

# Transcom, Inc.

## 2025 Annual Shareholders' Meeting Minutes

**Meeting Type:** Physical Shareholders' Meeting

**Time:** 10:00 A.M., June 11, 2024 (Wednesday)

**Venue:** Room 201, 2F., NO.26, Nanke 3rd Rd., Xinshi Dist., Tainan City.

(The Allied Association For Science Park Industries)

**Number of shares represented by shareholders present:**

Shares represented by the shareholders in person or proxy totaled 48,029,756 shares, accounting for 58.92% of the Company's total outstanding shares 81,515,426 (Deducting the Treasury share 520,000 shares).

**Chairman:** Chang Chian-Sern

**Recorder:** Tsai Pei-Ying

**Attend Directors:** David S. Wang, Lu Feng-Chih, Jhang Wei-Han, Wu Chang-Luen,  
Guo Li-Jhen

**Attend Independent Directors:** Fang Ping-Huang, Hong Yao, Wang Tien-Chin, Lee Bing-Jyr

**Attendee:** Yeh Fang-Ting, CPA, PricewaterhouseCoopers (PwC)

**Called the meeting:** The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

**Chairman's Address:** (omitted)

### Reports Items

#### 1. 2024 Business Report

**Explanatory Notes :**

The 2024 Business Report is attached hereto as 【Attachment 1】.

#### 2. 2024 Audit Committee's Review Report

**Explanatory Notes :**

The 2024 Audit Committee's Review Report is attached hereto as 【Attachment 2】.

#### 3. 2024 Earnings Distribution of Cash Dividend

**Explanatory Notes :**

- (1) The Company distributed dividends of NT\$4 per share, totaled in NT\$326,061,704, which was approved by the Board of Directors on March 7, 2025. Any fractional amount less than NT\$1 for the cash dividends shall be recognized as other income.
- (2) The record date for the cash dividend distribution is proposed to be set on March 30, 2025 and it was paid on April 23, 2025.

#### 4. 2024 Employees' and Directors' Compensation Distribution Report

##### Explanatory Notes :

- (1) In accordance with Article 29 of the Articles of Incorporation, The Company shall appropriate no less than 4% of the profit of the fiscal year as employees' compensation and no more than 2% of the profit of the fiscal year as directors' bonus.
- (2) Distribution of the NT\$29,760,000 and NT\$10,516,430 in cash as compensations to employees and directors in 2024 have been approved by the Board of Directors on March 7, 2025.

#### 5. Report on the Company's Treasury share repurchase result

##### Explanatory Notes :

- (1) The execution status of the share buyback is shown in the table below :

Repurchase Round	First Round
Board Resolution Date	2024/12/19
Purpose of Repurchase	To maintain company credibility and protect shareholders' rights
Repurchase Period	2024/12/20 to 2025/02/18
Repurchase Price Range (NTD)	105.00 to 140.00
Type and quantity of Shares Repurchased	Common Shares 520,000 shares
Total Amount of Repurchased Shares (NTD)	64,346,545
Average Repurchase Price per Share (NTD)	123.74
Repurchased Shares as a Percentage of Planned Repurchase (%)	34.67%
Number of Shares Cancelled or Transferred	520,000 shares
Accumulated Treasury Shares Held by the Company	0 shares
Accumulated Treasury Shares as a Percentage of Total Outstanding Shares (%)	0.00%
Reason for Incomplete Execution	To protect the rights of all shareholders and ensure orderly market transactions, the Company adopted a phased repurchase strategy based on stock price fluctuations and trading volume; thus, the repurchase was not fully executed.

## Ratifications Items

### 1. To approve 2024 Business Report and Financial Statements

**(Proposed by the Board of Directors)**

#### **Explanatory Notes :**

- (1) The 2024 financial statements were approved by the Board of Directors and have been audited by CPAs Yeh, Fang-Ting and Hsu, Huei-Yu of PricewaterhouseCoopers (PwC). The 2024 business report, Independent Auditor's report and financial statements have been reviewed and approved by the Audit Committee, and proceed to be ratified the proposal in the shareholders' meeting.
- (2) The 2024 business report, Independent Auditor's report and financial statements are attached hereto as 【Attachment 1】 and 【Attachment 3】.
- (3) Ratification is respectfully requested.

#### **Resolution :**

Shares represented at the time of voting: 48,029,756 votes (including votes casted electronically 11,193,881 votes)

Voting Results*		% of the total represented share present
Votes in favor:	47,361,404 votes (10,758,115 votes)	98.60%
Votes against:	2,865 votes (2,865 votes)	0.00%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	665,487 votes (432,901 votes)	1.38%

\* including votes casted electronically (numbers in brackets)

RESOLVED, that the 2024 Business Report and Financial Statements were hereby accepted as submitted.

## 2. To approve the proposal for 2024 Earnings Distribution

(Proposed by the Board of Directors)

### Explanatory Notes :

- (1) The 2024 earnings distribution was approved by the Board of Directors and reviewed by the Audit Committee. 2024 Earnings Distribution Table is as below:

TRANSCOM, INC.

2024 Earnings Distribution Table

Unit: NT\$

Unappropriated retained earnings at the beginning of the period	\$ 115,045,638
Add: Net Income in 2024	396,321,942
Other comprehensive income – Remeasurement of defined benefit plans in 2024	2,116,100
Less: Appropriation of 10% for legal reserve	(39,843,804)
Reversal of special reserve	3,797,720
Total distributable retained earnings	\$ 477,437,596
Earnings Distribution Item:	
Shareholder dividend	
Cash dividends on common shares(NT\$ 4.00 per share)	(326,061,704)
Unappropriated retained earnings at the end of the period	\$ 151,375,892

Chairman : CHANG,CHIAN-SERN President : CHANG,CHIAN-SERN

Accounting Manager : KUO,CHIA-CHE



- (2) Ratification is respectfully requested.

**Resolution :**

Shares represented at the time of voting: 48,029,756 votes (including votes casted electronically 11,193,881 votes)

Voting Results*		% of the total represented share present
Votes in favor:	47,362,246 votes (10,758,957 votes)	98.61%
Votes against:	2,766 votes (2,766 votes)	0.00%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	664,744 votes (432,158 votes)	1.38%

\* including votes casted electronically (numbers in brackets)

RESOLVED, that the approve the proposal for 2024 Earnings Distribution was hereby approved as proposed.

