

Sercomm Corporation
2026 Annual Shareholders' Meeting Minutes
(Translation)

Time : 9:00 a.m., Thursday, June 11, 2026

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

Format : In-person shareholders' meeting

Shareholders in Attendance: A total of 195,778,975 shares were represented, accounting for 65.32% of the Company's total shares issued, excluding non-voting shares, which total 299,719,542 shares. These shares were represented by shareholders attending in person, by proxy, and via electronic voting.

Directors in Attendance: Chairman James Wang, Director Ben Lin

Attendees: CFO Arthur Hsu, CPA Wen-Ya Fang, General Counsel David Huang

Chair : Chairman James Wang

Recorder: Sandra Ko

I. Announcement of the Meeting: The chairman announced that the total number of shares represented exceeded the legal quorum, and the meeting was declared open in accordance with the law.

II. Chairman's Speech: Omitted

III. Meeting Agenda:

1. Report Items

- (I) 2025 Business Report
- (II) 2025 Audit Committee Review Report
- (III) Report on the Distribution of 2025 Employee and Director Profit Sharing
- (IV) Report on the Distribution of 2025 Cash Dividends
- (V) Report on the Status of Private Placement of Securities
- (VI) Report on the Execution Status of Share Buyback

Please be informed of the above report items.

Statement by Shareholder (Account No. 00113664):

Expressed appreciation for the management team's operating performance during the past year and suggested that the Company actively evaluate opportunities in the low Earth orbit (LEO) satellite market to capture future growth opportunities in the communications industry.

Response by the Chairman: The Chairman thanked the shareholder for the recognition and suggestion. The Company continues to monitor developments in communications technologies and market opportunities, including those related to LEO satellites. Future business opportunities

will be evaluated prudently based on market developments, customer demand, and the Company's overall resource allocation, with the aim of enhancing the Company's competitiveness and shareholder value.

2. Recognition and Discussion Items

(I) Acceptance of the 2025 Business Report and Financial Statements

(proposed by the Board of Directors)

Description:

1. The Company's consolidated and parent company only financial statements for 2025, including the balance sheets, statements of comprehensive income, statements of changes in equity, and statements of cash flows, have been audited by CPAs Ya-Fang Wen and Yu-Fang Yen of PricewaterhouseCoopers, Taiwan.
2. The aforementioned financial statements and the 2025 Business Report have been approved by the Board of Directors and reviewed by the Audit Committee.
3. For the financial statements and the Business Report, please refer to Attachment 1 and page 4 of this handbook.

Resolution:

Votes in favor: 187,578,045

Votes against: 111,426

Invalid votes: 0

Abstentions/No votes: 8,089,504

Votes in favor accounted for 95.81% of the total voting rights exercised (195,778,975 shares) by shareholders present.

The motion was approved as proposed.

(II) Acceptance of the Proposal for 2025 Earnings Distribution

(proposed by the Board of Directors)

Description:

1. The company's earning distribution table for the year of 2025, please refer to Attachment.

Resolution:

Votes in favor: 187,775,476

Votes against: 117,493

Invalid votes: 0

Abstentions/No votes: 7,886,006

Votes in favor accounted for 95.91% of the total voting rights exercised (195,778,975 shares) by shareholders present.

The motion was approved as proposed.

(III) Approval of the Proposal to Conduct a Private Placement of Common Shares or Domestic and/or Foreign Convertible Bonds

(proposed by the Board of Directors)

Description:

1. In order to meet the Company's future operational needs, it is proposed to conduct a private placement of Common Shares or Domestic and/or Foreign Convertible Bonds, within a total amount not exceeding 27,000,000 common shares. In the case of convertible bonds, the number of common shares to be converted shall be calculated based on the conversion price at the time of the private placement and shall be included within the aforementioned limit. It is proposed that the shareholders' meeting authorize the Board of Directors to determine, based on market conditions and the Company's operational needs, the appropriate timing and whether to proceed with either method or a combination thereof, in accordance with the Company's Articles of Incorporation and applicable laws and regulations. For the Method and Terms of the private placement of securities. Please refer to Attachment for the method and terms of private placement of securities.
2. The key terms of the proposed private placement of Common Shares or Domestic and/or Foreign Convertible Bonds, including but not limited to the actual number of shares to be privately placed, issuance period, actual issue price, total amount to be raised, coupon rate of the bonds, issuance plan, issuance conditions, conversion price, selection of subscribers, record date, project items, use of proceeds and implementation schedule, expected benefits, and all other related matters concerning the issuance plan, are proposed to be authorized to the Board of Directors for adjustment, determination, and execution based on market conditions. In the event of any amendments required due to changes in applicable laws or regulations, instructions from competent authorities, or based on operational evaluation or changes in objective circumstances, the Board of Directors is also authorized to handle all such matters at its sole discretion.
3. To facilitate the completion of the private placement plan, it is proposed to authorize the Chairperson or his designee to represent the Company in handling all matters related to the private placement of Common Shares or Domestic and/or Foreign Convertible Bonds, including the execution of all relevant agreements and documents.

Resolution:

Votes in favor: 187,761,527

Votes against: 129,773

Invalid votes: 0

Abstentions/No votes: 7,887,675

Votes in favor accounted for 95.90% of the total voting rights exercised (195,778,975 shares) by shareholders present.

The motion was approved as proposed.

3. Extempore Motions: None.

(There were no shareholder inquiries regarding the recognition and discussion items at this annual general meeting.)

