



Loop Telecommunication International,
Inc.

2025 Annual Shareholders' Meeting

Handbook

Date: June 26, 2025

Venue: No.2, Zhanye Rd. 1, Hsinchu Science Park
(Meeting Room 201, the Allied Association for Science Park Industries)

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Loop Telecommunication International, Inc.

Procedures for the 2025 Regular Shareholders' Meeting

- I. Call the meeting to order
- II. Chairperson's speech
- III. Report
- IV. Ratification
- V. Discussion
- VI. Election
- VII. Other proposals
- VIII. Extempore motions
- IX. Adjournment

Loop Telecommunication International, Inc.

Agenda of the 2025 Regular Shareholders' Meeting

Time: 9:00 a.m. on June 26, 2025 (Thursday)

Venue: No.2, Zhanyue Rd. 1, Hsinchu Science Park
(Meeting Room 201, the Allied Association for Science Park Industries)

One. Call the meeting to order

Two. Chairperson's speech

Three. Report

I. The 2024 business report of the Company.

II. The 2024 Audit Committee's review report of the Company.

III. Report on the distribution of remunerations of employees and Directors of the Company for 2024.

Four. Ratification

I. The 2024 business report, consolidated financial statements, and parent company only financial statements of the Company.

II. The proposal for earning distribution of the Company for 2024.

Five. Discussion

The proposal for the amendment to the "Articles of Incorporation" of the Company.

Six. Election

Proposal for the full re-election of Directors.

Seven. Other proposals

Proposal to lift non-competition restrictions for newly appointed Directors.

Eight. Extempore motion

Nine. Adjournment

One. Report

- I. The 2024 business report of the Company is proposed for examination.
Description: The 2024 business report of the Company. Please refer to page 8 (Attachment 1) of the Handbook.
- II. The 2024 Audit Committee's review report of the Company is proposed for examination.
Description: For the Audit Committee's review report, Please refer to page 11 (Attachment 2) of the Handbook.
- III. Report on the distribution of remunerations of employees and Directors of the Company for 2024 is proposed for examination.
Description: According to Article 29 of the Company's Articles of Incorporation, for the fiscal year 2024, no less than 10% and no more than 5% of the pre-tax net profit before deducting employee compensation and directors' remuneration shall be appropriated as employee compensation and directors' remuneration, respectively. However, if the Company has accumulated losses (including adjusted undistributed earnings), such amount shall first be retained to offset the losses. The Company intends to appropriate 2% as the remuneration of Directors and 10% as the remuneration of employees in the amount of NT\$5,494,707 and NT\$27,473,535 respectively, fully distributed in cash.

Two. Ratification

Proposal 1: (proposed by the Board)

Subject: The 2024 business report, consolidated financial statements, and parent company only financial statements of the Company.

- Description: (1) The 2024 business report, consolidated financial statements, and parent company only financial statements of the Company have been prepared, and CPAs Huang Yu-Feng and Tseng Jian-Ming from Deloitte & Touche Taiwan have audited the abovementioned financial statements and issued an auditor's report with an unqualified opinion. The Audit Committee have completed the review of the abovementioned financial statements and the business report and submitted them to the Board, and the Board has approved them after discussions.
- (2) For the 2024 business report, auditor's report, and the abovementioned financial statements, please refer to page 8 (Attachment 1) and pages 12 to 33 (Attachments 3 and 4) of the Handbook.
 - (3) Proposed for ratification.

Resolution:

Proposal 2: (proposed by the Board)

Subject: The proposal for earning distribution of the Company for 2024.

Description: (1) For the 2024 Table of Earning Distribution of the Company, please refer to page 34 (Attachment 5) of the Handbook.

- (2) The proposal for earning distribution for 2024 intends to distribute cash dividends of NT\$3.3 per share (totaling NT\$187,230,252); the distribution of cash dividends is calculated pro rata in the unit of NT\$1, with any amount below NT\$1 rounded off, and any balance below NT\$1 is included in other income of the Company. After the annual shareholders' meeting approves the resolution, the Board of Directors is authorized for relevant ex-dividend data and distribution matters at full discretion.
- (3) Subsequently, if the payout rate changes due to the effects on the number of outstanding shares resulting from the repurchase of the Company's shares, transfer of treasury shares, or a capital increase in cash, the Company intends to propose to the annual shareholders' meeting to authorize the Board of Directors for full discretion.
- (4) Proposed for ratification.

Resolution:

Three. Discussion

Proposal 1: (proposed by the Board)

Subject: The proposal for the amendment to the "Articles of Incorporation" of the Company.

Description: (1) In accordance with the amended Article 14, Paragraph 6 of the Securities and Exchange Act, which aims to enhance compensation for non-executive employees, a company whose shares are listed for trading on a stock exchange or over-the-counter securities exchange shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees.

- (2) In line with the amended regulations, the Company proposes to revise certain provisions of its Articles of Incorporation to adopt the method of distributing employee remuneration (inclusive of grassroots employees). For a comparison between the original and amended provisions, please refer to pages 35 to 38 of this handbook (Attachment 6).
- (3) Proposed for discussion.

Resolution:

Four. Election

Subject: Proposal for the full re-election of Directors. (proposed by the Board)

Description: (1) The term of the current directors of the Company will expire on June 28, 2025, and a full re-election will be conducted in accordance with the law.

- (2) Pursuant to the Company's Articles of Incorporation, eight directors (including four independent directors) shall be elected in this election. The newly elected directors will assume office immediately after the shareholders' meeting and will serve a three-year term, from June 26, 2025 to June 25, 2028.

- (3) In accordance with the Company's Articles of Incorporation, the election of directors shall adopt a candidate nomination system, and the directors shall be elected from the list of nominated candidates by the shareholders.
- (4) The list of director candidates has been reviewed and approved by the Board of Directors on May 13, 2025. Relevant information is as follows:

Loop Telecommunication International, Inc.

List of Director and Independent Director Candidates

Nomination Category	Name of Nominee	Number of shares held	Education	Major career achievements
Director	Yeh Maw-Lin	5,625,844	Bachelor's degree in telecommunication, National Chiao Tung University. Ph.D. in Electrical Engineering, University of Notre Dame, USA.	1. Chairman and President, Loop Telecommunication International, Inc. 2. Senior management, Nynex (Verizon).
Director	Chen Hua-Ling	1,223,337	Department of Public Administration, National Chung Hsing University.	None.
Director	Chiu Dong-Sheng	288,485	Department of Business Administration, Doshisha University.	Director of the development department, Shimamura Co., Ltd.
Director	Wu Ming-Tse	1,000	Master's Degree, NYU Tandon School of Engineering (formerly Polytechnic Institute).	1. Vice President of Marketing, Loop Telecommunication International, Inc. 2. Engineer at AT&T Transmission Department. 3. Lecturer at Takming University of Science and Technology.
Independent director	Wu Yi-Wing	0	EMBA in Accounting Management, National Taiwan University	1. Director of R&D Department, Jeti Telecom Co. 2. Chairman, Alltek Technology Corp.
Independent director	Chiang Ming-Hsiung	0	National Taipei Institute of Technology.	1. Assistant manager, Quan Ya Computer Co., Ltd. 2. Chairman, Acrosser Technology Co., Ltd.

Nomination Category	Name of Nominee	Number of shares held	Education	Principal Experience
Independent director	Chang Kuo-Hwa	0	Bachelor's degree from Chiao Tung University. Master's degree from Arizona State University.	1. Novell, Inc. (U.S.A) Director of Engineering. 2. StarVox Corp. (U.S.A) Co-Founder, CTO VP Engineering. 3. Centrifly Corp. (U.S.A) System Quality Architect.
Independent director	Ko Shu-Mei	0	Department of Business Administration, Providence University.	1. Chief of the finance section, United Fiber Optic Communication Inc. 2. Associate vice president of the management section, Aquaoptics Corp.

(5) Proposed for election.

Election Result:

Five. Other proposals

Subject: Proposal to lift non-competition restrictions for newly appointed Directors.
(proposed by the Board)

Description: (1) Pursuant to Article 209 of the Company Act: “A director who engages in conduct, either for his/her own benefit or on behalf of another person, that is within the scope of the company’s business, shall explain the material aspects of such conduct to the shareholders' meeting and obtain its approval.”
(2) In view of the possibility that the newly elected directors and their representatives may engage in business that is the same as or similar to the Company’s business, and provided that such conduct does not affect the Company’s normal operations or compromise its interests, it is proposed that the non-competition restrictions on the new directors and their representatives be lifted. The scope and details of such conduct will be supplemented and explained at the shareholders’ meeting prior to discussion of this proposal.
(3) Proposed for discussion.