## Discussions Items

### 1. Issuance of New Shares from Capital Surplus

**(Proposed by the Board of Directors)**

**Explanatory Notes :**

- (1) With the goal of the expanding the Company's operation and strengthening its financial structure, it is proposed that the Company issue new shares from additional paid-in capital in the amount of NT\$81,515,420, divided into 8,151,542 common shares with a par value NT\$10 each.
- (2) The record date for this capital increase shall be set by the Board of Directors after approval of capital increase by this Annual Shareholders' Meeting and by the competent authority. The surplus transfer to capital increase is distributed with 100 free shares per thousand shares. Shareholders could request the Company's shareholder service agent to consolidate fractional shares within the period of 5 days from the share transfer suspension date. In the event that fractional shares are not consolidated within the period, then such fractional shares will be converted to cash rounded to the nearest NT\$ in accordance with its par value. The chairman shall be authorized to solicit specified persons to subscribe for accumulated fractional shares at a subscription price equal to par value.
- (3) The rights and obligations of the newly issued shares currently are the same as those issued initially. The newly issued shares will be paperless.
- (4) If the number of outstanding shares changes due to the company's capital adjustment, affecting the stock allocation ratio, the Board of Directors shall be fully authorized by the shareholders' meeting to make necessary adjustments.
- (5) The regular shareholders meeting is proposed that the board of directors shall be authorized with full power to handle any related adjustments due to the opinions of the competent authority or the amendment of applicable laws.
- (6) Approval is respectfully requested.

**Resolution :**

Shares represented at the time of voting: 48,029,756 votes (including votes casted electronically 11,193,881 votes)

Voting Results*		% of the total represented share present
Votes in favor:	47,360,050 votes (10,756,761 votes)	98.60%
Votes against:	5,924 votes (5,924 votes)	0.01%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	663,782 votes (431,196 votes)	1.38%

\* including votes casted electronically (numbers in brackets)

RESOLVED, that Issuance of New Shares from Capital Surplus was hereby approved as proposed.

## 2. Amendments to the Articles of Incorporation

### (Proposed by the Board of Directors)

#### Explanatory Notes :

- (1) To support the company's future business development, the Articles of Incorporation will be amended to increase the authorized capital from NT\$900 million to NT\$1.2 billion.
- (2) The company's business operations within the industrial park are subject to approval by the Southern Taiwan Science Park Administration. Any changes or adjustments to business activities require application and approval. Therefore, the proposed business item (ZZ99999 - businesses not prohibited or restricted by law, except for those requiring special permits) will be removed from the Articles of Incorporation.
- (3) On August 7, 2024, the Securities and Exchange Act was amended to require companies to allocate a certain percentage of annual earnings for salary adjustments or bonuses for basic-level employees. According to the Ministry of Economic Affairs' announcement on December 31, 2024 (Document No. 11354001310), the minimum monthly regular salary for full-time employees in 2024 and 2025 is NT\$63,000. The company plans to adopt this government-announced salary level as the standard for basic-level employees and amend the Articles of Incorporation accordingly.
- (4) Please refer to **【Attachment 4】** for a comparison of the amendments to the Articles of Incorporation.
- (5) Approval is respectfully requested.

#### Resolution :

Shares represented at the time of voting: 48,029,756 votes (including votes casted electronically 11,193,881 votes)

Voting Results*		% of the total represented share present
Votes in favor:	47,313,916 votes (10,710,627 votes)	98.50%
Votes against:	2,804 votes (2,804 votes)	0.00%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	713,036 votes (480,450 votes)	1.48%

\* including votes casted electronically (numbers in brackets)

RESOLVED, that Amendments to the Articles of Incorporation was hereby approved as proposed.



### **3. Issuance of the Employee Restricted stock Awards**

#### **(Proposed by the Board of Directors)**

##### **Explanatory Notes :**

(1) The issuance details of the Employee Restricted Stock Awards are as follows:

A. Expected total amount (shares) of issuance: The total issuance amount is NT\$12,000,000, with a par value of NT\$10 per share, 1,200,000 shares.

B. Issuance Conditions:

(a)Expected issue price:Grants will be made free of charge.

(b)Vesting conditions:

Employees allocated restricted Stock Awards must meet the following vesting conditions to retain their shares. From the capital increase record date, they must remain employed at the respective vesting dates while meeting a certain standard in their annual performance evaluation, adhering to the company's code of conduct, and having no violations of the labor contract or work regulations. The vested share percentages are as follows:

Completion of 1 year of service after granting: 20%

Completion of 2 years of service after granting: 20%

Completion of 3 years of service after granting: 20%

Completion of 4 years of service after granting: 20%

Completion of 5 years of service after granting: 20%

However, cases deemed as meeting the vesting conditions are not subject to these restrictions. If a vesting date falls on a holiday, it will be postponed to the next business day.

C. Measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance:

If the vesting conditions are not met, the company will reclaim the shares free of charge and cancel them. All other matters will be handled in accordance with the company's issuance regulations.

D. Other issuance criteria:NA

E. Qualification criteria for employees:

(a) The shares are granted to employees who are employed on the grant date, possess professional capabilities, can contribute to the company, and are key talents related to the company's operations.

(b) The actual number of restricted employee shares allocated will be determined based on factors such as seniority, job level, work performance, overall contribution, special achievements, or other management considerations. The allocation will be approved by the Chairman and submitted to the Board of Directors for approval. However, for employees holding managerial positions or directors with employee

status, prior approval from the Remuneration Committee is required.

F. The necessary reason of the current issuance of RSA:

To reward outstanding employees for their contributions to the company and provide appropriate encouragement, enabling them to become part of the management team and jointly create benefits for the company and its shareholders.

