEN YEU ENTERPRISE CO., LTD.		3,673,000	5.12%
JOHN S. SHIEH		3,182,933	4.44%
CHEN, YU-BANG		1,063,890	1.48%
WU, CHIA-FANG		925,027	1.29%
TU,MENG-HSIA		908,667	1.27%
WU, Hong-LIN		905,000	1.26%
CHEN, YU AN		894,935	1.25%
XU, YAO-ZONG		763,000	1.06%

C. Dividend Policy and Implementation Status:

1. According to the company's article of association, if earnings are available for distribution at the end of a fiscal year, 10% of net earnings – that is, after offsetting any loss from prior year(s) and paying all taxes and dues – shall be set aside as legal reserve and appropriated in accordance with the Securities Exchange Law. The remaining net earnings can be distributed along with prior accumulated unappropriated retained earnings. The Board of Directors will consider the above-mentioned factors when making the dividend distribution proposal. Dividends will be distributed in accordance with the resolution approved by the Board of Directors and at the annual shareholders' meeting.

Our company's dividend distribution policy takes into account factors such as the current and future investment environment, capital needs, domestic and international competition, and capital budget, while considering the interests of shareholders and the company's long-term financial planning. The dividend distribution shall be made from the accumulated distributable profits, which should not be less than 50% of the distributable profits for the current year, and the proportion of cash dividends shall not be less than 10% of the total dividends.

The Board of Directors of our company is authorized to distribute dividends or allocate legal surplus reserves and capital reserves, either in full or in part, in the form of cash, with the attendance of at least two-thirds of the directors and the adoption of resolutions by a majority of the attending directors. The Board shall report to the shareholders' meeting and is not subject to the provisions of this Articles of Association relating to resolutions of the shareholders' meeting.

2. Proposed Distribution of Dividend is to be resolved in this shareholder's meeting:

Proposal for offsetting loss in 2024 was approved by the board of directors on March 5, 2025, as follows:

- (1) In accordance with Article 27 of the company's articles of incorporation, the company shall allocate 10% to 15% of its profits for employee compensation and no more than 3% for director compensation. However, when there is an accumulated deficit, it shall be compensated first.
- (2) The company's net income after tax in 2024 was NT\$30,804,724, plus the beginning of the period accumulated deficit of NT\$195,414,765, resulting in an accumulated deficit of NT\$164,610,041 at the end of the period. If there is income in coming years, the accumulated deficit shall be compensated first in accordance with Article 28 of the company's articles of incorporation.
- (3) The board of directors resolved not to distribute dividends.

3. Any expected major changes in the dividend policy: None.

D. The impact of the distribution of stock dividend as proposed in this shareholders meeting on the company's operation performance and earnings per share: The distribution of stock dividend was not proposed in the 2024 shareholders' meeting; therefore, it is not applicable.

E. Compensation of Employees, Directors and Supervisors:

1. Article 27 of the Articles of Incorporation stipulates that: "From the profit earned by the Company as shown through the annual account closing, 10%~15% shall be taken for employee compensation, and less than 3% taken for directors' and supervisors' compensation, provided that the amount of accumulated loss, if any, be first withheld. Employee remuneration may be paid in stock or cash, and the recipients of the stock or cash may include employees of controlled or subordinate companies who meet certain conditions.

The profit status of the current year referred to in the first item refers to the current year's pre-tax profit before deducting the distribution of employee remuneration and director's remuneration.

The distribution of employee remuneration and director's remuneration shall be made by the board of directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors present, and report to the shareholders' meeting.

2. The estimation base for the distribution of employee Compensation and remuneration to directors and supervisor, the calculation base of the outstanding shares for the distribution of stock dividend, and the accounting process for the differences between the actual amount distributed and the estimated amount: None.
3. Information about the proposed distribution of employee bonus as approved by the Board of Director:

The Board of Directors of our company has decided not to distribute employee compensation and director remuneration for 2024. The aforementioned decision of the Board of Directors is consistent with the estimated amount of expenses recognized for 2024.

4. The actual distribution of employee and director remuneration in the previous fiscal year (including the number of shares, amounts, and stock prices) and any differences between the recognized expenses should be explained, including the amount of the difference, reasons, and how it was handled:

Due to the accumulated losses, the company's profits for the year 2023 will be prioritized to cover these losses. As per regulations, no allocation for employee and director remuneration will be made.

F. Situations of the Company's buy back stocks: None.

(II) Corporate Bonds: NA

(III) Preferred stock issued: NA

(IV) Global Depository Receipts: NA

(V) Employee Stock Options: None

(VI) Issuance of New Restricted Employee Shares: None

**(VII) Status of New Shares Issuance in Connection with Mergers and Acquisitions:
NA**

(VIII) Financing Plans and Implementation: NA

IV 、 Business Overview

(I) Business content

A. Business Scope

1. The major Business Operation of the Company:

F401021 Restrained Telecom Radio Frequency Equipment's and Materials Import

CC01101 Restrained Telecom Radio Frequency Equipment's and Materials Manufacturing

(1) Research, development, production, manufacturing, and sales of the following products:

- A. Fixed wireless data network systems, including fixed data communication machines, network communication software, and network management software.
- B. Mobile data communication machines.
- C. Digital cellular mobile communication systems.
- D. Spread spectrum wireless data communication systems.
- E. Digital subscriber loop systems.

(2) System integration and consulting services of the above products.

(3) Engage in import and export trade business related to ZCOM INC's business.

2. Revenue Share:

Unit: NTD Thousand ; %

The main products	2024		2023	
	Amount of Revenue	Proportion of Revenue		Amount of Revenue
Commodity	489,187	87.00	316,078	73.18
Industrial	36,248	6.44	50,325	11.65
5G & IoT	36,876	6.56	65,537	15.17
Total	562,311	100.00	431,940	100.00

3. The current main product (service) of the company:

- (1) Commodity: The wireless audiovisual transmission equipment, European standard wireless phones, wireless data modems, and wireless signal extenders are used for wireless equipment transmission for home use.
- (2) Industrial: Industrial gateways and embedded modules (such as wireless industrial-grade modules, power boards, digital boards, etc.) used for communication modules in industrial IoT."
- (3) 5G & IoT:
 - A. Telecom/Enterprise Wireless Controllers.
 - B. High-bandwidth, long-range indoor/outdoor wireless access points and short-, edium-,

and long-range wireless bridge devices for large-scale data and video transmission as well as signal coverage.

- C. Gateways: 5G NR wireless industrial mobile communication gateways and Wi-Fi serial device servers.
- D. System Application Solutions: Wi-Fi private networks applied to slopes, rail transit, smart communities, smart energy, enterprises, and institutions.

4. Solutions Planned for Development

(1) Wi-Fi 7 Enterprise Wireless Network Solutions

With the gradual adoption of Wi-Fi 7 (IEEE 802.11be) technology, we plan to develop the next generation of Wi-Fi 7 wireless access points (APs) and wireless controllers (WLCs) to provide higher throughput, lower latency, and a more reliable connectivity experience. Key product features include:

- Multi-band concurrent technology.
- Multi-Link Operation (MLO) technology.
- High-performance thermal management and low power consumption design.
- Flexible WLC solutions that can be easily integrated into various applications and customized based on demand.

(2) Smart Energy Management and IoT Integration Solutions

To meet the global demand for smart grids and energy management, we are developing the next generation of smart meters and IoT sensors, further integrating them with energy management systems (EMS). This will enable visualized energy monitoring and control, helping businesses and households reduce energy consumption.

(3) Cybersecurity Protection and Network Security Technologies

As enterprises and government institutions place greater emphasis on cybersecurity, we plan to develop next-generation network security solutions to enhance data protection and safeguard digital infrastructure.

(4) Rail Transit and Enterprise Wi-Fi System Integration Solutions

We will further expand the application of Wi-Fi networks in rail transit, corporate campuses, and large venues, delivering high-performance, low-latency wireless network services.