Six. Extempore motion

Seven. Adjournment

Loop Telecommunication International, Inc.

2024 Business Report

In 2024, within the context of convergence and integration in the global communication market, emerging businesses have risen to prominence, bringing unprecedented industry impacts and challenges. However, the proactive development of network infrastructure by countries around the world has accelerated the demand for network speed upgrades among customers. The applications developed by integrating emerging AI with information defense will drive revenue for Taiwan's network equipment. For Loop, this is a pivotal year to shift from stable growth to international expansion. We have not only maintained our leadership position in the power and government markets but also successfully advanced the globalization of our core communication platform through product innovation and market deployment.

The consolidated revenue of the Company throughout the year was NT\$649,951 thousand, with a net income of NT\$209,057 thousand, representing a growth of 5% from 2023; earnings per share were NT\$3.68. After the successful transformation of Loop's industry model, the profit margin has been maintained stably above 60%. The operating profit margin and net profit margin both showed stable growth, and the financial structure, solvency, and turnover rates performed well, demonstrating operational resilience and profit strength.

Regarding our business, there were 45 countries having business dealings with the Company worldwide last year. Exports accounted for about 75% of the annual revenue. America, the EU, and the Taiwan markets all performed well, while Southeast Asia experienced a slight decline. In terms of industry, electricity and governmental agencies accounted for 80% of our total revenue, and communication and transportation markets accounted for approximately 15%. In 2024, 80% of the revenue came from 9% of the countries we engaged with. Among all 34 product lines, 80% of the revenue was from 12% of the sales products, indicating the effectiveness of our market focus strategy. In the future, we will continue to deepen our presence in the European, American, and Taiwan markets, accelerate expansion in emerging markets, and collaborate with international system integrators to develop next-generation communication technologies as new drivers for continuous growth.

1. Operating Results and Transformation Opportunities

Loop has been focusing on Mission Critical Communication (MCC) solutions for many years, covering the user access layer to the backbone core network, and has been widely applied in global power utilities, public sectors, and large infrastructure networks. As user demands shift from TDM circuits to IP data, video, and cloud applications, the traditional SDH/SONET architecture faces challenges of inadequate upgrade flexibility and high maintenance and operational costs.

In response to this wave of industry transformation, Loop is actively investing in new generation packet transport solutions, providing hybrid equipment that is compatible with traditional circuits and offers flexibility for transformation, helping customers smoothly transition to IP-based architectures. It also introduces technologies such as low latency and zero-packet-loss protection, significantly reducing latency variation and disconnection risks for critical applications.

2. Flagship Product G7800 and Market Outcomes

This year's key product, Loop-G7800, has been officially launched, positioned as a next-generation PTN high-bandwidth multifunctional communication platform with integration capabilities ranging from 64K to 100G, supporting circuit emulation and various customized interface configurations. It also targets the European, American, Southeast Asian, African, and Middle Eastern markets, demonstrating global competitive strength.

In addition, it supports phased implementation or one-time full network upgrades, suitable for government or utility projects with high budget sensitivity. Its flexible architecture is well-received by customers and has attracted the attention and adoption of clients from multiple countries.

3. Enhance Network Management, Cybersecurity, and AI Integration Applications

Besides the major communication products, Loop has been actively investing in AI and cybersecurity system integration in recent years, launching iNMS and iNET network management system - AI-powered network management operation architecture, iNET automated diagnostic module, and iNMS big data analysis system, to help users enhance network operation efficiency and cybersecurity resilience.

Loop's products have obtained international information security certifications such as ISO27001, IEC62443-4-1, and FIPS 140-3 to address the increasingly severe cybersecurity threats, and they support the FIPS 140-3 encryption standard. The Loop-ISS2150 firewall and ISS2110 government configuration management system are planned to be launched in 2025, providing a more comprehensive information security solution for the MCC environment.

4. Future Strategy and Product Layout

Loop will continue to deepen its involvement in the MCC market, concentrating on four main areas: high-speed encrypted transmission, TDM/IP integration, enterprise cybersecurity, and IIoT applications.

- **G7800 Platform Upgrade**
New modules will be introduced, including a 600G master control card, MACsec/IPsec encryption, and EoS protocol conversion, enhancing high-speed transmission and cybersecurity protection capabilities.
- **TDM/IP Hybrid Transmission Module**
Provide circuit emulation and protection modules for E1/DS1 and DS3 interfaces, supporting smooth migration from legacy TDM systems to full IP-based network architectures.
- **Enterprise/Government Cybersecurity Solutions**
Comprehensive offerings include Next-Gen Secured Office (ISS2180), MCC Firewall (ISS2150), and AI-powered Network Management (iNET/iNMS) integrated platform, enhancing cybersecurity protection and operational efficiency.
- **IIoT and OT Information Security Equipment**
Launch of IoT sensors (IoT0510), industrial control cybersecurity appliances, and the government GCB-compliant cybersecurity platform (ISS2110), establishing end-to-end industrial cybersecurity protection architecture.

5. Conclusion

Looking forward to the future, we will continue to deepen our "mission-critical, secure, and intelligent" product strategy and create globally competitive high-reliability network solutions with the G7800 as the core platform. Regarding our successful backbone transmission case, our marketing strategy will leverage this experience to engage with the international market. In next-generation solutions, our development team will integrate product software and hardware functionalities to develop vertically integrated maintenance services for international customers, generating additional revenue streams and enhancing operational performance. Under the new business framework, the MCC Networking Product Portfolio will strengthen the utilization of automated testing systems and expand various product niches, positioning it as a key growth driver for future operations.

Our goal is to enter the top three in the utility market and become the leading brand in MCC transmission solutions. Based on the existing foundation, the Company continues to reinforce its management and makes constant efforts by adhering to the philosophy of continuing to develop new products and explore new markets, continuously creating value to reward shareholders and customers.

Chairman: Yeh Maw-Lin

President: Yeh Maw-Lin

Chief Accountant: Chang Xiao-Ling

Loop Telecommunication International, Inc.

Audit Committee's Review Report

The Board has prepared the 2024 business report, financial statements (including consolidated financial statements), and the Table of Earning Distribution, in which Deloitte & Touche Taiwan, engaged by the Board, has audited the financial statements and issued an auditor's report.

We have reviewed the abovementioned books and statements and consider that they comply with the requirements of the Company Act and relevant laws and regulations; therefore, we issue the review report as above according to the requirements under Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Submitted for examination

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The 2025 annual shareholders' meeting of Loop Telecommunication International, Inc.

Convener of the Audit Committee: Ko Shu-Mei

March 13, 2025

Independent Auditors' Report Translated from Chinese

Shareholders and the Board of Directors of Loop Telecommunication International, Inc.,

Opinion

We have audited the accompanying consolidated balance sheet of Loop Telecommunication International, Inc. and its subsidiaries (the “Company”) as of December 31, 2024 and 2023, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements (including a summary of significant accounting policies).

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountants 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 the most significance in our audit of the consolidated financial statements of the Company for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Revenue recognition

1. The major revenue sources of the Company includes the production and sales of user remote line disconnectors, high-speed network access equipment, smart network resource management selectors, and other relevant products. As revenue has material effects on the 2024 consolidated financial statements of Loop Telecommunication International, Inc., revenue recognition involves manual control operations, and there are risks related to sales counterparties and the authenticity of transactions due to the significant growth in the revenue from partial customers, we have identified the revenue recognition as a key audit matter. For the accounting policies of revenue recognition, please refer to Note 4.(12) to the consolidated financial statements.
2. In response to the abovementioned risks, we have performed the following audit procedures:
 - (1) Understand and test the internal control systems and procedures related to the cycle of sales transactions to identify and evaluate the effectiveness of the internal control procedures involved in making sales transactions.
 - (2) Sample whether internal orders are approved by the responsible supervisor.
 - (3) Sample whether external orders and transportation documents have been obtained for revenue recognition and whether the amount and the invoiced amount are consistent.
 - (4) Sample whether the amount of collection after the period for relevant sales income transactions, remittance certificates, and counterparties is consistent with the amount of revenue recognition and counterparties.

Other matters

We have also audited the parent company only financial statements of Loop Telecommunication International, Inc. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of the 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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including members of the Audit Committee, are responsible for overseeing the Company'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 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 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 maintain 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 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 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 and appropriate audit evidence regarding the financial information of the entities or business activities within the Company 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 determined those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 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.