G. Calculated expense amount:

The company should measure the fair value of the stock on the grant date (issuance date) and recognize the related expenses annually over the vesting period. Based on the closing price of the company's common stock at NT\$125.5 on March 6, 2025, the estimated total expense, assuming all vesting conditions are met, would be NT\$150,600 thousand. If issued in October 2025, the estimated expense recognition from 2025 to 2030 would be NT\$12,550 thousand, NT\$47,690 thousand, NT\$37,650 thousand, NT\$27,610 thousand, NT\$17,570 thousand, and NT\$7,530 thousand, respectively.

H. Dilution of the Company's earnings per share (EPS):

Based on the company's outstanding common shares of 81,515,426 as of March 6, 2025, the estimated reduction in earnings per share (EPS) from 2025 to 2030 would be NT\$0.15, NT\$0.59, NT\$0.46, NT\$0.34, NT\$0.22, and NT\$0.09, respectively. The dilution impact on the company's EPS is considered limited and is not expected to have a significant effect on shareholders' equity.

I. Other matters affecting shareholder's equity: No significant impact.

J. Restrictions before employees meet the vesting conditions once the RSA are received or subscribed for:

(a) Employees could not sell, pledge, transfer, gift, assign, or dispose of the restricted stock awards.

(b) Having no rights to attend, propose, speak, or vote at shareholders' meetings.

(c) Having no rights to participate in the subscription of new shares, rights issues, or dividend distributions granted to original shareholders.

K. Other important terms and conditions (including stock trust custody, etc.):

The restricted stock awards issued by the company shall be managed through a stock trust.

L. Any other matters that need to be specified:

(a) If the conditions set for the restricted employee shares in this issuance require amendments or adjustments due to regulatory instructions, changes in relevant laws and regulations, or financial market conditions, it is proposed that the Board of Directors or its authorized representatives be granted full authority to handle such matters by the shareholders' meeting.

(b) The restrictions, terms, and any matters not covered regarding the issuance of restricted stock awards shall be handled in accordance with relevant regulations and

the company's issuance rules.

(2) Approval is respectfully requested.

**Resolution :**

Shares represented at the time of voting: 48,029,756 votes (including votes casted electronically 11,193,881 votes)

Voting Results*		% of the total represented share present
Votes in favor:	46,962,229 votes (10,358,940 votes)	97.77%
Votes against:	394,069 votes (394,069 votes)	0.82%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	673,458 votes (440,872 votes)	1.40%

\* including votes casted electronically (numbers in brackets)

RESOLVED, that Issuance of the Employee Restricted stock Awards was hereby approved as proposed.

## Directors Election

### Election of Directors and Independent Directors

#### (Proposed by the Board of Directors)

#### Explanatory Notes :

- (1) The current Board of Directors' term was originally set to expire on June 27, 2025. To align with this year's shareholders' meeting, a re-election of directors will be conducted.
- (2) According to Article 17 of the company's Articles of Incorporation, the number of directors should be between 5 and 11, including at least 3 independent directors. In the 10th term, 10 directors will be elected (6 directors and 4 independent directors). The election will follow a candidate nomination system, with a new term of 3 years from June 11, 2025, to June 10, 2028. The current directors and independent directors will serve until the shareholders' meeting is completed.
- (3) This election will be conducted in accordance with the company's "Director Election Procedures." Please refer to [Appendix 3].
- (4) The list of director (including independent director) candidates, along with their education, experience, and shareholding details, is as follows:

Title	Name	Education (Current and Experience)	Current Shareholding (Shares)
Director	CHANG, CHIAN-SERN	Education : <ul style="list-style-type: none"><li>● Ph.D,Electrical Engineering, UCLA</li></ul> Current : <ul style="list-style-type: none"><li>● CEO, Transcom, Inc.</li></ul> Experience : <ul style="list-style-type: none"><li>● Senior R&amp;D engineer, Avantek/HP</li><li>● R&amp;D Manager, Celeritek, Inc.</li></ul>	2,248,847
Director	DAVID S. WANG	Education : <ul style="list-style-type: none"><li>● Master, Business Administration, National Chengchi University</li></ul> Current : <ul style="list-style-type: none"><li>● Independent Director, Sysjust Co., Ltd.</li><li>● Director, Eastern Electronics Co., Ltd.</li><li>● Supervisor, Glacialtech, Inc.</li><li>● Supervisor, Foretech Electronics Co., Ltd.</li></ul> Experience : <ul style="list-style-type: none"><li>● President &amp; Director,Technology Associates Development Corp.</li></ul>	780,214

		<ul style="list-style-type: none"> <li>● President &amp; Director, Technology Associates Corporation</li> <li>● President &amp; Director, Tech Alliance Corp.</li> <li>● Director, Mosart Semiconductor Corp.</li> <li>● Supervisor, Taiwan Mask Corporation</li> <li>● Director, Da-Shi Technology Inc.</li> <li>● Director, RapidStream, Inc. (USA)</li> <li>● Director, Iridigm Display Corp. (USA)</li> <li>● Director, Polytronix, Inc. (USA)</li> <li>● Director, Yi-Duo Technology Inc.</li> <li>● Supervisor, Incentia Design Systems Corp.</li> <li>● Director, PayEase Corp. (USA)</li> <li>● Director &amp; Supervisor, Venture Capital Business Association R.O.C.</li> </ul>	
Director	JHANG, WEI-HAN	<p>Education :</p> <ul style="list-style-type: none"> <li>● Bachelor, Chemical Engineering, Southern Taiwan University of Science and Technology</li> </ul> <p>Current :</p> <ul style="list-style-type: none"> <li>● Chief Engineer, Innolux</li> </ul> <p>Experience :</p> <ul style="list-style-type: none"> <li>● Manager, Forward Science Corp.</li> <li>● Project and senior engineer, Innolux</li> <li>● Assistant Manager, Engineering, Hannstouch Solution Incorporated</li> </ul>	207,447
Director	LU, FENG-CHIH	<p>Education :</p> <ul style="list-style-type: none"> <li>● Bachelor, Mathematics, National Cheng Kung University</li> </ul> <p>Current :</p> <ul style="list-style-type: none"> <li>● Senior Vice President, Administration Department, Transcom, Inc.</li> </ul> <p>Experience :</p> <ul style="list-style-type: none"> <li>● High School Teacher</li> </ul>	880,076
Director	WU, CHANG-LUEN	<p>Education :</p> <ul style="list-style-type: none"> <li>● Ph.D., Master, Electrical Engineering, National Cheng Kung University</li> </ul> <p>Current :</p> <ul style="list-style-type: none"> <li>● President, Semiconductor Business Unit,</li> </ul>	827,309