4. Adjournment: The meeting was adjourned by the Chair at 9:23 a.m. on the same day.

2025 Financial Statements

INDEPENDENT AUDITORS' REPORT

PWCR25000504

To the Board of Directors and Shareholders of Sercomm Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Sercomm Corporation and subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2025 are stated as follows:

Timing of revenue recognition from hub sales

Description

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

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

How our audit addressed the matter

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

1. Assessed and tested the appropriateness of internal controls over hub sales revenue, including understanding and testing the statements between the Group and hub custodians periodically.
2. Obtained the stock details of each hub at the balance sheet date and agreed to respective supporting documents provided by hub custodians.
3. Confirmed inventory quantities held at hubs and agreed to accounting records to validate the revenue recognition in proper period.

Valuation of inventory

Description

For the accounting policies of inventory, please refer to Note 4(14); and for the accounting estimates of valuation of inventory and assumption uncertainty, please refer to Note 5. For details on loss on inventory valuation, please refer to Note 6(7). As of December 31, 2025, the cost of inventory and loss on inventory valuation are \$20,083,559 thousand and \$618,986 thousand, respectively.

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

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

How our audit addressed the matter

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

1. Assessed the reasonableness of accounting policies and procedures in relation to inventory valuation, including the classification of aged, damaged and obsolete inventory.

2. Reviewed the Group's annual counting plan and conducted their physical counts on inventories to evaluate the control effectiveness on inventory classification.
3. Validated the inventory classification and the amount of net realisable value, recalculated the loss of inventory and further evaluated the rationality.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Sercomm Corporation as at and for the years ended December 31, 2025 and 2024.

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

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

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

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

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

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

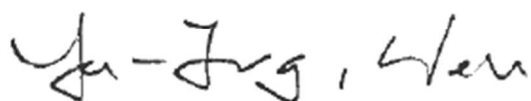
1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Wen, Ya-Fang



Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2026

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

SERCOMM CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 5,759,324	12	\$ 8,305,815	20
1110	Financial assets at fair value through profit or loss, current	6(2)	5,723	-	13,384	-
1136	Financial assets at amortised cost, current	8	76,737	-	27,392	-
1139	Financial assets for hedging, current	6(4)	17,331	-	20,425	-
1150	Notes receivable, net	6(5)	120,738	-	60,863	-
1170	Accounts receivable, net	6(5)	11,334,851	24	11,634,655	28
1200	Other receivables	6(6)	972,583	2	959,900	2
1220	Current income tax assets		240,211	1	39,472	-
130X	Inventories	6(7)	19,464,573	40	11,596,212	28
1410	Prepayments		1,175,946	2	704,725	2
1470	Other current assets		90,840	-	39,432	-
11XX	Current Assets		<u>39,258,857</u>	<u>81</u>	<u>33,402,275</u>	<u>80</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income, non-current	6(3)	352,178	1	324,339	1
1535	Financial assets at amortised cost, non-current	8 and 9	52,099	-	119,423	-
1550	Investments accounted for using equity method	6(8)	-	-	13,721	-
1600	Property, plant and equipment	6(9)	6,446,812	13	5,866,741	14
1755	Right-of-use assets	6(10)	718,952	2	667,044	2
1780	Intangible assets	6(11)	300,619	1	311,972	1
1840	Deferred income tax assets	6(27)	680,828	1	889,785	2
1915	Prepayments for business facilities	6(29)	353,135	1	205,332	-
1920	Guarantee deposits paid	8 and 9	157,551	-	175,740	-
1990	Other non-current assets, others		11,430	-	15,444	-
15XX	Non-current assets		<u>9,073,604</u>	<u>19</u>	<u>8,589,541</u>	<u>20</u>
1XXX	Total assets		<u>\$ 48,332,461</u>	<u>100</u>	<u>\$ 41,991,816</u>	<u>100</u>

(Continued)

SERCOMM CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12)	\$ 2,145,838	5	\$ 1,016,211	3
2120	Financial liabilities at fair value through profit or loss, current	6(2)	24,013	-	39,583	-
2126	Financial liabilities for hedging, current	6(4)	18,486	-	-	-
2130	Contract liabilities, current	6(21)	1,023,930	2	761,015	2
2150	Notes payable		546,579	1	402,250	1
2170	Accounts payable		19,271,587	40	12,063,488	29
2200	Other payables		3,955,074	8	4,149,235	10
2230	Current income tax liabilities		177,988	1	174,780	1
2250	Provisions for liabilities, current	6(16)	967,750	2	980,724	2
2280	Current lease liabilities		103,943	-	78,089	-
2320	Long-term liabilities, current portion	6(13)	-	-	1,400,000	3
2365	Current refund liabilities	6(21)	158,770	-	127,648	-
2399	Other current liabilities, others	9	395,779	1	928,590	2
21XX	Current Liabilities		<u>28,789,737</u>	<u>60</u>	<u>22,121,613</u>	<u>53</u>
	Non-current liabilities					
2500	Financial liabilities at fair value through profit or loss, non-current	6(2)	32,100	-	18,600	-
2530	Bonds payable	6(13)	2,848,419	6	2,798,505	6
2570	Deferred income tax liabilities	6(27)	318,329	-	332,471	1
2580	Non-current lease liabilities		372,044	1	331,539	1
2640	Net defined benefit liability, non-current	6(14)	12,693	-	22,092	-
2645	Guarantee deposits received		15,695	-	47,609	-
25XX	Non-current liabilities		<u>3,599,280</u>	<u>7</u>	<u>3,550,816</u>	<u>8</u>
2XXX	Total Liabilities		<u>32,389,017</u>	<u>67</u>	<u>25,672,429</u>	<u>61</u>
	Equity					
	Equity attributable to owners of parent					
	Share capital	6(17)				
3110	Common stock		3,043,426	6	3,000,496	7
	Capital surplus	6(18)				
3200	Capital surplus		6,572,515	14	6,354,493	15
	Retained earnings	6(19)				
3310	Legal reserve		2,042,692	4	1,814,255	4
3320	Special reserve		356,140	1	689,875	2
3350	Undistributed retained earnings		4,883,210	10	4,944,900	12
	Other equity interest	6(20)				
3400	Other equity interest		(520,509)	(1)	(356,140)	(1)
	Treasury stocks	6(17)				
3500	Treasury stocks		(421,810)	(1)	(119,517)	-
31XX	Equity attributable to owners of the parent		<u>15,955,664</u>	<u>33</u>	<u>16,328,362</u>	<u>39</u>
36XX	Non-controlling interest		(12,220)	-	(8,975)	-
3XXX	Total equity		<u>15,943,444</u>	<u>33</u>	<u>16,319,387</u>	<u>39</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant subsequent events	11				
3X2X	Total liabilities and equity		<u>\$ 48,332,461</u>	<u>100</u>	<u>\$ 41,991,816</u>	<u>100</u>