Deloitte & Touche Taiwan
Accountant Huang Yu-Feng

Accountant Tseng Jian-Ming

Approval No. of the Securities and Futures
Bureau
Tai-Cai-Zheng-Liu-Zi No.0920123784

Approval No. of the Financial Supervision
Commission
Jin-Guan-Shen-Zheng-Zi No.1100356048

March 13, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

Loop Telecommunication International, Inc. and its subsidiaries

Consolidated Balance Sheet

December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
Current assets				
Cash and cash equivalents (Notes 4 and 6)	\$ 239,619	22	\$ 269,074	21
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	17,178	2	10,541	1
Financial assets at amortized cost - current (Notes 4 and 8)	1,560	-	103,169	8
Contract assets - current (Notes 4 and 21)	9,593	1	233	-
Net accounts receivable (Notes 4, 5, 9, and 21)	146,602	14	230,989	18
Other receivables (Notes 4 and 9)	770	-	1,419	-
Inventories (Notes 4, 5, and 10)	359,902	33	374,974	29
Other current assets (Note 16)	14,880	1	7,953	1
Total current assets	<u>790,104</u>	<u>73</u>	<u>998,352</u>	<u>78</u>
Non-current assets				
Financial assets at amortized cost - non-current (Notes 4, 8, and 28)	10,500	1	12,056	1
Property, plant and equipment (Notes 4, 12, and 28)	153,135	14	153,385	12
Right-of-use assets (Notes 4 and 13)	36,158	3	45,576	4
Investment property (Notes 4, 14, and 28)	28,538	3	30,719	2
Intangible assets (Notes 4 and 15)	1,855	-	4,560	-
Deferred income tax assets (Notes 4 and 23)	6,870	1	6,439	-
Refundable deposits (Note 28)	43,765	4	32,911	3
Net defined benefit assets (Notes 4 and 19)	10,476	1	1,427	-
Total non-current assets	<u>291,297</u>	<u>27</u>	<u>287,073</u>	<u>22</u>
Total assets	<u>\$ 1,081,401</u>	<u>100</u>	<u>\$ 1,285,425</u>	<u>100</u>
Financial liabilities and equity				
Current liabilities				
Short-term borrowings (Notes 4, 17, and 28)	\$ -	-	\$ 192,000	15
Contract liabilities - current (Notes 4 and 21)	4,596	-	4,561	-
Accounts payable	34,731	3	35,455	3
Other payables (Note 18)	85,542	8	82,768	6
Income tax payable (Notes 4 and 23)	19,779	2	48,424	4
Lease liabilities - current (Notes 4 and 13)	2,002	-	2,256	-
Other current liabilities (Note 18)	8,176	1	9,758	1
Total current liabilities	<u>154,826</u>	<u>14</u>	<u>375,222</u>	<u>29</u>
Non-current liabilities				
Deferred income tax liabilities (Notes 4 and 23)	2,726	-	945	-
Lease liabilities - non-current (Notes 4 and 13)	40,264	4	50,329	4
Guarantee deposits	1,597	-	1,493	-
Non-current liabilities (Note 18)	6,772	1	14,242	1
Total non-current liabilities	<u>51,359</u>	<u>5</u>	<u>67,009</u>	<u>5</u>
Total liabilities	<u>206,185</u>	<u>19</u>	<u>442,231</u>	<u>34</u>
Equity (Note 20)				
Common stock	<u>567,365</u>	<u>44</u>	<u>567,365</u>	<u>44</u>
Capital surplus	<u>43,953</u>	<u>4</u>	<u>43,953</u>	<u>4</u>
Retained earnings				
Legal reserve	46,947	5	26,563	2
Special reserve	2,751	-	2,786	-
Unappropriated earnings	216,848	20	205,278	16
Total retained earnings	<u>266,546</u>	<u>25</u>	<u>234,627</u>	<u>18</u>
Other equity	(<u>2,648</u>)	-	(<u>2,751</u>)	-
Total equity	<u>875,216</u>	<u>81</u>	<u>843,194</u>	<u>66</u>
Total Liabilities and Equity	<u>\$ 1,081,401</u>	<u>100</u>	<u>\$ 1,285,425</u>	<u>100</u>

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

Loop Telecommunication International, Inc. and its subsidiaries

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars,
Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Net revenue (Notes 4 and 21)	\$ 649,951	100	\$ 649,097	100
Cost of revenue (Notes 4, 10, and 22)	<u>204,836</u>	<u>32</u>	<u>203,043</u>	<u>31</u>
Gross profit	<u>445,115</u>	<u>68</u>	<u>446,054</u>	<u>69</u>
Operating expenses (Note 22)				
Sales and marketing expenses	45,304	7	52,732	8
General and administrative expenses	49,407	8	47,828	7
Research and development expenses	<u>158,505</u>	<u>24</u>	<u>152,224</u>	<u>24</u>
Subtotal	<u>253,216</u>	<u>39</u>	<u>252,784</u>	<u>39</u>
Income from operations	<u>191,899</u>	<u>29</u>	<u>193,270</u>	<u>30</u>
Non-revenue and expenses (Note 22)				
Interest income	11,902	2	15,525	2
Other income	15,120	2	36,495	6
Other gains and losses	24,779	4	3,297	-
Finance costs	(<u>1,915</u>)	-	(<u>1,822</u>)	-
Total non- operating income and expenses	<u>49,886</u>	<u>8</u>	<u>53,495</u>	<u>8</u>
Income before income tax	241,785	37	246,765	38
Income tax expenses (Notes 4 and 23)	<u>32,728</u>	<u>5</u>	<u>47,106</u>	<u>7</u>
Net income	<u>209,057</u>	<u>32</u>	<u>199,659</u>	<u>31</u>

(Cont'd)

(Cont'd)

	2024		2023	
	Amount	%	Amount	%
Other comprehensive income (Notes 4, 19, and 20)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit obligation	\$ 4,419	1	\$ 4,178	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising on translation of foreign operations	<u>103</u>	<u>-</u>	<u>35</u>	<u>-</u>
Other comprehensive income, net of income tax	<u>4,522</u>	<u>1</u>	<u>4,213</u>	<u>-</u>
Total comprehensive income	<u>\$ 213,579</u>	<u>33</u>	<u>\$ 203,872</u>	<u>31</u>
Earnings per share (Note 24)				
Basic	<u>\$ 3.68</u>		<u>\$ 3.00</u>	
Diluted	<u>\$ 3.66</u>		<u>\$ 2.97</u>	

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

Loop Telecommunication International, Inc. and its subsidiaries
Consolidated Statement of Changes in Equity
For the years ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars; unless specified otherwise)

	Capital stock			Retained earnings			Other Equity Exchange differences arising on translation of foreign operations	Total equity
	Shares (1,000 shares)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings		
Balance on January 1, 2023	70,921	\$ 709,206	\$ 48,208	\$ 19,174	\$ 3,088	\$ 75,193	(\$ 2,786)	\$ 852,083
Capital reduction	(14,184)	(141,841)	-	-	-	-	-	(141,841)
Earnings distribution and appropriation in 2022								
Legal reserve	-	-	-	7,389	-	(7,389)	-	-
Special reserve	-	-	-	-	(302)	302	-	-
Cash dividends of shareholders	-	-	-	-	-	(66,665)	-	(66,665)
Cash distribution from the capital reserve	-	-	(4,255)	-	-	-	-	(4,255)
Net income in 2023	-	-	-	-	-	199,659	-	199,659
Other comprehensive income, net of income tax in 2023	-	-	-	-	-	4,178	35	4,213
Total comprehensive income in 2023	-	-	-	-	-	203,837	35	203,872
Balance of December 31, 2023	56,737	567,365	43,953	26,563	2,786	205,278	(2,751)	843,194
Earnings distribution and appropriation in 2023								
Legal reserve	-	-	-	20,384	-	(20,384)	-	-
Special reserve	-	-	-	-	(35)	35	-	-
Cash dividends of shareholders	-	-	-	-	-	(181,557)	-	(181,557)
Net income in 2024	-	-	-	-	-	209,057	-	209,057
Other comprehensive income, net of income tax in 2024	-	-	-	-	-	4,419	103	4,522
Total comprehensive income in 2024	-	-	-	-	-	213,476	103	213,579
Balance of December 31, 2024	<u>56,737</u>	<u>\$ 567,365</u>	<u>\$ 43,953</u>	<u>\$ 46,947</u>	<u>\$ 2,751</u>	<u>\$ 216,848</u>	<u>(\$ 2,648)</u>	<u>\$ 875,216</u>