B. Industry Overview

1. The Current Situation and Development of the Industry:

In 2024, the wireless communication industry continues to experience robust growth, driven by the full-scale deployment of 5G networks and the gradual maturation of Wi-Fi 7 technology, leading to steadily increasing market demand. Enterprises and governments are

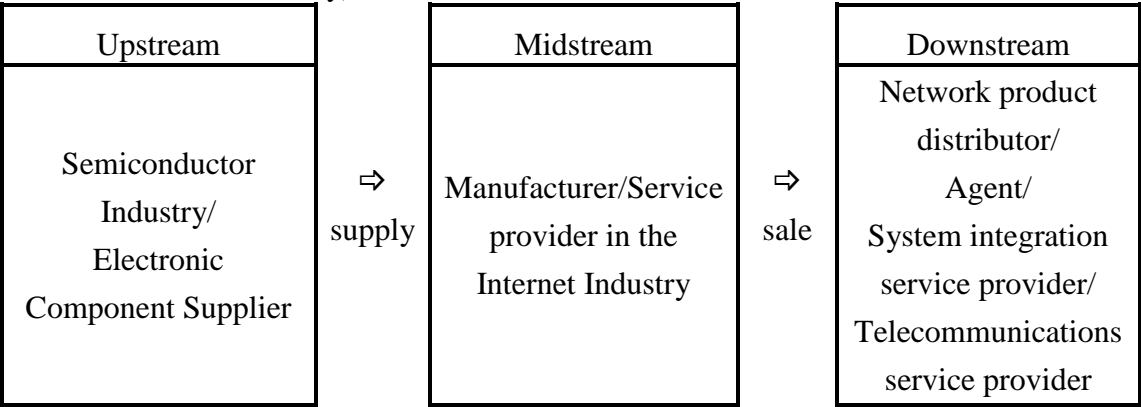
placing greater emphasis on high-performance, low-latency, and wide-coverage wireless network infrastructure, fueling the upgrade and evolution of related equipment and solutions.

With advancements in the Internet of Things (IoT), artificial intelligence (AI), and edge computing, the wireless communication industry is evolving toward greater intelligence and efficiency, with a diverse range of tools emerging to meet various application needs. Both enterprise and consumer markets are actively adopting more secure and stable wireless connectivity technologies to support digital transformation and automation. Additionally, the global focus on environmental sustainability is driving the industry toward the development of energy-efficient and low-carbon-emission technologies in alignment with ESG initiatives.

Looking ahead, the wireless communication industry will continue to innovate, leveraging breakthroughs in new technologies and deeper cross-industry applications to propel the growth of the global digital economy.

2. Interrelation between Upstream, Midstream, and Downstream in the Industry:

The upstream, midstream, and downstream structure of this industry includes product research (chips/components), hardware and software design, manufacturing, assembly (finished products), testing, and sales (agents, distributors, network system integration industry, telecommunication industry), etc.



The manufacturing process of our company's products involves purchasing electronic components such as SoC/IC and circuit boards, followed by SMT processing/DIP, assembly testing, and packaging for shipment. Our completed system products are in the form of solutions, which are leased, sold, and distributed through dealers and agents to system integration service providers, telecom operators, and end customers.

3. Development Trends of Various Products:

(1) Wi-Fi 6 → Wi-Fi 6E / Wi-Fi 7:

The rapid evolution of wireless communication technologies has accelerated product update cycles, making the transition to Wi-Fi 6E and Wi-Fi 7 shorter than previous generations. The key technological differences between Wi-Fi 6E and Wi-Fi 7 lie in their frequency bands and speeds. Wi-Fi 6E utilizes the 6GHz band, providing higher bandwidth and reduced interference, while Wi-Fi 7 is gradually entering the market with improved performance and capabilities.

(2) MEC (Multi-access Edge Computing):

Multi-access Edge Computing (MEC) technology shifts computing resources closer to the network edge, enabling applications to process data near end-users and devices. This reduces network latency and improves application responsiveness. Additionally, MEC enhances security by minimizing the risks associated with cloud data transmission.

With the rise of AI, IoT, and 5G, MEC is evolving to meet the needs of various vertical industries. Future MEC development will focus on integrating MEC platforms with network convergence to support diverse industry applications. For example, the industrial sector can leverage MEC for smart manufacturing, while 5G + Wi-Fi private enterprise networks will enable more efficient, secure, and intelligent applications across industries.

4. Competitive Landscape:

The enterprise Wi-Fi market is highly competitive, with major international players such as Cisco, Aruba, and Ruckus dominating the industry. To compete effectively, Zhijie Technology must not only meet the demand for high-speed, stable, and reliable wireless network performance but also enhance customer trust. Additionally, increasing brand influence, providing high-quality customer service, and offering strong technical support will be key to strengthening market position and competitiveness.

C. Overview of technology and research and development

1. Research and development expenses in 2023 & 2024:

Unit: NT\$ Thousands

Year	2024	2023
Research and development expenses	87,011	81,713

2. Technologies or products that have been successfully developed:

2015	<ol style="list-style-type: none"> 1. The full range of on-board transmission equipment, which combines 4G and Wi-Fi, meets the certification requirements for communication equipment in vehicles. It is combined with a wireless controller (AC) and a proprietary cloud management system, and can produce daily equipment management reports. 2. Small cells for 4G LTE TDD/FDD public network and private network enterprise and was developed from operator public network TDD and FDD small cells; launched a 4G network solution for private networks. 3. Widen product lines for enterprise market, develop IoT industrial control equipment and different intelligent application products such as intelligent APs, intelligent sockets and switches and integrate cloud-based control and smartphone management mechanisms through an APP.
2015~2022	<p>The main direction of Z-COM product development is communication products including wireless products. We strive to develop products with high quality, high reliability and reasonable costs. Throughout the technological accumulation and partnership with major chipset vendors, Z-COM has successfully established cooperative relationships with famous Telecom carriers in Taiwan, China, Southeast Asia and other regions. Z-COM had been a qualified equipment provider for major events such as the Beijing Olympics, Shanghai World Expo, and Nanjing Youth Olympic Games. Additionally, Z-COM also enhances the cooperation with India and implements local production and sales.</p> <p>We will continue to develop various technologically advanced products. The new products developed this year are as follows:</p> <ol style="list-style-type: none"> 1. Research and development of LTE-Fi wireless modules and system application products for vehicles. 2. Research and development of WiFi6 products. 3. Research and development of Wi-Fi 6E and 4.9GHz products. 4. New generation Multi-access Edge Computing (MEC) software system. 5. Development of industrial-grade products for applications in smart factories, smart cities, and smart transportation. 6. Research and development of cloud management system for managing and value-added functionalities.
2023~2024	<ol style="list-style-type: none"> 1. Industrial-grade Wi-Fi 6e wireless modules offer faster bandwidth for industrial users and are less susceptible to interference compared

	<p>to 2.4GHz/5GHz.</p> <p>2. 5G NR Gateway for industrial, vehicle and rail applications feature M12 connectors and support dual SIM cards, 5G NR module as well as rail-related reliability certificate.</p> <p>3. The new generation Wi-Fi 7 enterprise-grade Gateway adopts tri-band 2x2 architecture, providing faster data rates, lower latency, increased user capacity, with maximum throughput of 9335Mbps high-speed bandwidth.</p> <p>4. In response to internet trends, a newly developed Gateway integrated with solar energy systems can be applied to slopes and solar farm sites.</p> <p>5. Industrial-grade WiFi 7 USB module with tri-band support (2GHz + 5GHz + 6GHz), featuring a built-in high-gain antenna and outdoor waterproof design.</p>
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D. Business Development Plan

1. Expanding the Wireless Communication and Smart Infrastructure Market

- (1) Enterprise Wi-Fi 7 Solutions: Focus on enterprise offices, large venues, and educational institutions to drive the adoption of Wi-Fi 7 network equipment. Additionally, provide cloud-based management services to enhance enterprise network operational efficiency.
- (2) Wireless Communication for Rail Transit: Further promote the application of Wi-Fi 6E/7 technology in high-speed rail, metro, and bus systems to improve the reliability and security of public transportation networks.

2. Expanding into Overseas Markets and Strengthening International Presence

- (1) Strengthening Development in Southeast Asia: Establish Taiwan as a base while deepening market presence in Malaysia, Thailand, Indonesia, and other regions by providing localized wireless communication and IoT solutions.
- (2) Participating in International Exhibitions and Technology Forums: Enhance brand recognition and create collaboration opportunities with global technology leaders.

(II) Marketing and Business Overview

A. Marketing Analyzing

1. Sales (provision) regions for the company's main products (services):

unit : NTD Thousand ; %

Regin/Year		2024		2023	
		Amount	%	Amount	%
Export s a l e s	Asia	23,624	4.20	50,715	11.74
	Europe	490,203	87.18	317,537	73.52
	other	1,084	0.19	1,434	0.33
	subtotal	514,911	91.57	369,686	85.59
Domestic sales		47,400	8.43	62,254	14.41
total		562,311	100.00	431,940	100.00

2. The future supply-demand status and growth prospects: The Wi-Fi wireless network communication product market is expected to maintain a strong growth trend in the coming years. In addition to the continued demand from end markets such as smartphones, tablets, laptops, and other smart devices, as well as the growing popularity of IoT. Additionally, the increasing use of video streaming, AI applications and network security concerns are driving demand. In response, enterprise organizations and government agencies are seeking new Wi-Fi wireless network solutions to improve efficiency and productivity.

3. Competitive advantages:

(1) Experienced Management Team

Z-COM management team possesses extensive industry experience and deep technical expertise, with a keen understanding of market trends. We actively invest in wireless communication, smart energy management, and cybersecurity technologies, enabling us to respond swiftly to market changes. By leveraging resources from industry, government, academia, and research institutions, we develop competitive products and solutions.