		Transcom, Inc. Experience : ● Associate Professor and Director, Electronics Department, Private Wufeng Industrial and Commercial College	
Director	GUO , LI-JHEN	Education : ● Bachelor, Accounting, National Cheng Kung University Current : ● Purchasing Specialist, Transcom, Inc. Experience : ● Accountant, U-Tron ● Purchasing Manager, Radcom	1,704,453
Independent Director	FANG, PING-HUANG	Education : ● Executive Master, Management College, National Cheng Kung University ● Bachelor, Accounting, Business College, Soochow University Current : ● None Experience : ● Senior Manager, Finance and Accounting Department, Chia Her Industrial Co., Ltd. ● Senior Manager, Finance Department, Apogee Optocom Co., Ltd. ● Manager, Finance Department, Tien Tai Electrode Co., Ltd.	0
Independent Director	HONG, YAO	Education : ● Bachelor, Business Administration, Southern Taiwan University of Science and Technology Current : ● None Experience : ● Director, Xinying Regional Dispatch Center, Taiwan Power Company	26,680
Independent Director	WANG, TIEN-CHIN	Education : ● Ph.D, Management, University of Bath,	90,467

		<p>United Kingdom</p> <ul style="list-style-type: none"> <li>● Master, Management Science, National Chiao Tung University</li> </ul> <p>Current :</p> <ul style="list-style-type: none"> <li>● None</li> </ul> <p>Experience :</p> <ul style="list-style-type: none"> <li>● Bachelor, Physics, National Kaohsiung Normal University</li> <li>● Professor, International Business, National Kaohsiung University of Science and Technology</li> <li>● Dean, Management College, National Kaohsiung University of Applied Sciences</li> <li>● Professor, International Business, National Kaohsiung University of Applied Sciences</li> <li>● Director, and Professor, Information Management, I-Shou University</li> <li>● Director, Computer Center, I-Shou University</li> <li>● Board Director, Kaohsiung Institute of Technology</li> <li>● Board Director, I-Shou University</li> </ul>	
Independent Director	LEE, BING-JYR	<p>Education :</p> <ul style="list-style-type: none"> <li>● Master, Electrical Engineering, University of Wisconsin, USA</li> <li>● Bachelor, Electrical Engineering, National Cheng Kung University</li> </ul> <p>Current :</p> <ul style="list-style-type: none"> <li>● None</li> </ul> <p>Experience :</p> <ul style="list-style-type: none"> <li>● Executive Director, Taiwan Private Tainan House of Charity</li> </ul>	20,207

(5) Approval is respectfully requested.

**Resolution :**

<b>Title</b>	<b>Name</b>	<b>Voting Results*</b>
Director	CHANG, CHIAN-SERN	50,314,956 votes (13,735,767 votes)
Director	DAVID S. WANG	45,681,151 votes (9,103,872 votes)
Director	JHANG, WEI-HAN	46,102,675votes (9,525,396 votes)
Director	LU, FENG-CHIH	47,606,121votes (11,028,842 votes)
Director	WU, CHANG-LUEN	46,302,475votes (9,725,196 votes)
Director	GUO , LI-JHEN	46,619,284votes (10,042,005 votes)
Independent Director	FANG, PING-HUANG	45,473,522votes (8,894,243 votes)
Independent Director	HONG, YAO	46,382,671votes (9,803,392 votes)
Independent Director	WANG, TIEN-CHIN	46,431,613votes (9,852,334 votes)
Independent Director	LEE, BING-JYR	46,514,535votes (9,935,256 votes)

\* including votes casted electronically (numbers in brackets)

RESOLVED, that Election of Directors and Independent Directors was hereby approved as proposed.



## Other Motions Items

### **TO release the Non-Competition Restrictions on Directors**

#### **(Proposed by the Board of Directors)**

#### **Explanatory Notes :**

- (1) According to Article 209 of the Company Act, if a director engages in activities within the company's business scope for themselves or others, they must explain the key details to the shareholders' meeting and obtain approval.
- (2) To support the company's diversified development, and provided that it does not harm the company's interests, it is proposed that the shareholders' meeting approve the release of non-competition restrictions on the newly elected directors and their representatives.
- (3) The details of the non-competition restrictions to be lifted are listed as follows:

Title	Name	Company/Position
Director	DAVID S. WANG	<ul style="list-style-type: none"><li>● Independent Director, Sysjust Co., Ltd.</li><li>● Director, Eastern Electronics Co., Ltd.</li><li>● Supervisor, Glacialtech, Inc.</li><li>● Supervisor, Foretech Electronics Co., Ltd.</li></ul>

- (4) Approval is respectfully requested.

#### **Resolution :**

Shares represented at the time of voting: 48,029,756 votes (including votes casted electronically 11,193,881 votes)

Voting Results*		% of the total represented share present
Votes in favor:	46,521,321 votes (9,915,636 votes)	96.85%
Votes against:	604,846 votes (604,846 votes)	1.25%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	903,589 votes (673,399 votes)	1.88%

\* including votes casted electronically (numbers in brackets)

RESOLVED, that the release the Non-Competition Restrictions on Directors was hereby approved as proposed.

Extemporaneous Motions: None.

**<Proceedings>**

**Questions from shareholders prior to the meeting: From Shareholder nos.910001.**

**Question Summary:**

With global military demand changing, regional conflicts rising, and Taiwan continuing to push forward with various defense systems like radar, drones, LEO satellites, and missile platforms-how is Transcom keeping up with these trends, staying competitive in R&D, and securing both domestic and international orders to ensure steady growth?

**Management team's reply:**

Transcom has been proactively adapting to the global trend of regionalized defense supply chains. We are working closely with Taiwan's National Chung-Shan Institute of Science and Technology (NCSIST) on various radar and missile system projects. Military-related sales schedule are affected due to military type qualification. For satellite communication systems, we are collaborating with the National Space Organization and Academia Sinica to co-develop custom chips. In the UAV sector, we are partnering with NCSIST to focus on high-frequency, high-power components; however, we are not involved in commercial-grade or standard military drone systems.