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

Loop Telecommunication International, Inc. and its subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities		
Income before income tax	\$ 241,785	\$ 246,765
Item of profit or loss:		
Depreciation expense	18,602	15,869
Amortization expense	3,025	4,510
Net gains on financial assets at fair value through profit or loss	(1,884)	(990)
Finance costs	1,915	1,822
Interest income	(11,902)	(15,525)
Dividend income	(47)	(46)
Losses of inventory write-down or obsolescence	2,152	4,051
Net (gains) losses on foreign exchange	(9,120)	12,714
Changes in operating assets and liabilities		
Contract assets	(9,360)	32,543
Accounts receivables	87,005	(191,141)
Other receivables	(230)	(25)
Inventories	12,920	(66,048)
Other current assets	(6,927)	(5,019)
Contract liabilities	35	1,559
Accounts payable	(1,659)	6,220
Other payables	(2,580)	23,379
Other current liabilities	(1,567)	(20,791)
Net defined benefit liability	(4,630)	(13,980)
Other non-current liabilities	(7,470)	(9,062)
Cash from operations	310,063	26,805
Interest paid	(2,164)	(1,575)
Income tax paid	(60,021)	(11,153)
Net cash generated by operating activities	<u>247,878</u>	<u>14,077</u>

(Cont'd)

(Cont'd)

	2024	2023
Cash flows from investing activities		
Acquisition of financial assets at amortized cost	(\$ 751,059)	(\$ 1,023,345)
Disposal of financial assets at amortized cost	854,224	935,919
Acquisition of financial assets at fair value through profit or loss	(4,753)	-
Disposal of financial assets at fair value through profit or loss	-	23,995
Acquisition of property, plant and equipment	(8,978)	(19,376)
Refundable deposits paid	(10,854)	(2,699)
Acquisition of intangible assets	(320)	(432)
Interest received	12,781	15,281
Dividends received	<u>47</u>	<u>46</u>
Net cash generated by (used in) investing activities	<u>91,088</u>	<u>(70,611)</u>
Cash flows from financing activities		
Increasing in short-term debt	-	192,000
Decreasing in short-term debt	(192,000)	-
Repayment of long-term debt	-	(1,936)
Guarantee deposits received	104	303
Repayment for the principal of lease liabilities	(2,256)	(2,197)
Cash dividends paid	(181,557)	(70,920)
Capital reduction	<u>-</u>	<u>(141,841)</u>
Net cash used in financing activities	<u>(375,709)</u>	<u>(24,591)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>7,288</u>	<u>(11,084)</u>
Net (decrease) increase in cash and cash equivalents during the year	(29,455)	(92,209)
Cash and cash equivalents, beginning of year	<u>269,074</u>	<u>361,283</u>
Cash and cash equivalents, end of year	<u>\$ 239,619</u>	<u>\$ 269,074</u>

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

Independent Auditors' Report Translated from Chinese

Opinion

We have audited the accompanying parent company only balance sheet of Loop Telecommunication International, Inc. (the “Company”) as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements (including a summary of significant accounting policies).

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only Financial Statements section of our report. We comply with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and independent of the Company. We have also 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 of the Company for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Revenue recognition

1. The major revenue sources of Company includes the production and sales of user remote line disconnectors, high-speed network access equipment, smart network resource management selectors, and other relevant products. As revenue has material effects on the 2024 parent company only financial statements of Loop Telecommunication International, Inc., revenue recognition involves manual control operations, and there are risks related to sales counterparties and the authenticity of transactions due to the significant growth in the revenue from partial customers, we have identified the revenue recognition as a key audit matter. For the accounting policies of revenue recognition, please refer to Note 4.(12) to the parent company only financial statements.

2. In response to the abovementioned risks, we have performed the following audit procedures:

(1) Understand and test the internal control systems and procedures related to the cycle of sales transactions to identify and evaluate the effectiveness of the internal control procedures involved in making sales transactions.

(2) Sample whether internal orders are approved by the responsible supervisor.

(3) Sample whether external orders and transportation documents have been obtained for revenue recognition and whether the amount and the invoiced amount are consistent.

(4) Sample whether the amount of collection after the period for relevant sales income transactions, remittance certificates, and counterparties is consistent with the amount of revenue recognition and counterparties.

Responsibilities of the Management and Those Charged with Governance for the Individual 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 members of 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 the 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 maintain 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 the 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 and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinions on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 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.

Deloitte & Touche Taiwan

Accountant Huang Yu-Feng

Accountant Tseng Jian-Ming

Approval No. of the Securities and Futures
Bureau

Tai-Cai-Zheng-Liu-Zi No.0920123784

Approval No. of the Financial Supervision-
Commission

Jin-Guan-Shen-Zheng-Zi No.1100356048

March 13, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

Loop Telecommunication International, Inc.
Parent Company Only Balance Sheet
December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
Current assets				
Cash and cash equivalents (Notes 4 and 6)	\$ 236,413	22	\$ 264,406	21
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	17,178	2	10,541	1
Financial assets at amortized cost - current (Notes 4 and 8)	1,560	-	103,169	8
Contract assets - current (Notes 4 and 21)	9,593	1	233	-
Net accounts receivable (Notes 4, 5, 9, and 21)	146,602	14	230,989	18
Accounts receivable - related party (Notes 4, 5, 21, and 27)	1,963	-	-	-
Other receivables (Notes 4, 9 and 27)	1,019	-	1,835	-
Inventories (Notes 4, 5, and 10)	356,762	33	372,867	29
Other current assets (Notes 16 and 27)	<u>15,670</u>	<u>1</u>	<u>12,730</u>	<u>1</u>
Total current assets	<u>786,760</u>	<u>73</u>	<u>996,770</u>	<u>78</u>
Non-current assets				
Financial assets at amortized cost - non-current (Notes 4, 8, and 28)	10,500	1	12,056	1
Investments accounted for using equity method (Notes 4 and 11)	3,465	-	565	-
Property, plant and equipment (Notes 4, 12, and 28)	149,859	14	149,883	12
Right-of-use assets (Notes 4 and 13)	34,136	3	43,608	3
Investment property (Notes 4, 14, and 28)	28,538	3	30,719	2
Intangible assets (Notes 4 and 15)	1,855	-	4,560	-
Deferred income tax assets (Notes 4 and 23)	6,870	1	6,439	1
Refundable deposits (Note 28)	43,765	4	32,911	3
Net defined benefit assets (Notes 4 and 19)	<u>10,476</u>	<u>1</u>	<u>1,427</u>	<u>-</u>
Total non-current assets	<u>289,464</u>	<u>27</u>	<u>282,168</u>	<u>22</u>
Total assets	<u>\$ 1,076,224</u>	<u>100</u>	<u>\$ 1,278,938</u>	<u>100</u>
Financial liabilities and equity				
Current liabilities				
Short-term borrowings (Notes 4, 17, and 28)	\$ -	-	\$ 192,000	15
Contract liabilities - current (Notes 4 and 21)	4,596	-	4,561	-
Accounts payable	34,614	3	34,839	3
Accounts payable - related party (Note 27)	5,652	1	4,004	-
Other payables (Note 18)	74,921	7	72,977	6
Income tax payable (Notes 4 and 23)	19,779	2	48,424	4
Lease liabilities - current (Notes 4 and 13)	2,002	-	2,256	-
Other current liabilities (Note 18)	<u>8,085</u>	<u>1</u>	<u>9,674</u>	<u>1</u>
Total current liabilities	<u>149,649</u>	<u>14</u>	<u>368,735</u>	<u>29</u>
Non-current liabilities				
Deferred income tax liabilities (Notes 4 and 23)	2,726	-	945	-
Lease liabilities - non-current (Notes 4 and 13)	40,264	4	50,329	4
Guarantee deposits	1,597	-	1,493	-
Other non-current liabilities (Note 18)	<u>6,772</u>	<u>1</u>	<u>14,242</u>	<u>1</u>
Total non-current liabilities	<u>51,359</u>	<u>5</u>	<u>67,009</u>	<u>5</u>
Total liabilities	<u>201,008</u>	<u>19</u>	<u>435,744</u>	<u>34</u>
Equity (Note 20)				
Common stock	<u>567,365</u>	<u>52</u>	<u>567,365</u>	<u>44</u>
Capital surplus	<u>43,953</u>	<u>4</u>	<u>43,953</u>	<u>4</u>
Retained earnings				
Legal reserve	46,947	5	26,563	2
Special reserve	2,751	-	2,786	-
Unappropriated earnings	<u>216,848</u>	<u>20</u>	<u>205,278</u>	<u>16</u>
Total retained earnings	<u>266,546</u>	<u>25</u>	<u>234,627</u>	<u>18</u>
Other equity	(<u>2,648</u>)	-	(<u>2,751</u>)	-
Total equity	<u>875,216</u>	<u>81</u>	<u>843,194</u>	<u>66</u>
Total Liabilities and Equity	<u>\$ 1,076,224</u>	<u>100</u>	<u>\$ 1,278,938</u>	<u>100</u>