(2) Strong R&D Capabilities

Our company has a highly skilled R&D team covering software, hardware, wireless protocols, and network security. With the growing adoption of 5G NR, Wi-Fi 7, and Wi-Fi 6E, as well as the increasing demand for multi-network integration, we continue to enhance device performance and stability while strengthening AIoT connectivity applications.

(3) High Cost-Performance Ratio and Flexible Applications

Z-COM's Wi-Fi products and solutions offer exceptional cost-performance, providing high-performance and highly reliable wireless networking while reducing enterprise deployment and maintenance costs. Our systems are highly scalable and flexible, allowing

for customization to meet the unique needs of various industries, thereby enhancing customers' competitive advantages.

(4) Strategic Alliances with Global Industry Leaders

We have established strong partnerships with leading global suppliers of wireless chips, power amplifiers (PA), radio frequency (RF) components, and other key components. These collaborations ensure that our technologies and product specifications align with international standards and allow us to access next-generation product technologies ahead of competitors, further strengthening our market competitiveness.

(5) Distributor Partnerships and System Integration Solutions

Beyond market expansion through distribution and agency channels, Z-COM actively integrates partner products to develop comprehensive system solutions. We offer not just standalone devices but also integrated solutions that combine wireless controllers (WLCs), cloud management platforms, and AI analytics. This holistic approach enables us to meet the needs of enterprise and industrial customers while expanding our market influence.

(6) Industry-Government-Academia Collaboration to Drive Technological Innovation

Z-COM continuously strengthens collaborations with government agencies, academic institutions, and research organizations to drive innovation in wireless networking, cybersecurity, and smart city applications. We actively participate in government-led smart infrastructure projects and engage in joint research on emerging technologies, such as low-power Wi-Fi 7 applications, private 5G networks, and network security solutions. These efforts enhance our technological competitiveness and secure our leadership position in future markets.

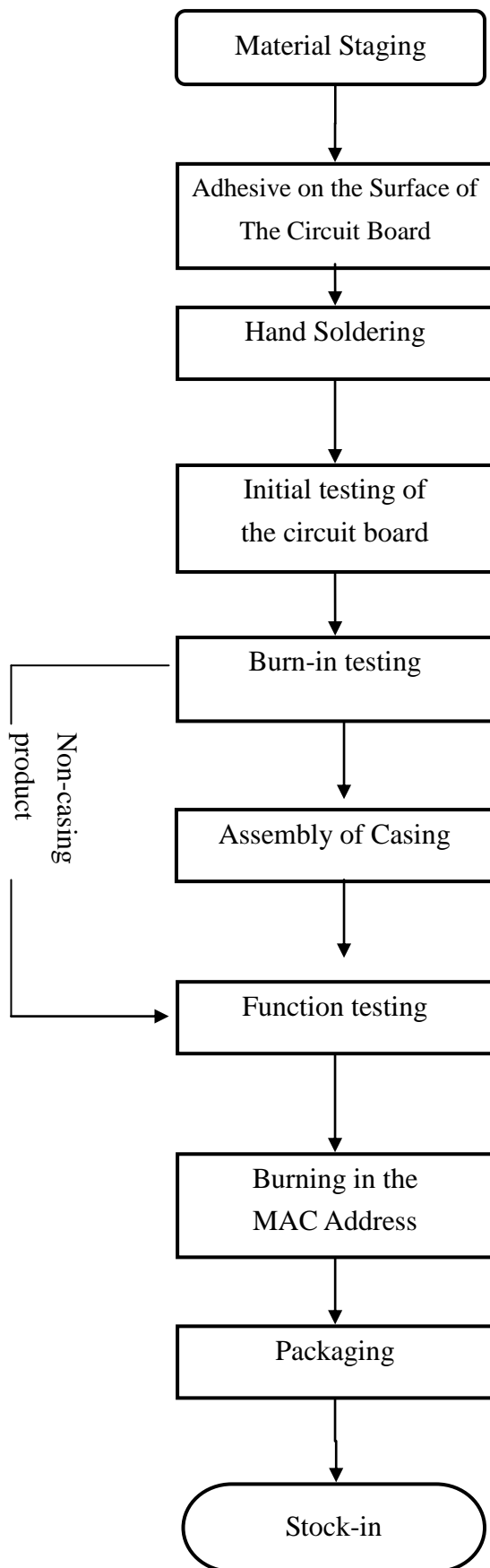
B. Main applications of major products and their manufacturing processes

【main applications】

major products	main applications
Commodity	1. Home internet : Provides wireless internet service for home users. 2. Home audio and video transmission: provide wireless audio and video transmission for home users. 3. VOIP (Voice Over Internet Protocol; Internet Telephony) network voice transmission: Provides internet telephony service for home users.

major products	main applications
Industrial	Embedded wireless industrial modules, embedded digital boards, etc., are used in communication modules of the Internet of Things and integrated in industrial drone wireless system solutions, creating wireless solutions for Industry 4.0 and AIoT applications.
5G & IoT	Carrier Grade Wireless LAN Controllers Indoor and outdoor wireless base stations, intelligent base stations, etc. Carrier-grade wireless off-load solution Manageable Gateways Wireless Bridges for short/medium/long distance transmission Applications: rail transportation, remote and rural Connectivity, security monitoring, smart energy, etc. as well as smart cities mission.

【Process of producing】



C. The supply situation of the main materials

1. The main raw materials required for our company's production are commonly used in the industry, including integrated circuits, substrates, quartz crystal oscillators, passive components, plastic casings, and packaging materials, which are easily accessible in the industry.
2. The chips produced by our company are mainly purchased from domestic and foreign agents or provided by customers.
3. Other materials used in production can be supplied by domestic and foreign manufacturers.
4. Our company maintains a good grasp of the status and prices of our suppliers, regularly reviews their competitiveness and suitability, conducts visits or audits of suppliers, and can make appropriate adjustments at any time based on market conditions.

D. The name, purchase (sale) amount, and ratio of the suppliers (customers) accounted for over 10% of the total purchase (sale) in one of the last two year, and the reason for the changes in purchase (sales).

1. List of major customers with over 10% of the total sales in one of the last two years:

Unit: NT\$ Thousand

Item	2023				2024				Up to the end of previous quarter of 2025 (Note 2)			
	Company Name	Amount	Percentage [%]	Relation with Issuer	Company Name	Amount	Percentage [%]	Relation with Issuer	Company Name	Amount	Percentage [%]	Relation with Issuer
1	Customer A	317,417	73	None	Customer A	489,936	87	None				
2	Customer B	52,061	12	None	Customer B	33,093	6	None				
3	Others	62,462	15	None	Others	39,282	7	None	Others			
	net sales	431,940	100		net sales	562,311	100		net sales	(Note 2)	(Note 2)	(Note 2)

Note 1: Disclose the names and sales amount, as well as the proportion, of customers whose total sales amount accounted for 10% or more of the total sales in the past two years. However, if the contract stipulates that customer names or transaction parties cannot be disclosed, or if the transaction parties are individuals who are not related parties, they may be represented by code.

Note 2: As of the date of publication of the annual report, companies that are listed or whose stocks have been traded on the business premises of securities firms should disclose the latest financial information that has been audited or reviewed by accountants.

Reasons for increase or decrease:

- (1) The increase in Customer A's revenue in 2024 due to the mass production and shipment of new models, which resulted in a higher shipment volume for the year.
- (2) Customer B experienced a decrease in shipments for the year due to inventory level management.

2. The names of suppliers, the amount of each purchase, and the proportion of purchases made from suppliers who accounted for more than 10% of the total purchases in either of the past two fiscal years:

Unit : Thousand NTD

	2023				2024				Up to the end of previous quarter of 2025 (Note 2)			
item	Account	Amount	Percentage of net purchases for the entire year (%)	Relationship with the issuer	Account	Amount	Percentage of net purchases for the entire year (%)	Relationship with the issuer	Account	Amount	Percentage of net purchases for the entire year (%)	Relationship with the issuer
1	Customer C	3,980	1.97	None	Customer C	53,518	15.60	None	Other	(Note2)	(Note 2)	
2	Customer D	25,413	12.61	None	Customer D	49,679	14.48	None				
3	Other	172,169	85.42	None	Other	239,826	69.92	None				
	Net Purchases	201,562	100		Net Purchases	343,023	100		Net Purchases	(Note 2)	(Note 2)	

Note 1: The names of suppliers, the amount of each purchase, and the proportion of purchases made from suppliers who accounted for more than 10% of the total purchases in either of the past two fiscal years should be listed. However, if the contract stipulates that the names of suppliers cannot be disclosed or if the counterparty is an individual who is not a related party, a code may be used instead.

Note 2: As of the date of publication of the annual report, companies that are listed or whose stocks have been traded on the business premises of securities firms should disclose the latest financial information that has been audited or reviewed by accountants.