Although some government procurement projects have experienced scheduling delays, defense spending remains strong. Transcom will strive new orders and expand international market by strengthening technique and ultimating cost to keep strong operation.

**Meeting Adjournment: 11:23 AM, June 11, 2025**

# 【Attachment 1】

## 2024 Business Report

### I.2024Business Results

#### (I) Business Plan Implementation Results

In 2024, the Company's operations strategy mainly focuses on the production and research and development of national defense GaAs and GaN MMIC high power amplifiers, transceiver modules, and power amplifiers for international manufacturers. Another focus is the research and development of high-frequency and high-power amplifiers for European manufacturers. In addition, the production of commercial low-noise components, power components, and single-crystal microwave integrated circuits is increasing, while the high power and frequency solid-state amplifiers are mass-produced. Furthermore, Transcom is discussing mass-production plans for solid-state amplifiers in different frequencies. The following are the business results for 2024.

Unit:NT\$ thousands, %

Item	2024	2023	Variance	Rate of Variance(%)
Operating Revenue	1,301,687	1,250,809	50,878	4.07
Operating Cost	618,057	554,943	63,114	11.37
Operating gross profit	683,630	695,866	(12,236)	(1.76)
Operating Expenses	239,666	230,159	9,507	4.13
Operating Profit	443,964	465,707	(21,743)	(4.67)
Non-Operating Income and Expenses	45,051	65,533	(20,482)	(31.25)
Net Profit before tax	489,015	531,240	(42,225)	(7.95)
Net Profit after tax	396,322	436,535	(40,213)	(9.21)

#### (II) Budget Execution

The Company only set an internal budget for 2024 without making public announcement.

The overall profit and revenue was affected by the changes in the industry, resulting in

the net revenue of NT\$1,301,687 thousand, net profit after tax of NT\$396,322 thousand, and revenue budget of NT\$ 1,350,000 thousand in 2024.

(III) Analysis of financial revenue and expenditure analysis and profitability

Item	Year		2024	2023
Financial structure (%)	Debts ratio		16.38	15.54
	Long-term Capital to Property, Plant and Equipment		605.49	522.94
Solvency (%)	Current Ratio		372.15	706.05
	Quick Ratio		283.71	538.36
Profitability (%)	Return on Assets		14.19	17.31
	Ratio to paid-in capital (%)	Operating profit	54.14	62.45
		Pretax income	59.63	71.24
	Return on equity (%)		16.76	20.49
	Basic Earnings per share (NT\$)		4.84	5.88

(IV) Research and development:

Over the years, Transcom has successfully developed GaAs and GaN high-frequency devices and MMIC for various frequency bands. The Company moves on to develop X band 10W IC, Ka band 3W IC, broadband MMIC, ultra-high-bandwidth power amplifiers and transceiver modules for various frequency bands, signal synthesizers, and microwave subsystems. Our products are used in advanced national defense radar systems and microwave tracking system, earning long-term orders and praise from the national defense and major Microwave Companies in Europe and other international markets. In the future, there will be an emphasis on the development of GaN technology, ultra-high frequency power SSPAs, and the research and development of 5G-related MMICs.

## II. Overview of Business Plan

(I) Business Strategy:

1. Focuses on the defense microwave field and the civil microwave infrastructure.

2. Adopts a sales agent system for marketing.

(II) Estimated sales volume and basis:

The sales volume is reasonably compiled based on market demand, development trends, customer operation, the Company's current order status, and the Company's production capacity scale. The Company will strive to strengthen ties with existing customers, continue to develop new products, and explore new customers. Part of products have to be certified the military type qualification for clients request before client place new order. Sales volume in 2025 will be affected by the schedule of military qualification.

(III) Significant production and sales policies:

1. Q ( Quality ) : Product Features and Reliability
2. P ( Price ) : Competitive Price
3. D ( Delivery ) : Prompt delivery
4. The Company adopts an agency system for overseas marketing, and keep searching for outstanding agents to boost its sales in Europe.
5. Make to Order (MTO) to relieve pressure on inventory.

### **III. The Future Development Strategies**

- (I) Development of microwave communication systems.
- (II) Development of GaN process technology and related products.
- (III) Development of high-frequency high-power amplifiers.
- (IV) Mass production of millimeter-wave solid-state power amplifiers and transceiver modules.
- (V) Mass production of Ku-band GaN high-frequency high-power solid-state power amplifiers.
- (VI) Development of 28GHz and 39GHz MMICs for 5G implementation
- (VII) Consolidate the domestic market, and expand international market.

#### **IV. The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions**

The chances of the Company being affected by the changes in law and policies both domestically and internationally are slim due to the characteristics of the industry it is in. In addition, the Company strives to develop better production techniques and masters key independent technologies to enhance its competitiveness. Therefore, there is limited impact of changes in the industrial environment on the Company's finances and business.

Chairman : CHANG,CHIAN-SERN

President : CHANG,CHIAN-SERN

Accounting Officer : KUO,CHIA-CHE

## 【Attachment 2】

### **Transcom, Inc. Audit Committee's Review Report**

Hereby approved

The Board of Directors has submitted the 2024 Business Report, Financial Statements and Earnings Distribution Proposal of the Company. The Financial Statements have been audited by CPAs Yeh, Fang-Ting and Hsu, Huei-Yu of PricewaterhouseCoopers (PwC), Taiwan, and audit report has been issued. The above-mentioned business report, financial statements and earning distribution proposal have been reviewed and approved by the Audit Committee. All members believe that there is no disagreement. The above documents have been reported according to Article 14(4) of the Securities Exchange Law and Article 219 of the Company Law. Please kindly check.

Sincerely,

Annual Shareholders' Meeting of Transcom Inc, (2025)

Transcom Inc,

Convener of the Audit Committee :

*Tien-Chin Wang*

March 7, 2025

## 【 Attachment 3】

### INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Transcom, Inc.

#### **Opinion**

We have audited the accompanying balance sheets of Transcom, Inc. (the “Company”) as of December 31, 2024 and 2023, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its 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 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 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 judgement, were of most significance in our audit of the Company's 2024 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Company's 2024 financial statements is stated as follows:



## **Cut-off of revenue**

### Description

Refer to Note 4(26) for accounting policies on revenue recognition.