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

Loop Telecommunication International, Inc.
Parent Company Only Statement of Comprehensive Income
For the years ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars,
Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Net revenue (Notes 4, 21, and 27)	\$ 650,733	100	\$ 648,696	100
Cost of revenue (Notes 4, 10, 22, and 27)	<u>210,868</u>	<u>33</u>	<u>205,560</u>	<u>32</u>
Gross profit	439,865	67	443,136	68
Unrealized gross profit on sales with subsidiaries (Note 4)	<u>-</u>	<u>-</u>	(<u>421</u>)	<u>-</u>
Realized gross profit	<u>439,865</u>	<u>67</u>	<u>442,715</u>	<u>68</u>
Operating expenses (Note 22)				
Sales and marketing expenses	44,771	7	52,099	8
General and administrative expenses	46,252	7	44,712	7
Research and development expenses	<u>158,505</u>	<u>24</u>	<u>152,224</u>	<u>23</u>
Subtotal	<u>249,528</u>	<u>38</u>	<u>249,035</u>	<u>38</u>
Income from operations	<u>190,337</u>	<u>29</u>	<u>193,680</u>	<u>30</u>
Non-revenue and expenses (Note 22)				
Interest income	11,897	2	15,516	2
Other income	15,086	2	36,270	6
Other gains and losses	23,547	4	3,297	-
Finance costs	(1,896)	-	(1,804)	-
Share of gains (losses) of subsidiaries accounted for using equity method (Note 4)	<u>2,797</u>	<u>-</u>	(<u>194</u>)	<u>-</u>
Total non- operating income and expenses	<u>51,431</u>	<u>8</u>	<u>53,085</u>	<u>8</u>

(Cont'd)

(Cont'd)

	2024		2023	
	Amount	%	Amount	%
Income before income tax	\$ 241,768	37	\$ 246,765	38
Income tax expenses (Notes 4 and 23)	<u>32,711</u>	<u>5</u>	<u>47,106</u>	<u>7</u>
Net income	<u>209,057</u>	<u>32</u>	<u>199,659</u>	<u>31</u>
Other comprehensive income (Notes 4, 19, and 20)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit obligation	4,419	1	4,178	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising on translation of foreign operations	<u>103</u>	<u>-</u>	<u>35</u>	<u>-</u>
Other comprehensive income, net of income tax	<u>4,522</u>	<u>1</u>	<u>4,213</u>	<u>-</u>
Total comprehensive income	<u>\$ 213,579</u>	<u>33</u>	<u>\$ 203,872</u>	<u>31</u>
Earnings per share (Note 24)				
Basic	<u>\$ 3.68</u>		<u>\$ 3.00</u>	
Diluted	<u>\$ 3.66</u>		<u>\$ 2.97</u>	

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

Loop Telecommunication International, Inc.
Parent Company Only Statement of Changes in Equity
For the years ended December 31, 2024 and 2023

	(In Thousands of New Taiwan Dollars; unless specified otherwise)							
	Capital stock		Capital surplus	Retained earnings		Unappropriated earnings	Other Equity	Total equity
	Shares (1,000 shares)	Amount		Legal reserve	Special reserve		Exchange differences arising on translation of foreign operations	
Balance on January 1, 2023	70,921	\$ 709,206	\$ 48,208	\$ 19,174	\$ 3,088	\$ 75,193	(\$ 2,786)	\$ 852,083
Capital reduction	(14,184)	(141,841)	-	-	-	-	-	(141,841)
Earnings distribution and appropriation in 2022								
Legal reserve	-	-	-	7,389	-	(7,389)	-	-
Special reserve	-	-	-	-	(302)	302	-	-
Cash dividends of shareholders	-	-	-	-	-	(66,665)	-	(66,665)
Cash distribution from the capital reserve	-	-	(4,255)	-	-	-	-	(4,255)
Net income in 2023	-	-	-	-	-	199,659	-	199,659
Other comprehensive income, net of income tax in 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,178</u>	<u>35</u>	<u>4,213</u>
Total comprehensive income in 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,837</u>	<u>35</u>	<u>203,872</u>
Balance of December 31, 2023	56,737	567,365	43,953	26,563	2,786	205,278	(2,751)	843,194
Earnings distribution and appropriation in 2023								
Legal reserve	-	-	-	20,384	-	(20,384)	-	-
Special reserve	-	-	-	-	(35)	35	-	-
Cash dividends of shareholders	-	-	-	-	-	(181,557)	-	(181,557)
Net income in 2024	-	-	-	-	-	209,057	-	209,057
Other comprehensive income, net of income tax in 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,419</u>	<u>103</u>	<u>4,522</u>
Total comprehensive income in 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,476</u>	<u>103</u>	<u>213,579</u>
Balance of December 31, 2024	<u>56,737</u>	<u>\$ 567,365</u>	<u>\$ 43,953</u>	<u>\$ 46,947</u>	<u>\$ 2,751</u>	<u>\$ 216,848</u>	<u>(\$ 2,648)</u>	<u>\$ 875,216</u>

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

Loop Telecommunication International, Inc.
Parent Company Only Statement of Cash Flows
For the years ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities		
Income before income tax	\$ 241,768	\$ 246,765
Item of profit or loss:		
Depreciation expense	18,151	15,412
Amortization expense	3,025	4,510
Net gains on financial assets at fair value through profit or loss	(1,884)	(990)
Finance costs	1,896	1,804
Interest income	(11,897)	(15,516)
Dividend income	(47)	(46)
Allowance for inventory valuation and obsolescence losses	2,152	4,051
Share of (gains) losses of subsidiaries accounted for using the equity method	(2,797)	194
Unrealized gains on sales with subsidiaries	-	421
Net (gains) losses on foreign exchange	(8,869)	12,551
Changes in operating assets and liabilities		
Contract assets	(9,360)	32,543
Accounts receivable (including those from related parties)	85,042	(190,985)
Other receivables	(63)	(660)
Inventories	13,953	(66,539)
Other current assets	(2,940)	(5,189)
Contract liabilities	35	1,559
Accounts payable (including those to related parties)	413	7,925
Other payables	(3,891)	23,617
Other current liabilities	(1,589)	(20,654)
Net defined benefit liability	(4,630)	(13,980)
Other non-current liabilities	(7,470)	(9,062)
Cash from operations	310,998	27,731
Interest paid	(1,647)	(1,555)
Income tax paid	(60,006)	(11,153)
Net cash generated by operating activities	<u>249,345</u>	<u>15,023</u>

(Cont'd)

(Cont'd)

	2024	2023
Cash flows from investing activities		
Acquisition of financial assets at amortized cost	(\$ 751,059)	(\$ 1,023,345)
Disposal of financial assets at amortized cost	854,224	935,919
Acquisition of financial assets at fair value through profit or loss	(4,753)	-
Disposal of financial assets at fair value through profit or loss	-	23,995
Acquisition of property, plant and equipment	(8,978)	(19,297)
Refundable deposits paid	(10,854)	(2,699)
Acquisition of intangible assets	(320)	(432)
Interest received	12,776	15,272
Dividends received	<u>47</u>	<u>46</u>
Net cash generated by (used in) investing activities	<u>91,083</u>	(<u>70,541</u>)
Cash flows from financing activities		
Increasing in short-term debt	-	192,000
Decreasing in short-term debt	(192,000)	-
Repayment of long-term debt	-	(1,936)
Guarantee deposits received	104	303
Repayment for the principal of lease liabilities	(2,256)	(2,197)
Cash dividends paid	(181,557)	(70,920)
Capital reduction	<u>-</u>	(<u>141,841</u>)
Net cash used in financing activities	(<u>375,709</u>)	(<u>24,591</u>)
Effect of exchange rate changes on cash and cash equivalents	<u>7,288</u>	(<u>11,084</u>)
Net decrease in cash and cash equivalents during the year	(27,993)	(91,193)
Cash and cash equivalents, beginning of year	<u>264,406</u>	<u>355,599</u>
Cash and cash equivalents, end of year	<u>\$ 236,413</u>	<u>\$ 264,406</u>

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

Loop Telecommunication International, Inc.
Table of Earning Distribution
2024

(In New Taiwan Dollars)

Item	Amount
Undistributed earnings at the beginning of the period	3,372,868
Net income in 2024	209,056,336
Add: Remeasurement of defined benefit obligation recognized in retained earnings	4,418,819
Amount of net income of the period plus items other than net income of the period included in the undistributed earnings of the year	213,475,155
Less: Legal reserve	(21,347,516)
Add: Reversal of special reserve according to the law	103,357
Earnings available for distribution for the year	195,603,864
Less: Cash dividends of shareholders (Note 4)	(187,230,252)
Undistributed earnings at the end of the period	8,373,612

- 1 After the distribution of the abovementioned dividends, if there are changes in the payout ratio due to changes in the number of outstanding shares, the Company intends to authorize the Board to make adjustments and arrange relevant matters.
- 2 The abovementioned dividend distribution was reported to and approved by the shareholders' meeting as a resolution. The Company intends to authorize the Board to arrange the base day for dividend distribution and other relevant matters based on actual circumstances according to relevant laws and regulations.
- 3 If changes are required for matters related to the abovementioned dividend distribution due to regulatory requirements, amendments to the approval of the competent authority, or the operating evaluation of the objective environment, the Company intends to authorize the Board to make arrangements based on actual circumstances.
- 4 The current cash dividend is calculated based on the total number of outstanding shares of the company, which is 56,736,440 shares as of February 28, 2025. The dividend distribution amounts to be NT\$3.3 per share.