Reasons for increase or decrease: In the fiscal year 2024, the company's procurement from suppliers accounting for more than 10% was primarily due to an increase in the supply of specific raw materials and item categories by Company C, which consequently led to a relative increase in the procurement ratio.

(III) The number of employees, average years of service, average age, and educational distribution ratio of employees for the past two fiscal years and up to the date of the annual report printing are as follows

Unit: person; %

Year		Dec 31 st , 2023	Dec 31 st , 2024	As of March 31, 2025 in the current year
Number of employees (Note 1)	Management	15	16	15
	R&D	35	31	30
	Marketing	9	11	10
	Nanjing Team	26	20	19
	Jiujiang Team	65	63	62
	total	150	140	136
Average age		42.9	41	41.59
Average year of services		8.6	8.5	8.82
Educational distribution ratio of Employees	Doctorate	2%	3.45%	1.82%
	Master's Degree	30%	29.3%	32.73%
	Bachelor's Degree	65%	63.8%	61.82%
	High school	3%	3.45%	3.64%
	Below high school	0%	0%	0%

Note 1 : Including number of subsidiaries, excluding directors

Note2 : The statistical target for the educational background distribution ratio is the employees in Taiwan.

(IV) Environmental Protection Expenditures

In the most recent fiscal year and up to the date of the annual report printing, there were no losses incurred due to environmental pollution, including compensation and penalties for violating environmental protection regulations. If there were any violations, the date of the penalty, penalty number, violated regulations, and the content of the violation and penalty should be disclosed. The estimated amount and corresponding measures for current and future potential violations should also be disclosed. If it is impossible to estimate reasonably, the reasons should be explained. In this fiscal year, there were no incidents of environmental pollution and therefore no compensation amounts were incurred.

1. The amount of penalty/fine (including compensation) imposed due to environmental pollution

in the most recent year and up to the publication of the annual report and potential expenditures:
None

2. Countermeasures:

- (2) The company implements the ISO 14001 Environmental Management System. Through the annual identification of environmental aspects and regular monthly evaluations of environmental regulations, we proactively assess whether any operational activities could cause significant negative impacts. This ensures the prevention or reduction of potential or actual adverse effects, while guaranteeing legal compliance.
- (3) Annual environmental monitoring is conducted regularly, along with waste disposal carried out by qualified waste management contractors. In collaboration with external entities, we also verify environmental quality to provide employees with a comfortable working environment while achieving effective management. The total environmental investment expenditure for this year amounts to NT\$188,980.

(V) Labor-Management Relations

1. The company's various employee welfare measures, training and development, retirement system, their implementation status, as well as agreements between labor and management and measures to protect various employee rights are as follows:

(1) Welfare measures and their implementation:

Employee welfare measures include labor insurance, health insurance, group insurance, annual employee health check-ups, retirement fund allocation system, employee stock bonus, etc. In addition, a "Employee Welfare Committee" has been established in accordance with the law, and employee welfare funds are allocated monthly from the total operating income and each employee's salary, in accordance with the regulations, to coordinate various employee welfare measures, including wedding, funeral, celebration, childbirth, cultural and sports activities, festival gifts, children's education scholarships, annual travel, and other welfare and subsidies.

※The information from 2015 to 2024:

<u>Unpaid leave of absence</u>			<u>Unpaid Parental leave</u>			<u>Paternity Leave</u>	<u>Maternity Leave</u>
Number of people	Number of employees returning from leave	Percentage of employees returning from leave	Number of people	Number of employees returning from leave	Percentage of employees returning from leave	Number of people	Number of people
4	4	100%	9	8	89%	8	13

※Travel grant (Maximum NTD 6,000 per person):

Year	2023	2024
Subsidy from the Company	The annual subsidy has been temporarily suspended due to the COVID-19 pandemic.	345,000
Subsidies from Welfare Committee	269,300	315,150
Total	\$269,300	\$660,150

※Scholarship for employees' education:

Year	2023	2024
Employee Training and Development	95,152	0
Scholarship (1 st / 2 nd semester)	56,000	55,200
Total	\$151,152	\$55,200

(2) Training and Implementation Status:

To enhance the quality of our employees and improve their work efficiency and quality, this Corporation provides guidance and training on job content for new employees upon their arrival. In addition, in accordance with the "Education and Training Management Measures," we plan an annual education and training program and regularly organize related training courses and activities to support this corporation's development strategy and enhance employee capabilities. Furthermore, employees can participate in external organization training programs to strengthen their professional skills according to their professional needs.

※Annual Training and Implementation:

Year	2023		2024	
Item	Total Number of Personnel	Total Number of Time	Total Number of Personnel	Total Number of Time
Total number of new hires and professional training sessions	94	294	65	351

(3) Retirement System and Implementation Status:

This corporation has legally established a "Labor Pension Reserve Supervisory Committee" and follows the provisions of Article 2 of the Labor Pension Reserve Fund Contribution and Management Measures set by the Ministry of the Interior for employees who were hired before

July 1, 2005. For these employees, the company contributes 2% of the total monthly salary as retirement funds to the Labor Pension Reserve Supervisory Committee, which deposits the funds into a special account at the Central Trust of China. The company also hires qualified actuaries to conduct retirement fund calculation and assessment in accordance with the accounting principles of retirement funds.

The company has a retirement plan for its employees, which provides for two times the basic salary for each year of service in the first 15 years and one times the basic salary for each year of service thereafter, up to a maximum of 45 times the basic salary. The payment of retirement benefits to employees is calculated based on their years of service and the salary they received in the six months prior to retirement. The company has settled the old retirement system with employees who were hired before July 1, 2005, according to the agreed-upon payment conditions and legal procedures, and processed their applications for payment and withdrawal of balances. This was completed in December of 2015.

Since July 1, 2005, this Corporation has established a retirement plan with defined contributions in accordance with the Labor Pension Act for employees who are nationals of the Republic of China (ROC). With regard to the portion of the plan applicable to employees who choose to adopt the labor pension system as defined in the Labor Pension Act, the company deducts 6% of the employee's monthly salary and deposits it into the employee's individual account at the Bureau of Labor Insurance. The payment of retirement benefits to employees is based on the amount accumulated in their individual retirement accounts and the accrued interest, and may be received in the form of monthly payments or a lump sum.

Our subsidiary in Mainland China complies with the pension insurance system established by the government of the People's Republic of China, as required by law. Pursuant to this system, our subsidiary sets aside a certain percentage of the total monthly salaries of its local employees as pension insurance. The retirement benefits of each employee are managed and coordinated by the local government in accordance with the relevant laws and regulations. The Corporation ensures that it handles these retirement benefits in compliance with all applicable laws and regulations without any issues or violations.

(4) Agreement between labor and management and the situation regarding various employee rights protection measures:

This corporation has an internal control system - the salary cycle, which includes comprehensive planning for employee recruitment, employment, training, promotion, transfer, training, and retirement. This is a shared norm that the company and employees follow. In addition, for labor-management communication, we adopt a two-way communication approach and regularly (quarterly) hold labor-management meetings, quarterly meetings, and seminars to exchange and interact, resulting in a harmonious labor-management relationship.

2. For the current fiscal year and up until the date of publication of this annual report, the losses suffered by the company due to labor-management disputes (including violations of labor standards identified in labor inspections, specifying the date and number of the sanction, the relevant legal provisions violated, the content of the violations, and the content of the sanction) have been disclosed, as well as estimated amounts and corresponding measures for current and potential future incidents. If a reasonable estimate cannot be made, the fact that a reasonable estimate cannot be made shall be explained:

A harmonious labor-management relationship is the cornerstone of this Corporation's development. Both labor and management follow the Labor Standards Act as the standard and adhere to legal administration. We adopt a humane management approach in our operations and management, resulting in a positive and harmonious labor-management relationship. There have been no losses caused by labor-management disputes. In the future, we will continue to uphold the principles of full communication, mutual benefit, and so on. Therefore, we expect that there will be no losses caused by labor-management disputes in the future.