SERCOMM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2025		2024	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(21)	\$ 53,999,430	100	\$ 56,788,762	100
5000 Operating costs	6(7) and 7	(45,524,332)	(84)	(46,712,533)	(82)
5900 Gross profit		8,475,098	16	10,076,229	18
Operating expenses	6(25)(26) and 7				
6100 Selling expenses		(2,319,601)	(5)	(2,536,119)	(5)
6200 General and administrative expenses		(1,228,035)	(2)	(1,304,079)	(2)
6300 Research and development expenses		(3,333,333)	(6)	(3,323,109)	(6)
6450 Expected credit impairment gain	12(2)	10,835	-	20,916	-
6000 Total operating expenses		(6,870,134)	(13)	(7,142,391)	(13)
6900 Operating profit		1,604,964	3	2,933,838	5
Non-operating income and expenses					
7100 Interest income		146,539	-	175,702	-
7010 Other income	6(22)	83,520	-	19,052	-
7020 Other gains and losses	6(23)	(77,506)	(-)	(66,779)	(-)
7050 Finance costs	6(24)	(251,806)	(-)	(248,528)	(-)
7060 Share of profit of associates and joint ventures accounted for under equity method	6(8)	-	-	9,896	-
7000 Total non-operating income and expenses		(99,253)	(-)	(110,657)	(-)
7900 Profit before income tax		1,505,711	3	2,823,181	5
7950 Income tax expense	6(27)	(306,687)	(1)	(549,542)	(1)
8200 Profit for the year		\$ 1,199,024	2	\$ 2,273,639	4
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Gains on remeasurements of defined benefit plans	6(14)	\$ 4,418	-	\$ 16,709	-
8316 Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)	(2,777)	-	5,166	-
8317 (Losses) gains on hedging instrument	6(20)	(132,989)	-	52,904	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(20)	25,714	-	(13,924)	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		(105,634)	(-)	60,855	(-)
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation of foreign financial statements		(143,792)	-	283,782	1
8368 (Losses) gains on hedging instruments	6(20)	(14,514)	-	29,445	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(20)	2,903	-	(5,889)	-
8360 Components of other comprehensive income that will be reclassified to profit or loss		(155,403)	(-)	307,338	1
8300 Other comprehensive (loss) income (net)		(\$ 261,037)	(-)	\$ 368,193	1
8500 Total comprehensive income for the year		\$ 937,987	2	\$ 2,641,832	5
Profit attributable to					
8610 Owners of the parent		\$ 1,202,805	2	\$ 2,271,006	4
8620 Non-controlling interest		(3,781)	(-)	2,633	(-)
Total		\$ 1,199,024	2	\$ 2,273,639	4
Comprehensive income attributable to					
8710 Owners of the parent		\$ 941,232	2	\$ 2,639,449	5
8720 Non-controlling interest		(3,245)	(-)	2,383	(-)
Total		\$ 937,987	2	\$ 2,641,832	5
Earnings per share	6(28)				
9750 Basic earnings per share		\$ 4.04		\$ 7.74	
9850 Diluted earnings per share		\$ 3.95		\$ 7.49	