Comparison Table of the “Articles of Incorporation” of the Company

Amended	Current	Description
Article 29: The Company shall appropriate no less than 10% and no more than 5% of the net profit before the period before deducting remuneration of employees and remuneration of Directors as the remuneration of employees and remuneration of Directors, respectively; however, if the Company has cumulative losses (including adjusted undistributed earnings), it shall preserve the compensation amount. <u>Of the employee remuneration amount in the preceding paragraph, no less than five percent shall be allocated for distribution to non-executive employees.</u> Remuneration of employees may be made in shares or cash, and the distribution targets may include employees, who fulfill certain conditions, of subordinated companies; remuneration of Directors in the preceding paragraph may only be made in cash. The two paragraphs above shall be implemented according to the resolutions of the Board and reported to the shareholders’ meeting.	Article 29: The Company shall appropriate no less than 10% and no more than 5% of the net profit before the period before deducting remuneration of employees and remuneration of Directors as the remuneration of employees and remuneration of Directors, respectively; however, if the Company has cumulative losses (including adjusted undistributed earnings), it shall preserve the compensation amount. Remuneration of employees in the preceding paragraph may be made in shares or cash, and the distribution targets may include employees, who fulfill certain conditions, of subordinated companies; remuneration of Directors in the preceding paragraph may only be made in cash. The two paragraphs above shall be implemented according to the resolutions of the Board and reported to the shareholders’ meeting. If the Company has net profit after tax for the period after the final account of the year, it shall compensate cumulative losses (including the	In accordance with the amended Article 14, Paragraph 6 of the Securities and Exchange Act, the Company shall specify in its Articles of Incorporation the relevant provisions for allocating a certain percentage of annual earnings to adjust the compensation or distribute remuneration to non-executive employees. Therefore, the relevant provisions are hereby amended.

Amended	Current	Description
If the Company has net profit after tax for the period after the final account of the year, it shall compensate cumulative losses (including the adjustments to undistributed earnings), appropriate 10% as the legal reserve according to the law; however, this shall not apply when the legal reserve has reached the paid-in capital of the Company. Then, it shall appropriate or reverse the special reserve according to the requirements under laws and regulations and of the competent authority. Subsequently, for the remaining earnings, together with the undistributed earnings at the beginning of the period (including the adjustments to undistributed earnings), the Board shall prepare a proposal for earning distribution and submit it to the shareholders' meeting for the resolution of shareholders' dividends/bonuses distribution. The dividend policies of the Company respond to the current and future development plans, taking investment environments, capital requirements, and domestic and foreign competition status into account, with equal consideration given to	adjustments to undistributed earnings), appropriate 10% as the legal reserve according to the law; however, this shall not apply when the legal reserve has reached the paid-in capital of the Company. Then, it shall appropriate or reverse the special reserve according to the requirements under laws and regulations and of the competent authority. Subsequently, for the remaining earnings, together with the undistributed earnings at the beginning of the period (including the adjustments to undistributed earnings), the Board shall prepare a proposal for earning distribution and submit it to the shareholders' meeting for the resolution of shareholders' dividends/bonuses distribution. The dividend policies of the Company respond to the current and future development plans, taking investment environments, capital requirements, and domestic and foreign competition status into account, with equal consideration given to shareholders' benefits. The Board shall prepare the proposal for earning distribution, and the shareholders' meeting shall make the resolution. Distribution of shareholders'	

Amended	Current	Description
shareholders' benefits. The Board shall prepare the proposal for earning distribution, and the shareholders' meeting shall make the resolution. Distribution of shareholders' dividends/bonuses may be made in shares or cash; however, in principle, the ratio of cash dividends to all dividends shall not be less than 10%.	dividends/bonuses may be made in shares or cash; however, in principle, the ratio of cash dividends to all dividends shall not be less than 10%.	
Article 34: The Articles were established after receiving the consent of all founders on October 28, 1991. The first amendment was made on February 21, 1992. The second amendment was made on June 12, 1992. The third amendment was made on November 30, 1993. The fourth amendment was made on November 25, 1997. The fifth amendment was made on April 13, 1998. The sixth amendment was made on June 3, 1999. The seventh amendment was made on May 12, 2000. the eighth amendment was made on April 27, 2001. The ninth amendment was made on May 30, 2002. The tenth amendment was made on June 7, 2007. The eleventh amendment was made on June 27, 2008. The twelfth amendment was made on June 17, 2010. The thirteenth amendment was made on June 24, 2011. The fourteenth	Article 34: The Articles were established after receiving the consent of all founders on October 28, 1991. The first amendment was made on February 21, 1992. The second amendment was made on June 12, 1992. The third amendment was made on November 30, 1993. The fourth amendment was made on November 25, 1997. The fifth amendment was made on April 13, 1998. The sixth amendment was made on June 3, 1999. The seventh amendment was made on May 12, 2000. the eighth amendment was made on April 27, 2001. The ninth amendment was made on May 30, 2002. The tenth amendment was made on June 7, 2007. The eleventh amendment was made on June 27, 2008. The twelfth amendment was made on June 17, 2010. The thirteenth amendment was made on June 24, 2011. The fourteenth amendment was	Added the date of the amendment.

Amended	Current	Description
amendment was made on June 27, 2012. The fifteenth amendment was made on June 25, 2013. The sixteenth amendment was made on June 22, 2015. The seventeenth amendment was made on June 23, 2016. The eighteenth amendment was made on June 25, 2019. The nineteenth amendment was made on June 30, 2020. The twentieth amendment was made on June 29, 2022. The twenty-first amendment was made on June 28, 2023. <u>The twenty-second amendment was made on June 26, 2025.</u>	made on June 27, 2012. The fifteenth amendment was made on June 25, 2013. The sixteenth amendment was made on June 22, 2015. The seventeenth amendment was made on June 23, 2016. The eighteenth amendment was made on June 25, 2019. The nineteenth amendment was made on June 30, 2020. The twentieth amendment was made on June 29, 2022. The twenty-first amendment was made on June 28, 2023.	

Articles of Incorporation of Loop Telecommunication International, Inc.

Chapter 1 General

Article 1: The Company was organized according to the requirements of the Company Act and named Loop Telecommunication International, Inc..

Article 2: The scope of business of the Company is as follows:

CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials
Manufacturing

I301010 Information Software Services

CC01120 Data Storage Media Manufacturing and Duplicating

I. Research, development, production, manufacturing, and sales of the following products

1. User remote line disconnectors, protectors and their components

2. Dedicated line reactors and their components

3. Subtitle phones and their components

4. Smart network resource management selectors

Network access equipment, including T1/E1, FT1/FE1 CSU, and CSU/DSU, and their components

Pulse code modulation carrier terminals and their components

64K/56Kbps transmission equipment, including DDS, and its components

High-speed digital user transmission systems and their components

DLC digital user loop carriers

5. LAN/WAN equipment, network management systems, their sub-systems, and their components

6. Integrated service digital network terminal adapter, their sub-systems, and their components

7. Convertors, remote controls for cable TVs, and their components

8. Communication system power supply units and their components

9. Radio communication systems and their components

II. Consultation, design, installation and repair related to the abovementioned businesses

III. Import and export trading operations related to the businesses of the Company

Article 3: The headquarters of the Company is located in Hsinchu Science Park, and it may establish domestic and foreign branches or branches when necessary based on the resolution of the Board.

Article 3-1: The Company may provide guarantees to external parties for its business requirements.

Article 3-2: The Company may make necessary investments in external parties, and the total investments are not subject to the restrictions related to investment limits stated under Article 13 of the Company Act; the Board is authorized to make business decisions on investments.

Article 4: Deleted.