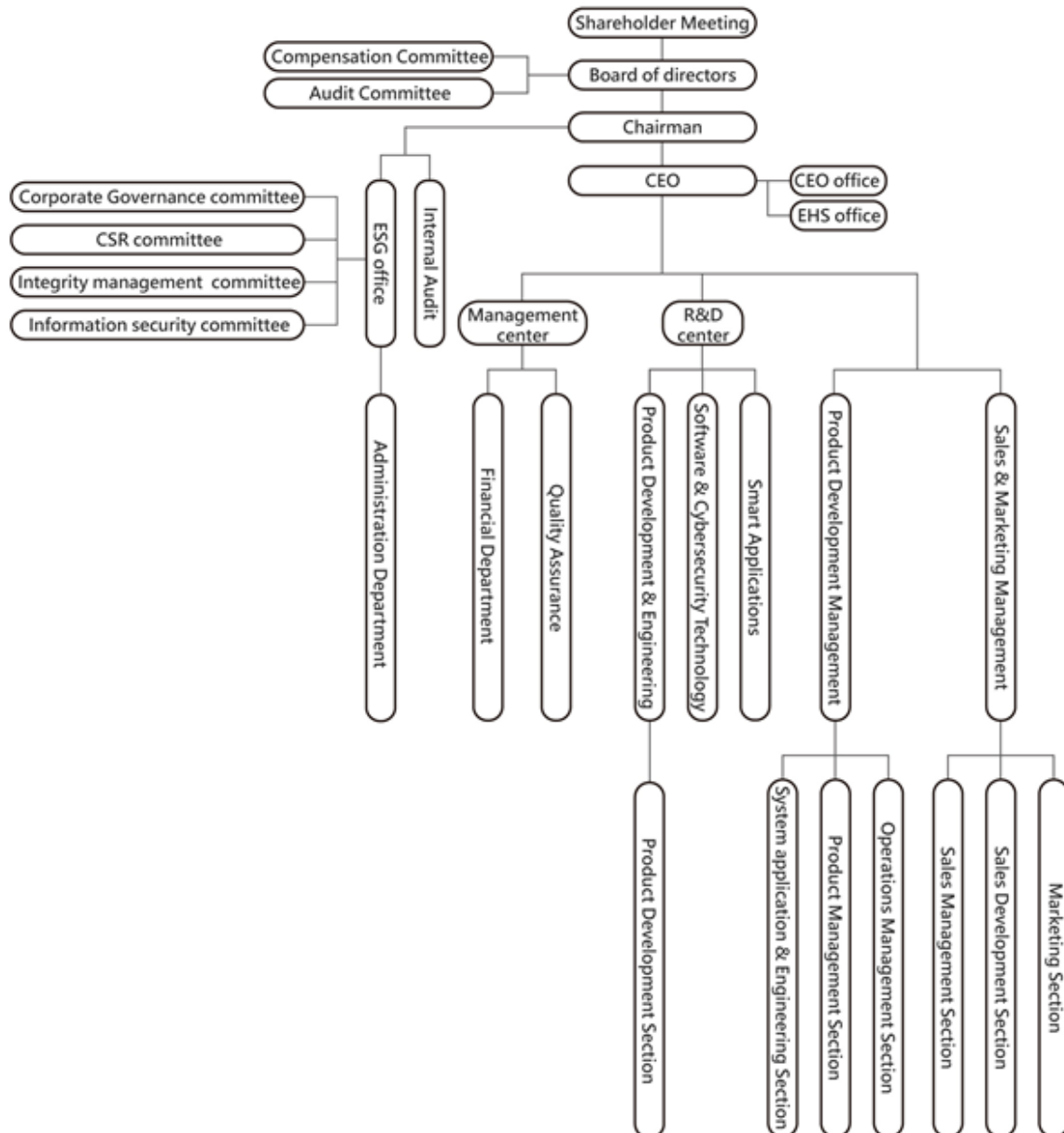
(VI) Cybersecurity Management

1. On January 7, 2025, Z-COM (8176) successfully passed the ISO 27001 International Information Security Management System (ISMS) certification, demonstrating the company's outstanding capability and commitment to information security management. This certification marks a significant step for Z-COM in enhancing internal security management processes, safeguarding customer data, and increasing industry competitiveness. ISO 27001 is the most widely accepted and authoritative information security standard globally, imposing strict requirements on information security risk management, resource protection, threat detection, and response mechanisms. During the certification process, Z-COM established a comprehensive information security management strategy covering areas such as data access control, risk assessment, and incident management to ensure the integrity, confidentiality, and availability of corporate data and systems.
2. Z-COM's General Manager, Jia-Fang Wu, stated: "We deeply understand the importance of information security for business operations and customer trust. Achieving the ISO 27001 certification not only validates Z-COM's professional capabilities in the field of information security but also strengthens our ability to provide high-quality, secure, and reliable products and services to our global customers."

(1) The goal of cybersecurity:

Ensuring the protection of the company's trade secrets and compliance with the Personal Information Protection Act of the government, the company continuously improves its cybersecurity governance and strengthens its protective capabilities. All information operations comply with international cybersecurity standards and meet the requirements of domestic and foreign cybersecurity laws and regulations.

(2) The organizational structure of the Cybersecurity Team::



3. For the current and previous fiscal years up to the date of printing of this report, there have been no losses or potential impacts due to significant cybersecurity incidents that cannot be reasonably estimated, and no explanations are required for such inability to provide reasonable estimates: None.

(VII) Important Contract

Contractual Nature	Party/ Parties	Contract Start and End Date	Main Content	Restrictive Clause
Lease Agreement	Hsinchu Science Park Bureau, NSTC	01/01/2023~12/31/2042	Hsinchu Science Park Land Lease	None
Product Sales Contract	Bharat Sanchar Nigam Limited	06/30/2023~06/30/2028	Wi-Fi network deployment of India Courts	None
Memorandum of Understanding	Loop Telecommunication International, Inc	10/24/2022~10/25/2027	Amendment to Memorandum of Understanding	Within five years after the acceptance of the termination of the trading relationship, ZCOM shall not directly or indirectly contact, quote, or engage in transactions with any third party regarding the sale of products under the sales plan.
Research Proposal	Hwacom Systems Inc.	1/1/2024~12/31/2024	Tamsui Light Rail Commissioned Research Project	None
Memorandum of Understanding	Industrial Technology Research Institute (ITRI)	8/1/2023~1/8/2029	Cybersecurity-Related Collaborative Research Project	None
Memorandum of Understanding	Kamalan Bus Inc.	03/08/2024~09/30/2024	Collaborative Validation Projects for Specialized Technology Fields.	None

V、Review of Financial Conditions, Operating Results, and Risk Management

(I) Financial Status:

Unit: NT\$ Thousand

Item \ year	2024	2023	Difference	
			Amount	%
Current assets	557,049	484,753	72,296	14.91%
Property, plant, and equipment	117,290	120,465	(3,175)	(2.64%)
Intangible assets	548	477	71	14.88%
Other assets	92,692	117,497	(24,805)	(21.11%)
Total assets	767,579	723,192	44,387	6.14%
Current liabilities	183,963	180,858	3,105	1.72%
Noncurrent liabilities	26,673	25,111	1,562	6.22%
Total liabilities	210,636	205,969	4,667	2.27%
Capital stock	717,010	717,010	-	-
Additional paid-in capital	489	489	-	-
Retained earnings	(126,726)	(157,532)	30,806	(19.56%)
Other equity	(20,537)	(29,961)	9,424	(31.45%)
Treasury stock	(26,512)	(26,512)	-	-
Non-controlling equity	13,219	13,729	(510)	(3.71%)
Total equity	556,943	517,223	39,720	7.68%

1. Changes exceeding 20% in the past two years and with a change amount of over 10 million New Taiwan Dollars:

(1) Decrease in other assets: This was primarily due to a reduction in equity-method investments and deferred tax assets.

2. Significant impact should be explained along with future response plans:

The aforementioned changes have no significant impact on the company's finances or operations.

(II) Financial performance

A. Analysis of financial performance

Unit: NT\$ Thousand

item \ year	2024	2023	Difference	
			Amount	%
Operating Income	562,311	431,940	130,371	30.18%
Gross profit	182,152	145,447	36,705	25.24%
Operating profit (loss)	16,110	(14,276)	30,386	(212.85%)
Other operating income and expenses	21,438	21,435	3	0.01%
Net Income (loss) before tax	37,548	7,159	30,389	424.49%
Net Income (loss)	29,926	4,715	25,211	534.70%
Total Comprehensive Net Income (Loss) for the Year	39,720	(1,902)	41,622	(2,188.33%)

Analysis of Deviation over 20% and change amount more than NT10million in the last 2 years:

- (1) Increase in operating revenue and gross profit: In the fiscal year 113, the mass production and shipment of new models led to growth in both operating revenue and gross profit.
- (2) Reduction in operating losses: This was mainly due to the significant growth in operating revenue and gross profit.
- (3) Increase in pre-tax net income (loss), current period net income (loss), and current period comprehensive loss: The growth in revenue and gross profit, along with the reduction in operating losses during the fiscal year 113, resulted in a noticeable improvement in profitability.

B. The impact on company's financial performance and the countermeasures of Sales Volume Forecast and Related Information:

The company is committed to expanding the market. In addition to strengthening the EMS/ODM/OEM customer base, it is also committed to developing new products to meet market demand. A series of efforts have been made for brand promotion, including the launch of Wi-Fi 6 series products and the development of vertical applications. In terms of vertical applications, we combine 5G and Wi-Fi 6 private networks to develop more innovative products and services, and work with well-known system integration companies (SI) to promote smart rail and smart energy management. These applications not only meet the development trend of modern cities but also improve operational efficiency. In addition, we also collaborate with well-known domestic

operators and regional system integration companies (SI) to promote the brand through localized application software and enhance the marketing of system application products.