SERCOMM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent										Non-controlling interest	Total equity
		Share capital		Retained earnings						Total			
		Common stock	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Undistributed retained earnings	Treasury stocks	Other equity interest	Total			
Year 2024													
		\$ 2,685,781	\$ 105,989	\$ 4,608,355	\$ 1,572,874	\$ 653,337	\$ 4,410,572	\$ 689,879	\$ 119,517	\$ 13,227,512	\$ 11,358	\$ 13,216,154	
		-	-	-	-	-	2,271,006	-	-	2,271,006	2,633	2,273,639	
6(20)		-	-	-	-	-	13,367	355,076	-	368,443	(250)	368,193	
		-	-	-	-	-	2,284,373	355,076	-	2,639,449	2,383	2,641,832	
6(19)		-	-	-	241,381	-	(241,381)	-	-	-	-	-	
		-	-	-	-	36,538	(36,538)	-	-	(1,472,126)	-	(1,472,126)	
6(15)		-	-	49,311	-	-	-	-	-	49,311	-	49,311	
6(17)(18)		7,150	-	11,154	-	-	-	-	-	18,304	-	18,304	
6(17)(18)		34,040	-	338,698	-	-	-	(168,498)	-	204,240	-	204,240	
6(15)		-	-	-	-	-	-	168,498	-	168,498	-	168,498	
6(4)		-	-	-	-	-	-	(25,407)	-	(25,407)	-	(25,407)	
6(4)		-	-	-	-	-	-	4,070	-	4,070	-	4,070	
		273,525	(105,989)	1,346,975	-	-	-	-	-	1,514,511	-	1,514,511	
		\$ 3,000,496	\$ -	\$ 6,354,493	\$ 1,814,255	\$ 689,875	\$ 4,944,900	\$ 356,140	\$ 119,517	\$ 16,328,362	\$ 8,975	\$ 16,319,387	
Year 2025													
		\$ 3,000,496	\$ -	\$ 6,354,493	\$ 1,814,255	\$ 689,875	\$ 4,944,900	\$ 356,140	\$ 119,517	\$ 16,328,362	\$ 8,975	\$ 16,319,387	
6(20)		-	-	-	-	-	1,202,805	-	-	1,202,805	(3,781)	1,199,024	
		-	-	-	-	-	3,534	(265,107)	-	(261,573)	536	(261,037)	
6(19)		-	-	-	-	-	1,206,339	(265,107)	-	941,232	(3,245)	937,987	
		-	-	-	228,437	-	(228,437)	-	-	-	-	-	
		-	-	-	-	(333,735)	333,735	-	-	(1,373,327)	-	(1,373,327)	
6(15)		-	-	48,740	-	-	-	-	-	48,740	-	48,740	
6(17)(18)		39,130	-	133,942	-	-	-	-	-	173,072	-	173,072	
6(17)(18)		3,800	-	35,340	-	-	-	(8,740)	-	30,400	-	30,400	
6(15)		-	-	-	-	-	-	8,740	-	8,740	-	8,740	
6(17)		-	-	-	-	-	-	(302,293)	(302,293)	94,213	-	(302,293)	
6(4)		-	-	-	-	-	-	94,213	-	94,213	-	94,213	
6(4)		-	-	-	-	-	-	6,525	-	6,525	-	6,525	
		\$ 3,043,426	\$ -	\$ 6,572,515	\$ 2,042,692	\$ 356,140	\$ 4,883,210	\$ 320,309	\$ 421,810	\$ 15,955,664	\$ 12,220	\$ 15,943,444	

SERCOMM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,505,711	\$ 2,823,181
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(25)	925,236	821,929
Amortization expense	6(25)	133,416	155,570
Expected credit impairment gain	12(2)	(10,835)	(20,916)
Impairment loss on performance guarantee	6(23)	14,750	14,750
Net loss on financial assets and liabilities at fair value through profit or loss	6(3)(23)		
Interest income		73,135	163,655
Interest expense	6(24)	(146,539)	(175,702)
Dividend income	6(22)	251,806	248,527
Compensation cost of share-based payments	6(15)	(627)	(376)
(Gain) loss on disposal of property, plant and equipment	6(23)	57,480	217,809
Gains arising from lease modifications	6(23)	(5,799)	4,629
Losses on disposals of investment	6(23)	-	166)
Gain on disposal of investments accounted for using equity method	6(8)(23)	-	199
Share of profit of associates accounted for using equity method	6(8)	(30,401)	-
Gains arising from derecognition of liabilities	6(22)	-	(9,896)
Changes in operating assets and liabilities		(57,811)	-
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss, current		(67,544)	(100,382)
Notes receivable		(59,875)	17,275
Accounts receivable		314,129	(406,093)
Other receivables		(16,761)	(521,990)
Inventories		(7,868,361)	5,937,085
Prepayments		(471,214)	(120,780)
Other current assets		(51,408)	(41,989)
Changes in operating liabilities			
Contract liabilities		262,915	9,744
Notes payable		144,329	(234,064)
Accounts payable		7,208,099	(4,308,900)
Other payables		(156,702)	(641,140)
Provisions for liabilities		(13,197)	294,483
Current refund liabilities		31,122	(242,013)
Other current liabilities		93,513	20,256
Net defined benefit liabilities, non-current		(4,981)	(4,650)
Cash inflow generated from operations		2,053,586	3,900,035
Interest received		150,617	180,702
Interest paid		(212,521)	(200,448)
Income tax paid		(265,686)	(1,151,132)
Net cash flows from operating activities		1,725,996	2,729,157

(Continued)

SERCOMM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(29)	(\$ 1,558,437)	(\$ 1,233,877)
Proceeds from disposal of property, plant and equipment		59,778	23,154
Acquisition of intangible assets	6(29)	(199,303)	(85,811)
Acquisition of financial assets at fair value through profit or loss		(6,700,000)	(2,800,000)
Proceeds from disposal of financial assets at fair value through profit or loss		6,700,000	3,950,000
Decrease (increase) in guarantee deposit paid		3,439	(27,480)
Decrease in financial assets at amortised cost		17,979	32,971
Acquisition of financial assets at fair value through other comprehensive income	12(3)	(30,616)	-
Dividends received	6(3)(8)(22)	627	3,760
Proceeds from disposal of investments accounted for using equity method	6(8)	43,566	-
Decrease in other non-current assets		863	-
Net cash flows used in investing activities		(1,662,104)	(137,283)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term debts	6(30)	27,567,261	22,684,123
Payments of short-term debts	6(30)	(26,412,224)	(22,097,837)
Acquisition of treasury stocks	6(17)	(302,293)	-
Exercise of employee stock options	6(15)	173,072	18,304
Issuance of employee restricted stock	6(15)	30,400	204,240
Increase in guarantee deposits received	6(30)	65,485	574,350
Decrease in guarantee deposits received	6(30)	(664,236)	(751,161)
Payments of principal portion of lease liabilities	6(30)	(170,843)	(224,859)
Repayments of bonds	6(30)	(1,400,000)	(2,300,000)
Cash dividends paid	6(19)	(1,373,327)	(1,472,126)
Net cash flows used in financing activities		(2,486,705)	(3,364,966)
Effect of exchange rate changes		(123,678)	247,995
Net decrease in cash and cash equivalents		(2,546,491)	(525,097)
Cash and cash equivalents at beginning of year		8,305,815	8,830,912
Cash and cash equivalents at end of year		\$ 5,759,324	\$ 8,305,815