The Company derives its revenues from the sales of microwave semiconductor devices. Sales revenue is recognized when risk and reward of the goods have been transferred upon acceptance by customers according to the terms specified in the contracts. As the revenue recognition procedure involves manual procedures and has significant impact on financial statements, we considered the cut-off of revenue a key audit matter for this year's audit.

### How our audit addressed the matter

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

- A. Obtained an understanding and assessed the accounting policies of revenue recognition.
- B. Obtained an understanding and assessed the internal controls over revenue recognition, and tested the effectiveness of internal controls including the delivery process and the timing of revenue recognition.
- C. Performed cut-off tests on sales revenue transactions that took place during a certain period before and after the balance sheet date to confirm whether revenue was recognized when risks and rewards of goods have been transferred and revenue was recognized and recorded in the proper period.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 audit committee, are responsible for overseeing the Company's financial reporting process.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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.

Yeh, Fang-Ting

Independent Accountants

Hsu, Hui-Yu

PricewaterhouseCoopers, Taiwan  
Republic of China

March 7, 2025

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The accompanying 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 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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TRANSCOM, INC.  
BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 583,482	20	\$ 1,141,565	43
1136	Current financial assets at amortised cost	6(2)	91,735	3	120,965	4
1150	Notes receivable, net	6(3) and 12(2)	28	-	-	-
1170	Accounts receivable, net	6(3) and 12(2)	297,555	10	210,592	8
1200	Other receivables		-	-	1,610	-
130X	Inventories	6(4)	295,493	10	453,047	17
1410	Prepayments		7,721	-	6,307	-
11XX	Total current assets		1,276,014	43	1,934,086	72
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(6)	955,123	32	28,194	1
1535	Non-current financial assets at amortised cost	6(2) and 8	5,437	-	5,437	-
1600	Property, plant and equipment	6(7)	432,220	15	457,959	17
1755	Right-of-use assets	6(8)	113,658	4	111,838	4
1780	Intangible assets	6(9)	16,844	1	8,637	1
1840	Deferred income tax assets	6(26)	42,728	1	33,267	2
1915	Prepayments for equipment	6(7)(9)	9,888	-	6,504	-
1920	Guarantee deposits paid	6(10)	108,054	4	82,861	3
15XX	Total non-current assets		1,683,952	57	734,697	28
1XXX	Total assets		\$ 2,959,966	100	\$ 2,668,783	100

(Continued)

**TRANSCOM, INC.**  
**BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 105,000	3	\$ 40,000	2
2130	Current contract liabilities	6(19)	16,753	1	12,120	-
2150	Notes payable		450	-	730	-
2170	Accounts payable		8,105	-	18,238	1
2200	Other payables	6(12)	121,832	4	114,496	4
2230	Current income tax liabilities	6(26)	54,037	2	59,214	2
2250	Current provisions	6(4)(13)	33,246	1	25,988	1
2280	Current lease liabilities	6(8)	3,453	-	3,143	-
21XX	Total current liabilities		342,876	11	273,929	10
Non-current liabilities						
2527	Non-current contract liabilities	6(19)	5,876	-	5,649	-
2550	Non-current provisions	6(13)	24,047	1	23,571	1
2570	Deferred income tax liabilities	6(26)	6,096	-	5,103	-
2580	Non-current lease liabilities	6(8)	93,045	3	89,947	4
2640	Net defined benefit liabilities - non current	6(14)	12,966	1	16,582	1
25XX	Total non-current liabilities		142,030	5	140,852	6
2XXX	Total liabilities		484,906	16	414,781	16
	Share capital	6(15)(16)(17)				
3110	Common stock		819,974	28	745,637	28
3200	Capital surplus	6(15)(16)(17)	908,409	31	969,558	36
	Retained earnings	6(18)				
3310	Legal reserve		128,417	4	84,921	3
3320	Special reserve		3,798	-	-	-
3350	Unappropriated retained earnings		513,483	17	459,810	17
3400	Other equity interest	6(6)(17)	118,427	4	( 5,924)	-
3500	Treasury shares	6(15)	( 17,448)	-	-	-
3XX	Total equity		2,475,060	84	2,254,002	84
	Significant contingent liabilities and unrecognised contract commitments	6(17) and 9				
3X2X	Total liabilities and equity		\$ 2,959,966	100	\$ 2,668,783	100

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

TRANSCOM, INC.  
STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	Items	Notes	Year ended December 31			
			2024		2023	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19)	\$ 1,301,687	100	\$ 1,250,809	100
5000	Operating costs	6(4)(8)(13)(14)(17)(24)(25)	( 618,057 )	( 48 )	( 554,943 )	( 44 )
5900	Net operating margin		683,630	52	695,866	56
	Operating expenses	6(8)(9)(14)(17)(24)(25), 7 and 12(2)				
6100	Selling expenses		( 23,915 )	( 2 )	( 17,888 )	( 1 )
6200	General and administrative expenses		( 152,109 )	( 11 )	( 157,329 )	( 13 )
6300	Research and development expenses		( 62,679 )	( 5 )	( 57,849 )	( 5 )
6450	Expected credit (loss) gain		( 963 )	-	( 2,907 )	-
6000	Total operating expenses		( 239,666 )	( 18 )	( 230,159 )	( 19 )
6900	Operating profit		443,964	34	465,707	37
	Non-operating income and expenses					
7100	Interest income	6(2)(20)	11,591	1	14,604	1
7010	Other income	6(5)(6)(21)	35,879	3	10,287	1
7020	Other gains and losses	6(5)(22)	1,651	-	43,629	4
7050	Finance costs	6(8)(13)(23)	( 4,070 )	( 1 )	( 2,987 )	-
7000	Total non-operating income and expenses		45,051	3	65,533	6
7900	Profit before income tax		489,015	37	531,240	43
7950	Income tax expense	6(26)	( 92,693 )	( 7 )	( 94,705 )	( 8 )
8200	Profit for the year		\$ 396,322	30	\$ 436,535	35
	Other comprehensive income (loss), net					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit obligation	6(14)	\$ 2,645	-	( 1,966 )	-
8316	Unrealized gain or loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(6)	122,225	10	( 3,798 )	( 1 )
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(26)	( 529 )	-	393	-
8300	Total other comprehensive income (loss) for the year		\$ 124,341	10	( 5,371 )	( 1 )
8500	Total comprehensive income for the year		\$ 520,663	40	\$ 431,164	34
	Earnings per share (in dollars)	6(27)				
9750	Basic		\$ 4.84		\$ 5.35	
9850	Diluted		\$ 4.81		\$ 5.30	