The possible impacts on company's future financial performance and the countermeasures:

- (1) Increase revenue and profit: By developing new products and vertical applications, as well as collaborating with well-known domestic operators and regional system integration companies (SI), the company can expand its market size.
- (2) Increase investment and costs: Developing new products and vertical applications requires a large amount of capital and manpower, and brand expansion and customer relationship maintenance also require corresponding resources to be invested.

Therefore, the company has corresponding risk response measures to deal with these possible impacts: 1. Strengthen capital management and risk control, adopt effective financial strategies to reduce investment and costs, and ensure that financial risks are effectively controlled. The second is to strengthen market research, ensure that the development of new products and vertical applications meets market demand, reduce risks, and improve product market competitiveness.

(III) Cash Flow

A. Liquidity Analysis within the last 2 years:

Unit : NT\$ Thousand

Cash balance-beginning	Annual cash flow	Cash Balance(deficit)	Remedy for Liquidity shortfall	
			Investment Plan	Financing Plan
214,912	19,725	234,637	Not applicable	Not applicable

1. Cash inflow from operating activities of NT\$52,149 thousand: This was mainly due to the profits generated during the year.
2. Cash inflow from investing activities of NT\$1,666 thousand: This primarily resulted from a decrease in financial assets measured at amortized cost.
3. Cash outflow from financing activities of NT\$41,613 thousand: This was mainly attributable to the repayment of short-term borrowings during the year.

B. Remedial Actions for Liquidity Shortfall : Our company currently does not have a situation of insufficient cash liquidity.

C. Cash Flow Projection for Next Year: Not applicable.

(IV) Recent Years Major Capital Expenditures and Impact on Financial and Business : None.

(V) Reinvestment policy in the most recent year, the reasons for profit or loss resulted, its improvement plan, and next year's investment plan:

A. Reinvestment policy in the most recent year:

The financial and business management policy of our company for overseas reinvestment is based on the relevant management measures of our company's internal control system, and follows the regulations of the "Subsidiary Supervision Operations Regulations" and the "Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises". We also follow the guidelines of the "Criteria for Publicly Issued Companies to Establish Internal Control Systems" to supervise and manage reinvestment operations.

B. The main reasons for the profit or loss from reinvestment and improvement plans

Unit: NT\$ Thousand

Invested company name	Main business activities	Recognition of Investment Losses in 2024 of the Invested Company	The main reason for profit or loss	Improvement Plan
Z-WIRELESS INTERNATIONAL LTD.	General Investment	(247)	The main reason is due to the recognition of profits (losses) in Nanjing Z—Wireless Technology Co., Ltd.	—
Z-COM TECHNOLOGY LTD.	General Investment	(619)	The main reason is due to the recognition of profits (losses) in NANJING Z-COM WIRELESS CO., LTD.	—
ZHI WEI YA HK LIMITED	General trade business	28,472	The main reason is due to the recognition of profits (losses) in JiangXi Zwaveasia Technology Co., Ltd.	—
XIN HUI ZHI Investment Co.,Ltd	General Investment	(362)	The main reason for loss is mainly due to the recognition of the loss of management expenses in the current period.	—
NANJING Z-COM WIRELESS CO., LTD	Research and development and sales of communication equipment and modems	(767)	The main reason for loss is mainly due to the reclassification of other receivables from Z-Wireless International, Ltd as a loss.	—
Nanjing Z—Wireless Technology Co., Ltd.	Research and development and sales of communication equipment and modems	(247)	The main reason is due to the recognition of profits (losses) in NANJING Z-COM WIRELESS CO., LTD.	—
NANJING ZHI WEI YA COMMUNICATION TECHNOLOGY CO., LTD	R & D and sales of communication equipment and network equipment	7,770	The main reason is due to the completion of the liquidation process, with the liability difference reclassified as other income.	—
JiangXi Zwaveasia Technology Co., Ltd.	R & D, production and sales of communication electronic products	40,951	The main reason is due to the increase in operating revenue.	—

Invested company name	Main business activities	Recognition of Investment Losses in 2024 of the Invested Company	The main reason for profit or loss	Improvement Plan
Intelligent platform for IoT services co., LTD. (Note1)	Sales of communication electronic products	117	The main reason is due to the increase in revenue from providing verification services	Note 1
ZENEKER INDIA PRIVATE LTD. (Note1)	Sales of communication electronic products	1,198	The main reason is due to the increase in operating revenue.	Note 1
CHUNGHWA SOCHAMP TECHNOLOGY INC.	Manufacturing and sales of license plate recognition products	(3,796)	The main reason is due to a decrease in operating revenue and an increase in operating expenses.	Note 2

Note 1: It is a subsidiary newly established and invested by the Group in 2021. It is still in the stage of preparation and has no major operating activities.

Note 2: The Company recognizes the share of profits and losses from its equity-method investments only up to the point where the equity of the associated enterprise is reduced to zero. Further losses are not recognized.

- C. Investment plan for the next year: The investment plan for the next year also focuses on expanding overseas sales channels.

(VI) Assessment of risk factors for the current fiscal year and up to the date of printing of the annual report

- A. Interest rates, exchange rates, and inflation, their impact on the Company's profit or loss, and future countermeasures:

The company's net interest expense, after deducting interest income, was NT\$150 thousand dollars accounting for less than 1% of consolidated revenue in 2024. Therefore, changes in interest rates have minimal impact on the company. The company's main interest rate risk comes from short-term borrowings. Currently, the group's short-term borrowing interest rates are 2.26%~2.52%, so the interest rate risk caused by short-term borrowings is not significant.

In 2024, the company earned NT\$9,504 thousand dollars from net foreign exchange gains. The company's exchange rate risk mainly stems from income and expenses denominated in US dollars. In addition to employing natural hedging methods to manage exchange rate risk, the financial department continuously monitors changes in domestic and international economic environments. They devise hedging plans based on exchange rate trends, daily foreign currency balances, and projected cash flows. The financial departments remain vigilant to economic changes and promptly propose corresponding measures as needed.

- B. Engage in the policies of high-risk, highly-leveraged investments, loaning of funds, endorsements and guarantees, and derivative transactions, the reasons for profit or loss resulted, and the future countermeasures:

In 2024, our company did not engage in high-risk, high-leverage investments or derivative trading. The company's execution of fund lending and endorsement guarantees followed the company's "Fund Lending Operation Procedure" and "Endorsement Guarantee Operation Procedure," as well as relevant regulations, and reported regularly to the board of directors on the execution situation. The above-mentioned information is announced monthly on the Market Observation Post System in accordance with regulations for investors to refer to.

- C. Future R&D Plans and Estimated R&D Investment

Our company is set to launch a series of Wi-Fi 7 products while expanding into IoT, 5G NR, and AIoT applications. The zMEC edge server will not only introduce a new 5G NR gateway product line but also enhance communication support for various sensors and data collectors through Serial-Gateway technology. This will be applicable for private networks (5G NR/ Wi-Fi 7) and AIoT applications and management, with an initial focus on smart energy and smart rail applications.

We will continue to develop and design innovative, market-leading technologies. The planned new products and services include:

1. Development of Wi-Fi 7 Series Products.

2. Integration of Wi-Fi 7 with 5G NR for In-Vehicle, Railway, and Industrial-Grade Products.
3. Next-Generation Multi-Access Edge Computing (MEC) Software System.
4. Development of Commercial-Grade IoT Gateway Products for Smart Retail, Smart Logistics.
5. Cloud System Management and Value-Added Feature Development.
6. Industrial-grade outdoor USB Dongle.
7. Gateways for new energy project sites.
8. Point-to-point, mid-range, and long-range network bridges.

D. Impact of significant domestic and foreign policy and law changes on the Company's financial operations and related countermeasures:

In addition to complying with relevant domestic and international laws and regulations in daily operations, the company also pays close attention to the development trends of domestic and foreign policies and changes in laws and regulations, in order to fully grasp and respond to changes in the market environment. Relevant information is collected and provided to the management team for decision-making reference, to adjust our company's related operational strategies. Therefore, changes in domestic and foreign policies and laws in recent years have not had a significant impact on the company's financial operations.

E. The impact of technological changes (including cybersecurity risks) and industry changes on the company's financial and business operations, as well as the countermeasures, are as follows:

Wireless communication network equipment belongs to the high-tech communication industry, and the industry is currently in a rapid growth stage. There are numerous types of wireless network communication products and continuous development and improvement. Our company has been deeply involved in the wireless network communication industry for many years, and we can accurately handle and control the production equipment, research and development personnel, and the latest technology to cope with the industry's rapid changes. We constantly innovate and develop various communication network products, so technological changes and industry changes will help expand our company's business. Our company also actively improves production capacity and research and development capabilities, grasps industry dynamics and market information, and adopts a conservative financial management strategy to maintain market competitiveness. In the future, our company will continue to pay attention to relevant technological changes and evaluate their impact on our operations, making corresponding adjustments to strengthen our business development and financial status.