INDEPENDENT AUDITORS' REPORT

PWCR25000485

To the Board of Directors and Shareholders of Sercomm Corporation

Opinion

We have audited the accompanying parent company only balance sheets of Sercomm Corporation (the "Company") as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2025 are stated as follows:

Timing of revenue recognition from hub sales

Description

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

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

How our audit addressed the matter

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

1. Assessed and tested the appropriateness of internal controls over hub sales revenue, including understanding and testing the statements between the Company and hub custodians periodically.
2. Obtained the stock details of each hub at the balance sheet date and agreed to respective supporting documents provided by hub custodians.
3. Confirmed inventory quantities held at hubs and agreed to accounting records to validate the revenue recognition in proper period.

Valuation of inventory

Description

For the accounting policies of inventory, please refer to Note 4(13); and for the accounting estimates of valuation of inventory and assumption uncertainty, please refer to Note 5. For details on loss on inventory valuation, please refer to Note 6(7). As of December 31, 2025, the cost of inventory and loss on inventory valuation are \$7,289,346 thousand and \$291,787 thousand, respectively.

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

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

How our audit addressed the matter

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

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

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

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

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

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

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

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

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

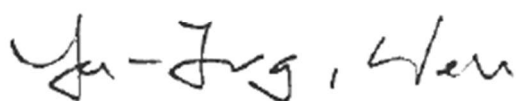
1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities controlled by the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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



Wen, Ya-Fang



Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2026

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

SERCOMM CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,943,713	8	\$ 5,679,509	16
1110	Financial assets at fair value through profit or loss, current	6(2)	5,723	-	13,384	-
1139	Financial assets for hedging, current	6(4)	17,331	-	20,425	-
1170	Accounts receivable, net	6(5)	8,775,847	23	6,274,745	17
1180	Accounts receivable due from related parties, net	7	5,546,444	15	6,330,157	17
1200	Other receivables	6(6)	789,011	2	742,322	2
1210	Other receivables due from related parties	7	35,421	-	26,329	-
1220	Current income tax assets		183,417	-	28,738	-
130X	Inventories	6(7)	6,997,559	18	4,697,699	13
1410	Prepayments	7	339,833	1	349,000	1
1470	Other current assets		12,618	-	11,223	-
11XX	Current assets		<u>25,646,917</u>	<u>67</u>	<u>24,173,531</u>	<u>66</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss, non-current	6(2)	-	-	-	-
1517	Financial assets at fair value through other comprehensive income, non-current	6(3)	325,069	1	294,453	1
1535	Financial assets at amortised cost, non-current	8 and 9	43,101	-	110,440	-
1550	Investments accounted for using equity method	6(8) and 7	8,139,752	21	7,434,144	20
1600	Property, plant and equipment	6(9)	2,749,188	7	2,815,196	8
1755	Right-of-use assets	6(10)	160,010	1	197,378	1
1780	Intangible assets	6(11)	281,759	1	288,464	1
1840	Deferred income tax assets	6(27)	525,183	1	674,446	2
1915	Prepayments for business facilities	6(29)	149,326	1	92,111	-
1920	Guarantee deposits paid	9	114,357	-	119,466	-
1960	Prepayments for investments		-	-	240,000	1
15XX	Non-current assets		<u>12,487,745</u>	<u>33</u>	<u>12,266,098</u>	<u>34</u>
1XXX	Current tax assets		<u>\$ 38,134,662</u>	<u>100</u>	<u>\$ 36,439,629</u>	<u>100</u>

(Continued)

SERCOMM CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12)	\$ 1,411,678	4	\$ 1,016,211	3
2120	Financial liabilities at fair value through profit or loss, current	6(2)	24,013	-	39,583	-
2126	Financial liabilities for hedging, current	6(4)	18,486	-	-	-
2130	Contract liabilities, current	6(21)	779,317	2	752,213	2
2170	Accounts payable		5,325,100	14	3,911,472	11
2180	Accounts payable to related parties	7	5,666,893	15	3,656,226	10
2200	Other payables		2,537,847	7	2,960,157	8
2220	Other payables to related parties	7	1,445,211	4	973,760	3
2230	Current income tax liabilities		104,564	-	117,769	-
2250	Provisions for liabilities, current	6(16)	952,223	2	945,961	3
2280	Current lease liabilities		55,104	-	51,553	-
2320	Long-term liabilities, current portion	6(13)	-	-	1,400,000	4
2365	Current refund liabilities	6(21)	158,770	-	114,168	-
2399	Other current liabilities, others	9	361,721	1	921,366	2
21XX	Current liabilities		<u>18,840,927</u>	<u>49</u>	<u>16,860,439</u>	<u>46</u>
	Non-current liabilities					
2500	Financial liabilities at fair value through profit or loss, non-current	6(2)	32,100	-	18,600	-
2530	Bonds payable	6(13)	2,848,419	8	2,798,505	8
2570	Deferred income tax liabilities	6(27)	268,141	1	249,750	1
2580	Non-current lease liabilities		107,423	-	143,851	-
2640	Net defined benefit liability, non-current	6(14)	12,693	-	22,092	-
2650	Credit balance of investments accounted for using equity method	6(8)	69,295	-	18,030	-
25XX	Non-current liabilities		<u>3,338,071</u>	<u>9</u>	<u>3,250,828</u>	<u>9</u>
2XXX	Liabilities		<u>22,178,998</u>	<u>58</u>	<u>20,111,267</u>	<u>55</u>
	Equity					
	Share capital	6(17)				
3110	Common stock		3,043,426	8	3,000,496	8
	Capital surplus	6(18)				
3200	Capital surplus		6,572,515	17	6,354,493	17
	Retained earnings	6(19)				
3310	Legal reserve		2,042,692	5	1,814,255	5
3320	Special reserve		356,140	1	689,875	2
3350	Undistributed retained earnings		4,883,210	13	4,944,900	14
	Other equity interest	6(20)				
3400	Other equity interest		(520,509)	(1)	(356,140)	(1)
	Treasury stocks	6(17)				
3500	Treasury stocks		(421,810)	(1)	(119,517)	-
3XXX	Equity		<u>15,955,664</u>	<u>42</u>	<u>16,328,362</u>	<u>45</u>
	Significant contingent liabilities and unrecognised	9				
	Significant subsequent events	11				
3X2X	Total liabilities and equity		<u>\$ 38,134,662</u>	<u>100</u>	<u>\$ 36,439,629</u>	<u>100</u>