Chapter 2 Shares

Article 5: The total capital of the Company is NT\$1,280 million, divided into 128,000,000 shares with a par value of NT\$10 per share; the Board is authorized to issue the unissued shares in batches. The total capital includes NT\$200 million, divided into 20,000,000 shares with a par value of NT\$10 per share, preserved for the conversion of convertible corporate bonds, and NT\$100 million, divided into 10,000,000 shares with a par value of NT\$10 per share, preserved for the exercise of options for stock warrant.

Article 5-1: For the declaration of the issuance of employee stock option certificate by the Company, when the subscription price is lower than the closing price on the issuance day, the exercise of options shall receive the consent of attending shareholders with over two-thirds of the voting rights at a meeting attended by shareholders representing over half of the total issued shares.

Article 5-2: If the Company transfer shares to employees at a price lower than the average price for the actual repurchase of shares, it shall receive the consent of attending shareholders with over two-thirds of the voting rights at the upcoming shareholders' meeting attended by shareholders representing over half of the total issued shares.

Article 6: When issuing share certificates, share certificates of the Company are registered, signed or affixed with seals by Directors representing the Company, and numbered, and issued after being certified by the competent authority or an issuance registration institution it approved according to the law.

Shares issued by the Company are exempted from printing share certificates; however, the Company shall register them with a centralized securities depository enterprise.

Article 7: Deleted.

Article 8: Deleted.

Article 9: The change in shareholders' names shall be suspended 60 days, 30 days, and or 5 days before the regular shareholders' meeting, an extraordinary shareholders' meeting, or the base date on which the Company decides to distribute dividends and bonuses or other benefits.

Article 11: Stock affairs operations of the Company shall be subject to the "Regulations Governing the Administration of Shareholder Services of Public Companies" and relevant laws and regulations.

Chapter 3 Shareholders' meetings

Article 12: Shareholders' meetings of the Company are divided into the following:

- I. Annual shareholders' meetings are convened once a year within six months from the end of each fiscal year by the Board according to the law.
- II. Extraordinary shareholders' meetings are convened according to the law when necessary.

Article 13: For convening shareholders' meetings, the Company shall announce and notify shareholders of the date, venue, and reason for the meeting 30 days or 15 days before an annual shareholders' meeting or an extraordinary shareholders' meeting, respectively. For shareholders holding registered share certificates of less than 1,000 shares, the meeting notice may be made by way of announcements.

Article 13-1: Shareholders' meetings may be held by way of a video conference or other methods announced by the Ministry of Economic Affairs.

Article 14: Shareholders of the Company are entitled to one vote for each share held apart from circumstances stated under Article 179 of the Company Act.

Article 14-1: Except for otherwise stated in the Company Act, resolutions made by the shareholders' meeting shall receive the consent of attending shareholders with more than half of the voting rights at a meeting attended by shareholders representing more than half of the total number of shares.

Article 15: If a shareholder is unable to attend a shareholders' meeting due to other causes, it may issue a proxy form, which is printed and distributed by the Company, and affix its seal that is kept with the Company to engage a proxy to attend the shareholders' meeting on its behalf.

Article 16: The Chairman shall be the chairperson of shareholders' meetings. If the Chairman is on leave or is unable to exercise its powers due to other causes, the Chairman shall designate a Director to act on its behalf; if the Chairman fails to make such designation, Directors shall elect one person among themselves to act on behalf of the Chairman.

Article 17: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting, and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The production and distribution of the meeting minutes may be done in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement. Meeting minutes, attendance book of attending shareholders and proxy forms to engage proxies shall be preserved together by the Company.

Chapter 4 Directors, Audit Committee, and managers

Article 18: The Company has seven to 15 Directors, who shall be elected by the shareholders' meeting from capable persons; the term of office is three years, and they may be re-elected and re-appointed. Total shares of Directors of the Company are subject to the requirements of the competent authority. A candidate nomination system is adopted for the election of the Company's Directors, and the acceptance method for the nomination of candidates is subject to the requirements under Article 192-1 of the Company Act.

Where all Directors of the Company are re-elected at a shareholders' meeting, prior to the expiration of the term of office of existing Directors, and in the absence of a resolution that existing Directors will not be discharged until the expiry of their present term of office, all existing directors shall be deemed discharged upon the completion of the re-election. In case no election of new Directors is effected after the expiration of the term of office of existing Directors, the term of office of out-going Directors shall be extended until the time new Directors have been elected and assumed their office. In the number of Directors above, the number of Independent Directors shall be no less than two persons and no less than one-fifth of the number of all Directors. The candidate nomination system is adopted for Independent Directors, and the shareholders shall elect them from the list of Independent Director candidates. The qualification, shareholding, restriction on concurrent position, nomination, election method, and other matters to be observed are subject to relevant requirements of the competent authority of securities.

Article 19: The Board is formed by the Directors, and the powers of the Board are subject to the requirements of the Company Act and relevant regulations.

Article 19-1: The Company may purchase liability insurance for Directors within the term of office for the compensation liability they assume according to laws within the scope of business execution.

Article 20: The Board shall be composed of the Directors. A Chairman shall be elected among the Directors by receiving the consent of more than half of the attending Directors at a meeting attended by two-thirds of the Directors; the Chairman represents the Company to external parties. If the Chairman is on leave or is unable to exercise its powers due to other causes, the Chairman shall designate a Director to act on its behalf; if the Chairman fails to make such designation, Directors shall elect one person among themselves to act on behalf of the Chairman.

Article 21: Resolutions at a Board meeting shall, unless otherwise stated in the Company Act and the Articles, be adopted by receiving the consent from more than half of the Directors at a meeting attended by more than half of the Directors. A Director who has a personal interest in the matter under discussion at a Board meeting shall explain to the Board meeting the essential contents of such personal interest.

Article 22: If the Director is unable to attend the meeting, it may engage another Director as its proxy; a Director may only be the proxy of one Director. If a video conference is adopted for a Board meeting, Directors who participate in the meeting via video calls shall be deemed as attending in person. The convening notice of Board meetings may be made by way of either correspondence, facsimile, or e-mail.

Article 23: Powers of the Audit Committee are subject to the requirements under the Company Act and relevant laws and regulations.

Article 24: The number of members of the Audit Committee, term of office, powers, rules of procedure, and resources to be provided by the Company when exercising powers shall be otherwise stated in the Charter of the Audit Committee.

Article 25: The Company has one President who is nominated by the Chairman and appointed after receiving consent from over two-thirds of the Directors. The President shall arrange corporate operations according to the resolutions of the Board.

Article 26: Deleted.

Chapter 5 Accounting

Article 27: The fiscal year of the Company is from January 1 to December 31. The final account shall be prepared at the end of each fiscal year. After the final annual account, the Board shall prepare forms and statements according to the requirements of the Company Act and submit them to the Audit Committee for review 30 days before the annual shareholders' meeting and then propose to the shareholders' meeting for ratification. The distribution of the books and statements above may be made by way of public announcements.

Article 28: Dividends are determined by the shareholders' meeting based on the earnings of the Company; however, if there is no earning, dividends may not be appropriated from the share capital.

Article 29: The Company shall appropriate no less than 10% and no more than 5% of the net profit before the period before deducting remuneration of employees and remuneration of Directors as the remuneration of employees and remuneration of Directors, respectively; however, if the Company has cumulative losses (including adjusted undistributed earnings), it shall preserve the compensation amount.

Remuneration of employees in the preceding paragraph may be made in shares or cash, and the distribution targets may include employees, who fulfill certain conditions, of subordinated companies; remuneration of Directors in the preceding paragraph may only be made in cash.

The two paragraphs above shall be implemented according to the resolutions of the Board and reported to the shareholders' meeting.

If the Company has net profit after tax for the period after the final account of the year, it shall compensate cumulative losses (including the adjustments to undistributed earnings), appropriate 10% as the legal reserve according to the law; however, this shall not apply when the legal reserve has reached the paid-in capital of the Company. Then, it shall appropriate or reverse the special reserve according to the requirements under laws and regulations and of the competent authority. Subsequently, for the remaining earnings, together with the undistributed earnings at the beginning of the period (including the adjustments to undistributed earnings), the Board shall prepare a proposal for earning distribution and submit it to the shareholders' meeting for the resolution of shareholders' dividends/bonuses distribution.

The dividend policies of the Company respond to the current and future development plans, taking investment environments, capital requirements, and domestic and foreign competition status into account, with equal consideration given to shareholders' benefits. The Board shall prepare the proposal for earning distribution, and the shareholders' meeting shall make the resolution. Distribution of shareholders' dividends/bonuses may be made in shares or cash; however, in principle, the ratio of cash dividends to all dividends shall not be less than 10%.

Article 30: Deleted.