Cybersecurity Risks and Response Measures:

1. Identify relevant stakeholders for the cybersecurity management system and regularly confirm their needs regarding the system, including customer requirements for cybersecurity.
2. Conduct social engineering exercises and employee cybersecurity education and training to comprehensively enhance employees' cybersecurity awareness.

3. Establish comprehensive regulations and clear operational procedures to institutionalize the cybersecurity management system.
4. Ensure customer data is not leaked through multi-layered protection.
5. Strengthen overall cybersecurity defense and monitoring mechanisms, and fully deploy endpoint detection and response software to ensure visibility of abnormal behaviors. Implement internal system segregation, adopt a zero-trust architecture for data centers, and enhance information system operation continuity drills.
6. Continuously monitor new cybersecurity information and technologies, updating defense and management methods to effectively block new types of cybersecurity threats and reduce operational risks.
7. Conduct weekly internal and external ISO-27001 cybersecurity audits to review the entire management system, ensuring the proper functioning and continuous improvement of ISO-27001.

- F. The impact of changes in corporate image on crisis management and response measures for enterprises:
Our company upholds the principles of honesty and professionalism in our operations and places importance on corporate image and risk management, therefore, there have been no significant events that have affected the company's corporate image.
- G. The expected benefit , the potential risks, and countermeasures of merger and acquisition:
The company has no plan for mergers and acquisitions, but if there is a plan for mergers and acquisitions in the future, it will be implemented in accordance with the company's "Procedures for Acquisition or Disposal of Assets" and relevant laws and regulations and adopt a cautious and prudent attitude to evaluate whether the merger or acquisition can bring concrete comprehensive benefits to the company, in order to ensure the interests and rights of the company and shareholders.
- H. Expected benefits, potential risks, and countermeasures of a plant expansion: None.
- I. Risks and countermeasures associated with concentrated purchasing or sales:
1. Risks and countermeasures associated with concentrated purchasing:
The company maintains business relationships with at least two suppliers for major procurement items to reduce the proportion of purchases from a single supplier. Additionally, the main material suppliers are well-coordinated and have a long-term cooperative relationship with the company, which eliminates the risk of excessive concentration in purchasing. However, as the poor market conditions in the information and communication industry are a common issue, the company needs to prepare in advance to address any potential risks.

2. Risk of Customer concentration and the countermeasures:

Although the company's two major customers accounted for a high proportion of revenue in the 2024, the company has had a long-standing cooperative relationship with these two customers based on good product quality and technical support. With the customer's demand for new products that import orders, there is a risk of concentration of sales due to the resulting economies of scale.

3. Countermeasures:

- (1) The company not only has the ability to integrate software, hardware, and systems but also has manufacturing capabilities to provide competitive pricing and excellent quality products. The company also provides customization services to meet customers' needs, assist the key customers in developing business with end-users, and maintain long-term cooperation. The company actively responds to customer needs to improve customer satisfaction, increase customer loyalty, and establish good customer relationships.
- (2) Diversification of customers and markets: the company is committed to diversifying customer and markets by these following measures: developing new products and markets, expanding marketing channels, actively developing multiple customers and markets, reducing dependence on a single customer or market, diversifying risks, and increasing sources of revenue. Therefore, through various business models such as EMS/OEM/ODM and brand promotion, our company actively improves its market competitiveness.
- (3) Strengthen market analysis: Conduct in-depth market analysis, grasp market trends, understand changes in customer demand, and adjust marketing strategies in a timely manner.

- J. The impact of the massive equity transfer or exchange by the directors, supervisors, or shareholders holding more than 10% shareholding on the company, the risk, and the countermeasures: None.
- K. The impact of the changes in the ownership on the Company, the risk and the countermeasures: None.
- L. For litigation or non-litigation events, which may have a significant impact on the shareholder' s equity or security prices should be illustrated: None.
- M. Other significant risks and mitigation measures:

Cybersecurity Risk Management Operations in 2024

Risk	Accountability unit	Risk factors	Prevention	The Operation Situation 2024
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Risk	Accountability unit	Risk factors	Prevention	The Operation Situation 2024
The risk of cybersecurity	Department of the System software and Network security technology	It refers to the possibility of unacceptable risks to the information assets of an enterprise, where the confidentiality, integrity, and availability of information cannot be guaranteed. This includes unauthorized access to information, inability to ensure that the content and processing methods of information are correct and complete, and inability of authorized users to access information and related assets in a timely manner, which may result in potential losses.	The Information Security Unit is responsible for coordinating and executing the company's information security policies, disseminating information security messages, and enhancing employee awareness of information security. They regularly report information security achievements to the Chief Information Security Officer, President (CEO), and Chairman, and assess the effectiveness of internal controls over information operations to safeguard the confidentiality, integrity, and availability of information.	Establishing an architecture for "active security detection and defense - IDS, IPS, DLP, AC" to reduce the risk of unauthorized use, damage, or leakage of information.
		1. Enhance cybersecurity defense capabilities	1. Use access control (AC) to protect the access of sensitive documents and use data loss prevention (DLP) devices to record readers accessing sensitive data. Regularly perform	1. Continuous internal and external cybersecurity defense is necessary to prevent inside-outside collaboration in cyberattacks, which are currently the most significant cybersecurity threats. "Internal" refers to vulnerabilities within the

Risk	Accountability unit	Risk factors	Prevention	The Operation Situation 2024
		<p>2. Refine information security management procedures</p> <p>3 Responses to Security Risks</p>	<p>internal network security scans and product security scans to check the effectiveness of antivirus software and firewalls.</p> <p>2. Complying with and passing the ISO corporate information security standards, ITRI's DNP energy information security standards, the Ministry of Economic Affairs' network equipment information security certification standards, and the Ministry of Transportation's IoT information security standards, continuously improving through annual review operations.</p> <p>3. Control information security risks and ensure that the critical</p>	<p>organization, while "external" refers to the exposed attack surface. Regular manual cybersecurity audits, network packet inspections, and tool scans to check for network vulnerabilities ensure the effectiveness of physical controls and meet the requirements of regulations and stakeholders (such as customers and consumer groups).</p> <p>2. The company has established a network security technology department to conduct regular security procedures and ensure that relevant operations are implemented effectively.</p> <p>3. Information security risk governance: Adopting the ISO27001</p>

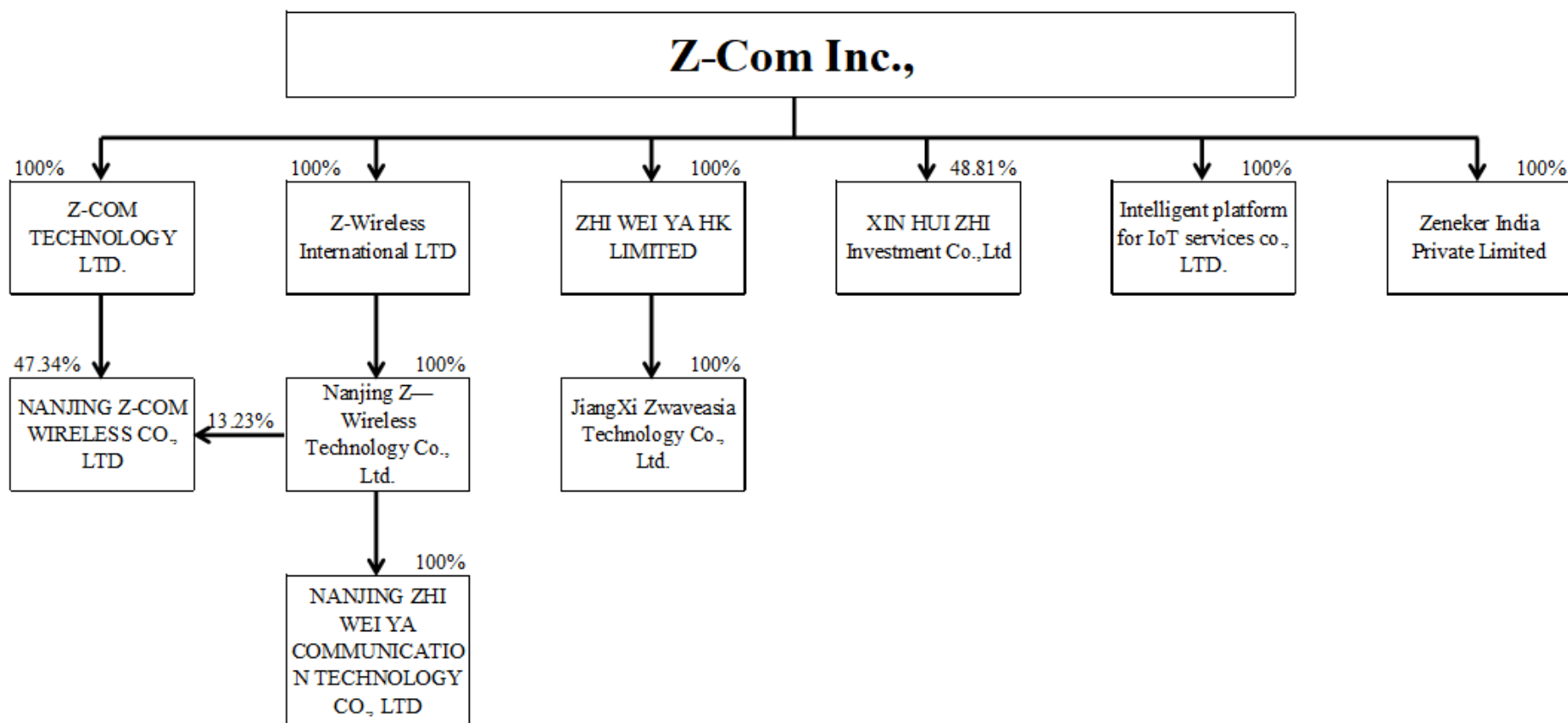
Risk	Accountability unit	Risk factors	Prevention	The Operation Situation 2024
		<p>4. Employee education and training of cybersecurity</p>	<p>core systems of our company maintain a certain level of system availability.</p> <p>4. Provide information security education and training to promote employees' awareness of information security and enhance their understanding of related responsibilities.</p>	<p>information management system, implementing information security policy management and compliance control, and continuously conducting operational emergency response drills, in compliance with the Financial Supervisory Commission's securities information security law and the Hsinchu Science Park Administration's information security standards for risk improvement.</p> <p>4. Qualified trainers with internal cybersecurity certifications in the company will conduct internal information security awareness campaigns, provide all-employee cybersecurity education and training, and perform periodic social engineering phishing tests to enhance cybersecurity awareness.</p>