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

**TRANSCOM, INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2023 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital Reserves				Retained Earnings			Other Equity Interest			Total	
		Share capital - common stock	Additional paid-in capital	Employee stock warrants	Restricted stock	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned compensation		Treasury shares
Year ended December 31, 2023													
Balance at January 1, 2023		\$ 678,208	\$ 961,192	\$ 473	\$ 61,933	\$ -	\$ 59,746	\$ -	\$ 252,309	\$ -	(\$ 7,630)	\$ -	\$ 2,006,231
Profit for the year		-	-	-	-	-	-	-	436,535	-	-	-	436,535
Other comprehensive loss for the year	6(6)	-	-	-	-	-	-	-	(1,572)	(3,798)	-	-	(5,371)
Total comprehensive income (loss)		-	-	-	-	-	-	-	434,963	(3,798)	-	-	431,164
Distribution of 2022 net income:													
Legal reserve	6(18)	-	-	-	-	-	25,175	-	(25,175)	-	-	-	-
Cash dividends	6(18)	-	-	-	-	-	-	-	(202,286)	-	-	-	(202,286)
Capitalisation of capital surplus	6(15)(16)	67,429	(67,429)	-	-	-	-	-	-	-	-	-	-
Compensation out of employee stock options	6(17)(25)	-	-	13,389	-	-	-	-	-	-	-	-	13,389
Compensation out of employee restricted stock	6(17)(25)	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2023		\$ 745,637	\$ 893,763	\$ 13,862	\$ 61,933	\$ -	\$ 84,921	\$ -	\$ 459,810	(\$ 3,798)	5,504	\$ -	\$ 2,254,002
Year ended December 31, 2024													
Balance at January 1, 2024		\$ 745,637	\$ 893,763	\$ 13,862	\$ 61,933	\$ -	\$ 84,921	\$ -	\$ 459,810	(\$ 3,798)	2,126	\$ -	\$ 2,254,002
Profit for the year		-	-	-	-	-	-	-	396,322	-	-	-	396,322
Other comprehensive income for the year	6(6)	-	-	-	-	-	-	-	2,116	122,225	-	-	124,341
Total comprehensive income		-	-	-	-	-	-	-	398,438	122,225	-	-	520,663
Distribution of 2023 net income:													
Legal reserve	6(18)	-	-	-	-	-	43,496	-	(43,496)	-	-	-	-
Special reserve	6(18)	-	-	-	-	-	-	3,798	(3,798)	-	-	-	-
Cash dividends	6(18)	-	-	-	-	-	-	-	(297,471)	-	-	-	(297,471)
Capitalisation of capital surplus	6(15)(16)	74,367	(74,367)	-	-	-	-	-	-	-	-	-	-
Compensation out of employee stock options	6(17)(25)	-	-	13,129	-	-	-	-	-	-	-	-	13,129
Refinement of employee restricted stocks	6(15)(17)	(30)	-	-	30	-	-	-	-	-	-	-	-
Compensation out of employee restricted stock	6(17)(25)	-	-	-	-	-	-	-	-	-	2,126	-	2,126
Exercise the right of disengagement		-	-	-	-	59	-	-	-	-	-	-	59
Purchase of treasury shares		-	-	-	-	-	-	-	-	-	-	(17,448)	(17,448)
Balance at December 31, 2024		\$ 819,974	\$ 819,396	\$ 26,991	\$ 61,963	\$ 59	\$ 128,417	\$ 3,798	\$ 513,483	\$ 118,407	\$ -	(\$ 17,448)	\$ 2,475,060

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

TRANSCOM, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 489,015	\$ 531,240
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(5)(22)	-	( 52,863 )
Expected credit loss (gain)	12(2)	963	( 2,907 )
Loss on inventory market price decline	6(4)	39,115	20,720
Depreciation	6(7)(8)(24)	74,473	69,145
Loss on disposal of property, plant and equipment	6(22)	111	1,590
Amortization	6(9)(24)	2,896	2,692
Provisions	6(4)(13)	31,952	15,562
Interest income	6(20)	( 11,591 )	( 14,604 )
Dividend income	6(5)(6)(21)	( 34,965 )	( 10,154 )
Interest expense	6(23)	4,070	2,987
Compensation cost of employee stock options	6(17)(25)	13,129	13,389
Compensation cost of employee restricted stock	6(17)(25)	2,126	5,504
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		( 28 )	-
Accounts receivable		( 87,926 )	( 60,418 )
Other receivables		1,610	( 1,443 )
Inventories		118,439	( 20,653 )
Prepayments		( 1,414 )	7,038
Changes in operating liabilities			
Current contract liabilities		4,633	10,049
Notes payable		( 280 )	( 16,017 )
Accounts payable		( 10,133 )	183
Other payables		7,936	28,513
Current provisions	6(13)	( 24,694 )	( 12,483 )
Non-current contract liabilities		227	857
Net defined benefit liabilities-non-current		( 971 )	( 920 )
Cash inflow generated from operations		618,693	517,007
Dividends received		34,965	10,154
Interest received		11,591	14,604
Interest paid		( 3,594 )	( 2,521 )
Income tax paid		( 106,867 )	( 86,022 )
Net cash flows from operating activities		554,788	453,222

(Continued)