SERCOMM CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(21) and 7	\$ 50,674,039	100	\$ 52,499,922	100
5000	Operating costs	6(7) and 7	(44,842,686)	(88)	(44,677,639)	(85)
5900	Gross profit		5,831,353	12	7,822,283	15
5920	Realized profit from sales		2,216	-	2,131	-
5950	Gross profit		5,833,569	12	7,824,414	15
	Operating expenses	6(25)(26) and 7				
6100	Selling expenses		(1,992,290)	(4)	(2,242,979)	(4)
6200	Administrative expenses		(705,687)	(2)	(782,965)	(2)
6300	Research and development expenses		(2,132,050)	(4)	(1,833,336)	(3)
6450	Expected credit impairment gain	12(2)	11,844	-	8,358	-
6000	Total operating expenses		(4,818,183)	(10)	(4,850,922)	(9)
6900	Operating profit		1,015,386	2	2,973,492	6
	Non-operating income and expenses					
7100	Interest income		90,952	-	114,023	-
7010	Other income	6(22)	59,427	-	9,456	-
7020	Other gains and losses	6(23) and 7	(20,431)	-	55,697	-
7050	Finance costs	6(24) and 7	(240,228)	-	(277,573)	(1)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(8)	554,177	1	(98,919)	-
7000	Total non-operating income and expenses		443,897	1	(197,316)	(1)
7900	Profit before income tax		1,459,283	3	2,776,176	5
7950	Income tax expense	6(27)	(256,478)	(1)	(505,170)	(1)
8200	Profit for the year		\$ 1,202,805	2	\$ 2,271,006	4
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(14)	\$ 4,418	-	\$ 16,709	-
8317	(Losses) gains on hedging instrument that will not be reclassified to profit or loss	6(20)	(132,989)	-	52,904	-
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(20)	(2,777)	-	5,166	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(20)(27)	25,714	-	(13,924)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(105,634)	-	60,855	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements	6(20)	(144,328)	-	284,032	1
8368	(Losses) gains on hedging instrument	6(20)	(14,514)	-	29,445	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(20)(27)	2,903	-	(5,889)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(155,939)	-	307,588	1
8300	Other comprehensive (loss) income		(\$ 261,573)	-	\$ 368,443	1
8500	Total comprehensive income		\$ 941,232	2	\$ 2,639,449	5
	Earnings per share					
9750	Basic earnings per share	6(28)	\$ 4.04		\$ 7.74	
9850	Diluted earnings per share	6(28)	\$ 3.95		\$ 7.49	