(VII)Other important matters: None.

VI、Special Disclosure

(I) Affiliated company's information

A. Organization Chart of the affiliated companies:



B. Summary of Affiliated Companies:

Unit : \$NT thousand

Name of Subsidiary	Date of Incorporation	Place of Registration	Paid-in capital	Business Activities
Z-COM TECHNOLOGY LTD.	2001.01	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.	102,413	General Investment
Z-WIRELESS INTERNATIONAL LTD.	2003.12	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.	96,316	General Investment
ZHI WEI YA HK LIMITED	2007.10	1501 Capital Centre, 151 Gloucester Road, Wan Chai, Hong Kong.	336,342	General trade business
NANJING Z-COM WIRELESS CO., LTD	2000.08	Room 202, Building 13, Jiangsu Software Park, No. 699-22 Xuanwu Avenue, Xuanwu District, Nanjing, Jiangsu Province, China	200,154	Research and development and sales of communication equipment and modems
Nanjing Z—Wireless Technology Co., Ltd.	2004.11	Room 202, Building 13, Jiangsu Software Park, No. 699-22 Xuanwu Avenue, Xuanwu District, Nanjing, Jiangsu Province, China	96,316	Research and development and sales of communication equipment and modems
NANJING ZHI WEI YA COMMUNICATION TECHNOLOGY CO., LTD	2009.07	Room 202, Building 13, Jiangsu Software Park, No. 699-22 Xuanwu Avenue, Xuanwu District, Nanjing, Jiangsu Province, China	21,364	Research and development and sales of communication equipment and modems
JiangXi Zwaveasia Technology Co., Ltd.	2012.09	No. 2 Anshun Road, Automotive Industry Park, Economic and Technological Development Zone, Jiujiang City, Jiangxi Province, China	336,342	R & D, production and sales of communication electronic products
XIN HUI ZHI Investment Co., Ltd	2015.11	2F., No. 5, Ln. 277, Jiaying Rd., Zhubei City, Hsinchu County, Taiwan	59,000	General Investment
Intelligent platform for IoT services co., LTD. (Note1)	2021.04	2F., No. 5, Ln. 277, Jiaying Rd., Zhubei City, Hsinchu County, Taiwan	10,000	Sales of communication electronic products
ZENEKER INDIA PRIVATE LTD. (Note1)	2021.06	16A/20 W.E.A. Ajmal Khan Road, Karol Bagh, New Delhi – 110005, India	9,536	Sales of communication electronic products

Note 1: It is a subsidiary newly established and invested by the Group in 2021. It is still in the stage of preparation and has no major operating activities.

C. Shareholders in Common of Z-COM and Its Subsidiaries with Deemed Control and

Subordination: None.

D. Each affiliated company's director, supervisor, and CEO:

December 31, 2024 Unit: share

Company name	title	Name or representative	shareholding	
			shares	percentage
Z-COM TECHNOLOGY LTD.	Director	Representative of Z-COM, Inc.: John S. Shieh	9,830,000	100%
Z-WIRELESS INTERNATIONAL LTD.	Director	Representative of Z-COM, Inc.: John S. Shieh	30,000	100%
ZHI WEI YA HK LIMITED	Director	Representative of Z-COM, Inc.: John S. Shieh	11,000,000	100%
NANJING Z-COM WIRELESS CO., LTD	Director	Z-COM TECHNOLOGY,LTD Representative: WU CHIA-FANG	25,439,376	60.57%
Nanjing Z—Wireless Technology Co., Ltd.	Director	Z-WIRELESS INTERNATIONAL LIMITED. Representative: Chen Te Kun	not applicable	100%
NANJING ZHI WEI YA COMMUNICATION TECHNOLOGY CO., LTD	Director	NANJING ZHI WEI YA COMMUNICATION TECHNOLOGY CO., LTD Representative: Chen Te Kun	not applicable	100%
JiangXi Zwaveasia Technology Co., Ltd.	Director	ZHI WEI YA HK LIMITED Representative: HU TA YU	not applicable	100%
XIN HUI ZHI Investment Co., Ltd	Director	Representative of Z-COM, Inc.: John S. Shieh	not applicable	48.81%
Intelligent platform for IoT services co., LTD.	Director	WU CHIA-FANG	1,000,000	100%
ZENEKER INDIA PRIVATE LTD.	Shareholder	Representative of Z-COM, Inc.: John S. Shieh	not applicable	100%
CHUNGHWA SOCHAMP TECHNOLOGY INC.	Director	Representative of Z-COM, Inc.: WU CHIA-FANG	1,5000,000	27.27%

E. Operational Highlights of Z-COM Subsidiaries:

12.31, 2024 Unit: NT\$ thousands

Company	Capital Stock	Assets	Liabilities	net value per share	Income (Loss) from Operation	Operation profits	Net Income (Loss)	EPS (Loss) (After tax)
Z-COM TECHNOLOGY LTD.	102,413	13,687	-	1.34	-	(18)	(619)	(0.06)
Z-WIRELESS INTERNATIONAL LTD.	96,316	18,934	-	1.97	-	-	(247)	(0.03)
ZHI WEI YA HK LIMITED	336,342	338,333	-	10.06	-	-	28,472	0.85
NANJING Z-COM WIRELESS CO., LTD	200,154	32,684	4,816	1.39	-	(1,592)	(1,267)	(0.06)
Nanjing Z—Wireless Technology Co., Ltd.	96,316	20,464	1,530	not applicable	317	(7,996)	(247)	not applicable
NANJING ZHI WEI YA COMMUNICATION TECHNOLOGY CO., LTD	21,364	1	-	not applicable	-	(11)	7,770	not applicable
JiangXi Zwaveasia Technology Co., Ltd.	336,342	431,215	80,155	not applicable	521,286	36,217	40,951	not applicable
XIN HUI ZHI Investment Co., Ltd.	59,000	77,444	36	not applicable	-	(743)	(742)	not applicable
Intelligent platform for IoT services co., LTD.	10,000	10,210	523	9.69	2,008	(11,039)	117	0.12
ZENEKER INDIA PRIVATE LTD.	9,536	7,862	87	not applicable	8,220	1,151	1,198	not applicable

F. The consolidated financial statements for the fiscal year 113 have been uploaded to the Market Observation Post System in accordance with regulations. The indexed URL is as follows:
https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=8176&year=113&seamon=&mtype=A&

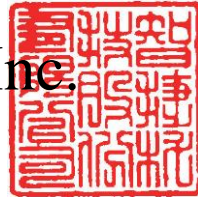
G. Related party transactions and disclosures: Not applicable

(II) Private Placement Securities in the most recent years and as of the Date of this Annual Report : None.

(III) Other necessary supplementary notes: None.

(IV) The occurrence of any events as stated in Section 3 Paragraph 2 in Article 36 of the Securities Exchange Act that had significant impact on shareholder's equity or securities prices in the most recent year and up to the publication of the annual report: None.

Z-COM, Inc.



Chairman: Fan En Technology. Co., Ltd.



Legal Representative: John S. Shieh