TRANSCOM, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in current financial assets at amortised cost		\$ 29,230	\$ 91,995
Acquisition of non-current financial assets at fair value through profit or loss		-	( 1,923 )
Proceeds from disposal of non-current financial assets at fair value through profit or loss	6(28)	-	383,194
Cash paid for acquisition of non-current financial assets at fair value through other comprehensive income		( 804,704 )	( 31,992 )
Cash paid for acquisition of property, plant and equipment	6(28)	( 40,514 )	( 69,851 )
Acquisition of intangible assets	6(9)	( 8,421 )	( 839 )
Increase in prepayments for equipment		( 10,025 )	( 28,290 )
Increase in guarantee deposits paid		( 25,193 )	( 24,214 )
Net cash flows (used in) from investing activities		( 859,627 )	318,080
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(29)	65,000	-
Payment of lease liabilities	6(29)	( 3,384 )	( 3,081 )
Payments of cash dividends	6(18)	( 297,471 )	( 202,286 )
Exercise the right of disgorgement		59	-
Buyback of treasury shares	6(15)	( 17,448 )	-
Net cash flows used in financing activities		( 253,244 )	( 205,367 )
Net (decrease) increase in cash and cash equivalents		( 558,083 )	565,935
Cash and cash equivalents at beginning of year	6(1)	1,141,565	575,630
Cash and cash equivalents at end of year	6(1)	<u>\$ 583,482</u>	<u>\$ 1,141,565</u>

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

## 【Attachment 4】

Comparison Table for Amendments To “Articles of Incorporation”			
Article	After Amendments	Before Amendments	Description
Article 2	The Company’s businesses are as follows: 1. CC01080: Electronics Components Manufacturing (Research, develop, produce, manufacture, sell the following items: Microwave semiconductor components, Integrated circuit and Subsystem)	The Company’s businesses are as follows: 1. CC01080: Electronics Components Manufacturing 2. ZZ99999: All business items that are not prohibited or restricted by law, except those that are subject to special approval. (Research, develop, produce, manufacture, sell the following items: Microwave semiconductor components, Integrated circuit and Subsystem)	The business activities in the park must be approved by the Southern Taiwan Science Park Administration. Any changes or additions require approval, so the company’s articles of incorporation must be amended accordingly.
Article 5	The total capital of the Company is NTD <u>1,200</u> million, divided into <u>120,000,000</u> shares (including 5,100,000 technology shares), at NTD 10 each. The Board of Directors is authorized to issue the Company’s shares in installments according to the business of the Company.	The total capital of the Company is NTD 900 million, divided into 90,000,000 shares (including 5,100,000 technology shares), at NTD 10 each. The Board of Directors is authorized to issue the Company’s shares in installments according to the business of the Company.	To support future business growth, the company plans to amend its articles of incorporation to increase the authorized capital from 900 million to 1.2 billion.
Article 29	The Company shall appropriate no less than 4% of the profit of the fiscal year as employees’	The Company shall appropriate no less than 4% of the profit of the fiscal year as employees’	According to Article 14, Paragraph 6 of the Securities

	<p>compensation and no more than 2% of the profit of the fiscal year as directors' bonus. The employees' compensation shall be distributed in shares or cash by the resolution of the board of directors. The employees of the subordinate companies that meet certain specific requirements may be granted such compensation.</p> <p><u>At least 45% of the total amount of employees' compensation shall be allocated to grassroots employees.</u></p> <p>Distribution of Employees' and Directors' compensation shall be resolved by Board of Directors and submitted to the shareholders' meeting.</p> <p>In case of accumulated loss, the Company shall retain figures to make up for the loss, and then appropriate compensations in accordance with the aforementioned Article.</p>	<p>compensation and no more than 2% of the profit of the fiscal year as directors' bonus. The employees' compensation shall be distributed in shares or cash by the resolution of the board of directors. The employees of the subordinate companies that meet certain specific requirements may be granted such compensation.</p> <p>Distribution of Employees' and Directors' compensation shall be resolved by Board of Directors and submitted to the shareholders' meeting.</p> <p>In case of accumulated loss, the Company shall retain figures to make up for the loss, and then appropriate compensations in accordance with the aforementioned Article.</p>	<p>and Exchange Act, the company's articles of incorporation must specify a certain percentage of annual profits to be allocated for salary adjustments or compensation for grassroots employees.</p>
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Article 34	<p>The Articles of Incorporation is established on April, 29, 1998.</p> <p>The 1st amendment was made on July, 13, 1999.</p> <p>The 2nd amendment was made on July, 11, 2000.</p> <p>The 3rd amendment was made on August, 15, 2000.</p> <p>The 4th amendment was made on June, 25, 2002.</p> <p>The 5th amendment was made on June, 24, 2003.</p> <p>The 6th amendment was made on June, 28, 2007.</p> <p>The 7th amendment was made on June, 29, 2011.</p> <p>The 8th amendment was made on June, 29, 2012.</p> <p>The 9th amendment was made on June, 26, 2013.</p> <p>The 10th amendment was made on June, 23, 2016.</p> <p>The 11th amendment was made on October, 31, 2018.</p> <p>The 12th amendment was made on June, 11, 2019.</p> <p>The 13th amendment was made on May, 20, 2020.</p> <p>The 14th amendment was made on June, 28, 2022.</p> <p><u>The 15th amendment was made on June, 11, 2025.</u></p>	<p>The Articles of Incorporation is established on April, 29, 1998.</p> <p>The 1st amendment was made on July, 13, 1999.</p> <p>The 2nd amendment was made on July, 11, 2000.</p> <p>The 3rd amendment was made on August, 15, 2000.</p> <p>The 4th amendment was made on June, 25, 2002.</p> <p>The 5th amendment was made on June, 24, 2003.</p> <p>The 6th amendment was made on June, 28, 2007.</p> <p>The 7th amendment was made on June, 29, 2011.</p> <p>The 8th amendment was made on June, 29, 2012.</p> <p>The 9th amendment was made on June, 26, 2013.</p> <p>The 10th amendment was made on June, 23, 2016.</p> <p>The 11th amendment was made on October, 31, 2018.</p> <p>The 12th amendment was made on June, 11, 2019.</p> <p>The 13th amendment was made on May, 20, 2020.</p> <p>The 14th amendment was made on June, 28, 2022.</p>	Add a record of amendments.
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