Article 31: The Board is authorized to determine the remuneration of a Chairman and Director based on their level of participation in the Company's operation and the value of their contributions with reference to the domestic and foreign standards within the industry.

Chapter 6 Appendices

Article 32: The organizational rules and administrative regulations of the Company shall be otherwise established.

Article 33: Unaddressed matters in the Articles shall be subject to the requirements under the Company Act and other relevant laws and regulations.

Article 34: The Articles were established after receiving the consent of all founders on October 28, 1991. The first amendment was made on February 21, 1992. The second amendment was made on June 12, 1992. The third amendment was made on November 30, 1993. The fourth amendment was made on November 25, 1997. The fifth amendment was made on April 13, 1998. The sixth amendment was made on June 3, 1999. The seventh amendment was made on May 12, 2000. The eighth amendment was made on April 27, 2001. The ninth amendment was made on May 30, 2002. The tenth amendment was made on June 7, 2007. The eleventh amendment was made on June 27, 2008. The twelfth amendment was made on June 17, 2010. The thirteenth amendment was made on June 24, 2011. The fourteenth amendment was made on June 27, 2012. The fifteenth amendment was made on June 25, 2013. The sixteenth amendment was made on June 22, 2015. The seventeenth amendment was made on June 23, 2016. The eighteenth amendment was made on June 25, 2019. The nineteenth amendment was made on June 30, 2020. The twentieth amendment was made on June 29, 2022. The twenty-first amendment was made on June 28, 2023.

Loop Telecommunication International, Inc.
Rules of Procedure for Shareholders' Meetings

- I. Except as otherwise provided by laws and regulations, shareholders' meetings of Loop Telecommunication International, Inc. (the "Company") shall be as provided in these Rules of Procedure.
- II. The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked with a sufficient number of suitable personnel assigned to handle the registrations. The attendance shall be calculated based on the attendance book or sign-in cards handed in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.
- III. The votes at the shareholders' meeting shall be calculated based on shares.
- IV. The venue for a shareholders' meeting shall be the location of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- V. If a shareholders' meeting is called by the Board, the Chairman shall preside at the said shareholders' meeting. In case the Chairman is on leave of absence or cannot exercise its powers and authority, the Vice Chairman shall act on its behalf. If there is no Vice Chairman or the Vice Chairman is also on leave of absence or cannot exercise its powers and authority, the Chairman shall designate a Managing Director or Director who has held that position for six months or more and understands the financial and business conditions of the Company to act on its behalf; if there is no Managing Director, the Chairman shall designate a Director to act on its behalf. If the Chairman does not designate a Director, the Managing Directors or Directors shall elect one from among themselves to act on behalf of the Chairman.

If a shareholders' meeting is convened by a party with the power to convene but other than the Board, the convening party shall chair the meeting.
- VI. The Company may appoint its attorneys, CPAs, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

- VII. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year.
- VIII. The chairperson shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to paragraph 1, Article 175 of the Company Act. When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- IX. If a shareholders' meeting is convened by the Board, the meeting agenda shall be set by the Board. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.
- The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board. The chairperson may not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions).
- After the adjournment of the meeting, shareholders may not otherwise elect a chairperson to continue the meeting at the initial venue or another venue. However, if the chairperson declares the meeting adjourned in violation of the Rules of Procedure, the attending shareholders may elect a new chairperson in accordance with statutory procedures by agreement of a majority of the votes represented by the attending shareholders and then continue the meeting.
- X. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.
- A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor; the chairperson shall stop any violation.

- XI. Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes.
- XII. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may terminate or suspend the speech.
- XIII. When a corporation is appointed to attend as a proxy, it may designate only one person to represent it in the meeting. When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- XIV. After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.
- XV. When the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote.
- XVI. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company. The results of the votes shall be reported on-site, and minutes shall be made. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting, and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The production and distribution of the meeting minutes may be done in electronic form.
- XVII. When a meeting is in progress, the chairperson may announce a break based on time considerations.
- XVIII. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. For the vote, if the chairperson has made inquiries to attending shareholders and no dissenting opinion is raised, it shall be deemed approved by all shareholders. If there is any dissenting opinion, the chairperson may deem the number of votes of the attending shareholders less the number of votes of shareholders with dissenting opinions as the number of votes for the proposal, and if the number exceeds the number of votes required, the proposal shall be deemed as approved. The effects of the two voting methods above shall be equivalent to voting by ballots. The results of the votes shall be reported on-site, and minutes shall be made.

- XIX. When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to the vote. When any among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- XX. The chairperson may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- XXI. The Rules of Procedure were implemented after being approved by the annual shareholders' meeting as a resolution, and the same shall apply upon any amendment.
- The shareholders' meeting approved the establishment on June 3, 1999.
- The first amendment was made on May 30, 2002.
- The second amendment was made on June 27, 2012.
- The third amendment was made on June 25, 2013.

Loop Telecommunication International, Inc.
Rules for Election of Directors and Supervisors

- I. The election of directors and supervisors of the Company shall be conducted in accordance with these Regulations.
- II. The election of directors and supervisors of the Company shall adopt the cumulative voting system. Each share shall have a number of voting rights equal to the number of directors or supervisors to be elected. Shareholders may cast all votes for a single candidate or distribute them among multiple candidates.
- III. The directors and supervisors of the Company shall be elected based on the number stipulated in the Articles of Incorporation. The votes for independent and non-independent directors shall be counted separately. Candidates receiving more votes shall be elected in order. In the event that two or more candidates receive the same number of votes and the number exceeds the available seats, the winners shall be determined by drawing lots. If a candidate is absent, the chairperson shall draw the lot on their behalf.
- IV. Deleted.
- V. The Board of Directors shall prepare ballots in the same quantity as the number of directors and supervisors to be elected, with the number of voting rights printed on each. These ballots shall be distributed to the shareholders present at the shareholders' meeting. The name of the voter may be substituted with the attendance certificate number printed on the ballot.
- VI. Ballot boxes shall be prepared by the Board of Directors and inspected publicly by the scrutineers before the voting begins.
- VII. At the commencement of the election, the chairperson shall designate a number of shareholders to act as scrutineers and vote counters to handle election-related matters.
- VIII. If a candidate is a shareholder, the voter shall enter the candidate's account name and shareholder account number in the "Candidate" field on the ballot. If the candidate is not a shareholder, the voter shall enter the candidate's name and identification document number. If the candidate is a government agency or a corporate shareholder, the candidate field shall contain the name of the government or corporation, or may include both the name of the government or corporation and the name(s) of its representative(s). If there are multiple representatives, each representative's name shall be stated separately.
- IX. A ballot shall be deemed invalid in any of the following circumstances:
 - (I) The ballot is not prepared by the Board of Directors.
 - (II) A blank ballot is cast.

- (III) The handwriting is illegible or has been altered.
 - (IV) If the candidate is a shareholder, and the account name or account number does not match the shareholder registry; or if the candidate is not a shareholder and the name or ID number does not match the identification records.
 - (V) If any additional text is written on the ballot apart from the candidate's account name (or name), account number (or ID number), and allocated number of votes.
 - (VI) If the candidate's name is entered without a corresponding account number or identification number for verification.
- X. After voting is completed, the ballots shall be counted on-site. The scrutineers shall oversee the counting process, and the results shall be announced immediately by the chairperson. After the meeting, the Board of Directors shall issue election notifications to the elected individuals.
- XI. Any matters not covered by these Regulations shall be handled in accordance with the Company Act, other relevant laws and regulations, and the Company's Articles of Incorporation.

The Rules of Procedure were implemented after being approved by the annual shareholders' meeting as a resolution, and the same shall apply upon any amendment.

The shareholders' meeting approved the establishment on June 3, 1999.

Approved by the shareholders' meeting on June 3, 1999.

The first amendment was made on May 30, 2002.

The second amendment was made on April 22, 2015.

Loop Telecommunication International, Inc.
Shareholding of Directors

Appendix 4

- I. At present, the number of issued shares of the Company is 56,736,440 shares.
- II. According to the requirements of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum shareholding of the Directors shall be 4,538,915 shares.
- III. As of April 28, 2025, the book closure date of the shareholders' meeting, the shareholding of all Directors is as follows:

Title	Name	Shares held
Chairman	Yeh Maw-Lin	5,625,844
Director	Chen Hua-Ling	1,223,337
Director	Fan Zheng-Chun	194,400
Director	Chiu Dong-Sheng	288,485
Independent Director	Huang Yun-Ming	0
Independent Director	Chang Kuo-Hwa	0
Independent Director	Chiang Ming-Hsiung	0
Independent Director	Ko Shu-Mei	0
Directors in aggregate		7,332,066