SERCOMM CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Notes	Share capital			Retained earnings				Other equity interest			Total equity	
	Common stock	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Treasury stocks		
Year 2024												
	\$ 2,685,781	\$ 105,989	\$ 4,608,355	\$ 1,572,874	\$ 653,337	\$ 4,410,572	\$ 629,468	\$ 32,210	\$ 28,201	\$ -	\$ (119,517)	\$ 13,227,512
	-	-	-	-	-	2,271,006	-	-	-	-	-	2,271,006
6(20)	-	-	-	-	-	13,367	284,032	5,166	65,878	-	-	368,443
	-	-	-	-	-	2,284,373	284,032	5,166	65,878	-	-	2,639,449
6(19)	-	-	-	241,381	-	(241,381)	-	-	-	-	-	-
	-	-	-	-	36,538	(36,538)	-	-	-	-	-	-
	-	-	-	-	(1,472,126)	(1,472,126)	-	-	-	-	(1,472,126)	-
6(15)	-	-	-	49,311	-	-	-	-	-	-	-	49,311
6(17)(18)	7,150	-	-	-	-	-	-	-	-	-	-	18,304
6(17)(18)	34,040	-	338,698	-	-	-	-	-	(168,498)	-	-	204,240
6(15)	-	-	-	-	-	-	-	-	168,498	-	-	168,498
6(4)	-	-	-	-	-	-	-	-	(25,407)	-	-	(25,407)
6(4)	-	-	-	-	-	-	-	-	4,070	-	-	4,070
	273,525	(105,989)	1,346,975	-	-	-	-	-	-	-	-	1,514,511
	\$ 3,000,496	\$ -	\$ 6,354,493	\$ 1,814,255	\$ 689,875	\$ 4,944,900	\$ 345,436	\$ 27,044	\$ 16,340	\$ -	\$ (119,517)	\$ 16,328,362
	\$ 3,000,496	\$ -	\$ 6,354,493	\$ 1,814,255	\$ 689,875	\$ 4,944,900	\$ 345,436	\$ 27,044	\$ 16,340	\$ -	\$ (119,517)	\$ 16,328,362
6(20)	-	-	-	-	-	1,202,805	(144,328)	(2,777)	(118,002)	-	-	1,202,805
	-	-	-	-	-	3,534	(144,328)	(2,777)	(118,002)	-	-	(261,573)
6(19)	-	-	-	-	-	1,206,339	(144,328)	(2,777)	(118,002)	-	-	941,232
	-	-	-	228,437	-	(228,437)	-	-	-	-	-	-
	-	-	-	(333,735)	(333,735)	(333,735)	-	-	-	-	(1,373,327)	(1,373,327)
6(15)	-	-	-	-	-	-	-	-	-	-	-	-
6(17)(18)	39,130	-	48,740	-	-	-	-	-	-	-	-	48,740
6(17)(18)	3,800	-	133,942	-	-	-	-	-	-	-	-	173,072
6(15)	-	-	35,340	-	-	-	-	-	(8,740)	-	-	30,400
6(17)	-	-	-	-	-	-	-	-	8,740	-	-	8,740
6(4)	-	-	-	-	-	-	-	-	-	(302,293)	-	(302,293)
6(4)	-	-	-	-	-	-	-	-	94,213	-	-	94,213
6(4)	-	-	-	-	-	-	-	-	6,525	-	-	6,525
	\$ 3,043,426	\$ -	\$ 6,572,515	\$ 2,042,692	\$ 356,140	\$ 4,883,210	\$ 489,764	\$ 29,821	\$ 924	\$ -	\$ (421,810)	\$ 15,955,664
	\$ 3,043,426	\$ -	\$ 6,572,515	\$ 2,042,692	\$ 356,140	\$ 4,883,210	\$ 489,764	\$ 29,821	\$ 924	\$ -	\$ (421,810)	\$ 15,955,664
Year 2025												
	\$ 3,000,496	\$ -	\$ 6,354,493	\$ 1,814,255	\$ 689,875	\$ 4,944,900	\$ 345,436	\$ 27,044	\$ 16,340	\$ -	\$ (119,517)	\$ 16,328,362
	\$ 3,000,496	\$ -	\$ 6,354,493	\$ 1,814,255	\$ 689,875	\$ 4,944,900	\$ 345,436	\$ 27,044	\$ 16,340	\$ -	\$ (119,517)	\$ 16,328,362
6(20)	-	-	-	-	-	1,202,805	(144,328)	(2,777)	(118,002)	-	-	1,202,805
6(19)	-	-	-	-	-	1,206,339	(144,328)	(2,777)	(118,002)	-	-	941,232
	-	-	-	228,437	-	(228,437)	-	-	-	-	-	-
	-	-	-	(333,735)	(333,735)	(333,735)	-	-	-	-	(1,373,327)	(1,373,327)
6(15)	-	-	-	-	-	-	-	-	-	-	-	-
6(17)(18)	39,130	-	48,740	-	-	-	-	-	-	-	-	48,740
6(17)(18)	3,800	-	133,942	-	-	-	-	-	-	-	-	173,072
6(15)	-	-	35,340	-	-	-	-	-	(8,740)	-	-	30,400
6(17)	-	-	-	-	-	-	-	-	8,740	-	-	8,740
6(4)	-	-	-	-	-	-	-	-	-	(302,293)	-	(302,293)
6(4)	-	-	-	-	-	-	-	-	94,213	-	-	94,213
6(4)	-	-	-	-	-	-	-	-	6,525	-	-	6,525
	\$ 3,043,426	\$ -	\$ 6,572,515	\$ 2,042,692	\$ 356,140	\$ 4,883,210	\$ 489,764	\$ 29,821	\$ 924	\$ -	\$ (421,810)	\$ 15,955,664
	\$ 3,043,426	\$ -	\$ 6,572,515	\$ 2,042,692	\$ 356,140	\$ 4,883,210	\$ 489,764	\$ 29,821	\$ 924	\$ -	\$ (421,810)	\$ 15,955,664

Year 2024

Balance at January 1, 2024

Profit for the year

Other comprehensive income for the year

Total comprehensive income

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Special reserve appropriated

Cash dividends

Compensation cost of employee stock options

Exercise of employee stock options

Issuance of employee restricted stock

Compensation cost of employee restricted stock

Removal of hedging reserve

Reclassification of ineffective hedging reserve

Conversion of convertible bonds

Balance at December 31, 2024

Year 2025

Balance at January 1, 2025

Profit for the year

Other comprehensive income(loss) for the year

Total comprehensive income(loss)

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Special reserve

Cash dividends

Compensation cost of employee stock options

Exercise of employee stock options

Issuance of employee restricted stock

Compensation cost of employee restricted stock

Acquisition of treasury stock

Removal of hedging reserve

Reclassification of ineffective hedging reserve

Balance at December 31, 2025

SERCOMM CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,459,283	\$ 2,776,176
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(25)	420,908	372,023
Amortization expense	6(25)	127,778	151,907
Expected credit impairment gain	12(2)	(11,844)	(8,358)
Impairment loss on performance guarantee	6(23)	14,750	14,750
Gains arising from derecognition of liabilities	6(23)	(57,811)	-
Net loss on financial assets and liabilities at fair value through profit or loss	6(23)	73,135	163,425
Interest expense	6(24)	240,228	277,573
Interest income		(90,952)	(114,023)
Compensation cost of share-based payments	6(15)	57,480	217,809
Share of (profit) loss of associates accounted for using equity method	6(8)	(554,177)	98,919
Gain on disposal of property, plant and equipment	6(23)	(4,211)	(3,748)
Realized gain from inter-affiliate accounts		(2,216)	(2,131)
Loss on disposal of investments accounted for using equity method	6(23)	-	199
Losses arising from lease modifications	6(23)	-	192
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss, current		(67,544)	(100,786)
Accounts receivable		(2,489,258)	2,088,615
Accounts receivable due from related parties, net		783,713	(1,093,300)
Other receivables		(153,672)	(526,184)
Other receivables due from related parties		26,329	37,018
Inventories		(2,299,860)	5,609,158
Prepayments		9,167	92,418
Other current assets		(1,395)	129
Changes in operating liabilities			
Contract liabilities, current		27,104	28,452
Accounts payable		1,413,628	(2,560,889)
Accounts payable to related parties		2,010,667	(3,450,489)
Other payables		(385,024)	(589,619)
Other payables to related parties		471,451	(228,445)
Provisions for liabilities, current		6,262	295,849
Current refund liabilities		44,602	(255,493)
Other current liabilities		66,678	12,038
Net defined benefit liabilities, non-current		(4,981)	(4,650)
Cash inflow generated from operations		1,130,218	3,298,535
Interest received		162,514	103,926
Interest paid		(252,142)	(280,736)
Income tax paid		(253,276)	(1,046,725)
Net cash flows from operating activities		787,314	2,075,000

(Continued)

SERCOMM CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(29)	(\$ 270,898)	(\$ 411,381)
Proceeds from disposal of property, plant and equipment		18,519	9,951
Acquisition of intangible assets	6(29)	(198,138)	(69,135)
Acquisition of financial assets at fair value through profit or loss		(6,700,000)	(2,800,000)
Proceeds from disposal of financial assets at fair value through profit or loss		6,700,000	3,950,000
Acquisition of financial assets at fair value through other comprehensive income		(30,616)	-
Acquisition for investments accounted for using equity method	6(8) and 7	(245,054)	(501,140)
Proceeds from disposal of investments accounted for using equity method	7	-	1,173
Proceeds from capital reduction of investments accounted for using equity method	6(8) and 7	-	241,770
Increase in guarantee deposit paid		(9,641)	(22,313)
Decrease (increase) in financial assets at amortised cost		67,339	(1,286)
Return of investment prepayment		240,000	-
Net cash flows (used in) from investing activities		(428,489)	397,639
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term debts	6(30)	26,232,097	21,737,491
Payments of short-term debts	6(30)	(25,836,630)	(20,891,180)
Exercise of employee stock options	6(17)	173,072	18,304
Issuance of employee restricted stock	6(15)	30,400	204,240
Payments of principal portion of lease liabilities	6(30)	(49,427)	(46,614)
Acquisition of treasury stocks	6(17)	(302,293)	-
Repayments of bonds	6(30)	(1,400,000)	(2,300,000)
Cash dividends paid	6(19)	(1,373,327)	(1,472,126)
Increase in guarantee deposits received	6(30)	48,446	518,606
Decrease in guarantee deposits received	6(30)	(616,959)	(712,945)
Net cash flows used in financing activities		(3,094,621)	(2,944,224)
Net decrease in cash and cash equivalents		(2,735,796)	(471,585)
Cash and cash equivalents at beginning of year		5,679,509	6,151,094
Cash and cash equivalents at end of year		\$ 2,943,713	\$ 5,679,509

2025 Earning Distribution Table

Unit: NT\$

Items	Amount	
	Subtotal	Total
Unappropriated retained earnings at beginning of the year		3,676,869,263
Other comprehensive income—actuarial gains and losses on defined benefit plans	3,534,415	
Net income attributable to owners of the parent for the year	1,202,805,151	
Net income attributable to owners of the parent plus other items included in unappropriated retained earnings for the year		1,206,339,566
Appropriation of 10% legal reserve		(120,633,957)
Appropriation of special reserve in accordance with regulations		(164,368,919)
Distributable earnings		4,598,205,953
Appropriation items:		
Dividends to shareholders		
Cash dividends (NT\$2.5 per share)	(749,298,855)	
Unappropriated retained earnings at end of the year		3,848,907,098

Note: The amount distributed for this earnings distribution prioritizes the profits from the fiscal year 2025.

Chairperson: James Wang

President: Ben Lin

Accounting Officer: Max Cheng

Method and Terms of the Private Placement of Securities

I. Private Placement of Common Shares

A. The basis and reasonableness of the private placement pricing

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

B. The method for selecting the specific persons:

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

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

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

D. Except for the transfer restrictions stipulated in Article 43-8 of the Securities and Exchange Act, the rights and obligations in this private placement are the same as those of common shares issued by the Company.

II. Private Placement of Domestic and/or Foreign Convertible Bonds

A. Period: Less than 5 years from the date of issuance.

B. Coupon rate: The Board of Directors is authorized to determine it according to market conditions.

C. The basis and reasonableness of the private placement pricing

- (1) The issue price of the private placement convertible bonds may not be lower than 85 percent of the theoretical price and the conversion price may not be lower than 85 percent of the price calculated in the following two items, whichever of the two is higher.
 - a. The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
 - b. The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
- (2) The Company proposes to the shareholders' meeting to authorize the Board of Directors to determine the actual private placement price based on the above-mentioned pricing principles, specific persons, and market conditions within the range not lower than the resolution of the shareholders' meeting.
- (3) In addition to considering the three-year transfer restriction of private placement securities imposed by the

Securities and Exchange Act, the pricing of this private placement is determined by referring to relevant laws and regulations and the closing price of common shares. It should be reasonable and shall not have a major impact on shareholders' equity.

D. The method for selecting the specific persons:

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

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

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

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

III. It is proposed to authorize the Chairman or his designee to represent the Company in handling all matters related to the private placement of Common Shares or Domestic and/or Foreign Convertible Bonds, and to execute all relevant agreements and documents.