Zyxel Group Corporation
2026 Annual Shareholders' Meeting Minutes

Time: 9:00 am, June 15, 2026 (Monday)

Venue: B1, Conference Hall, No. 6, Innovation Road II, Hsinchu Science Park, Hsin-Chu, Taiwan

Convening Methods: Physical Shareholders' Meeting

Total outstanding shares: 408,127,573 shares (excluding the shares with no voting rights stipulated in Article 179 of the Company Act)

Total shares represented by shareholders present in person or by proxy: 227,069,007 shares

Percentage of shares held by shareholders present in person or by proxy: 55.63%

Directors present: Shun-I Chu, Chairman of the Board of Directors
Ping-Chin Lee, Director
Jyuo-Min Shyu, Director
Pin-Chieh Chu, Director
Chin-Tang Liu, Independent Director
Chin-Liang Wang, Independent Director
Yi-Bing Lin, Independent Director
Shing-Hai Wei, Independent Director

Attendees: Chi-Lung Yu, CPA, KPMG Taiwan

Chairman: Shun-I Chu Recorder: Jason Pu

I. Call the Meeting to Order

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

II. Chairman's Address (omitted)

III. Reports

(1) 2025 Business Report (Please refer to Attachment 1)
(2) Audit Committee's Review Report (Please refer to Attachment 2)
(3) Report on 2025 distributable compensation for employees and directors
(4) Report on the amendments to the Procedures for Ethical Management and Guidelines for Conduct (Please refer to Attachment 6)

IV. Ratifications

1. 2025 Business Report and Financial Statements
   (Proposed by the Board of Directors)
   Explanation:
   (1) Zyxel Group's 2025 Financial Statements have been audited by Hai-Ning Huang, CPA and Chi-Lung, Yu, CPA from KPMG Taiwan.
   (2) For 2025 Business Report, please refer to Attachment 1 of this manual.
   (3) For 2025 Independent Auditors' Report and Financial Statements, please refer to Attachment 3 and Attachment 4 of this manual.

   No questions raised by the shareholders.

   RESOLVED, that the 2025 Business Report and Financial Statements be and hereby were accepted as submitted.

   Voting Results:
   Shares represented at the time of voting: 227,069,007

Voting Results*		% of the total represented share present
Votes in favor:	217,814,794 votes (149,970,020 votes)	95.92%
Votes against:	191,864 votes (191,864 votes)	0.08%
Votes invalid:	0 votes	0.00%
Votes abstained:	9,062,349 votes (8,882,349 votes)	3.99%

*including votes casted electronically (numbers in brackets)

2. 2025 Earnings Distribution
   (Proposed by the Board of Directors)
   Explanation:
   (1) Proceeded pursuant to the Articles of Incorporation. It is intended to distribute NTD 0.4 per share as the cash dividends, for total NTD 166,177,988. Please refer the 2025 Earnings Distribution Table at Attachment 5 of this manual.
   (2) If there is a subsequent change in the number of outstanding shares due to employee stock options, repurchase or transfer of treasury shares causing dividend payout ratio to change, the chairman has full authority to handle all related issues.
   (3) The cash dividends are calculated on a pro rata basis up to the dollar amount (rounded up to the dollar amount), and the fractional amounts less than NTD 1 is adjusted from the decimal point from the largest to the smallest and the account number from the front to the back in order to meet the total amount of cash dividends distributed. After the Annual General Shareholders Meeting recognizes, the chairman will set the distribution record date and other related matters of the cash dividends.

   No questions raised by the shareholders.

RESOLVED, that the 2025 Earnings Distribution be and hereby was accepted as submitted.

Voting Results:
Shares represented at the time of voting: 227,069,007

Voting Results*		% of the total represented share present
Votes in favor:	218,012,640 votes (150,167,866 votes)	96.01%
Votes against:	210,766 votes (210,766 votes)	0.09%
Votes invalid:	0 votes	0.00%
Votes abstained:	8,845,601 votes (8,665,601 votes)	3.89%

*including votes casted electronically (numbers in brackets)

V. Election and Discussions

1. Proposal for the by-election of one director for the sixth term
(Proposed by the Board of Directors)
Explanation:
(1) The director, Mr. Gordon Yang, resigned on November 11, 2025, and it is proposed to hold a by-election for one director to fill the vacancy.
(2) The newly elected director in this by-election will assume office immediately after the shareholders' meeting and serve for the remaining term from June 15, 2026, to June 16, 2028.
(3) Pursuant to Article 192-1 of the Company Act, Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers, and the Company’s Articles of Incorporation, the board of director nominates the candidates of directors as following, along with their major education and career background, and shareholdings.

Position	Gender	Name	Education and work experience	Number of shares held
Director	Female	Denise Lin	Ming Chuan Women's College of Commerce COO & CSO, Zyxel Group Corporation Chairman/General Manager, Zyxel Communications Corporation Chairman, MitraStar Technology Corporation	305,938

(4) Please elect.

Election results:
The lists of the newly elected directors with votes received as follows:

Position	Name	Votes Received
Director	Denise Lin	214,602,951

2. Proposal for lifting the non-competition restrictions for directors
(Proposed by the Board of Directors)
Explanation:
(1) Proceeded pursuant to Article 209-1 of the Company Act.
(2) Whereas the Company's directors may concurrently take positions with identical or similar businesses as the Company, to the extent where the Company's interests are not harmed, it is proposed to have the meeting of shareholder approve to lift the non-competition restriction on these directors. New positions served by new and current directors in other companies are described below:

Name	Current positions taken at other companies concurrently	Remarks
Denise Lin	Director, Orui Development Limited Company	
Ping-Jie Chu	Director, ZyFX Technologies Inc.	Representative of ZYXEL Foundation

No questions raised by the shareholders.

RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results:
Shares represented at the time of voting: 227,069,007

Voting Results*		% of the total represented share present
Votes in favor:	217,033,087 votes (149,188,313 votes)	95.58%
Votes against:	814,159 votes (814,159 votes)	0.35%
Votes invalid:	0 votes	0.00%
Votes abstained:	9,221,761 votes (9,041,761 votes)	4.06%

*including votes casted electronically (numbers in brackets)

VI. Extemporary Motions: None.

VII. Meeting Adjourned: June 15, 2026 at 9:14 am

Attachment 1

Zyxel Group Corporation
2025 Business Report

Zyxel Group Corporation (hereinafter referred to as “Zyxel Group”) enhances its performance and industry competitiveness through a holding company structure. The Group has carried out the reorganization based on the industrial characteristics of its subsidiaries to improve industry focus and competitive profitability.

1. Business results in 2025:

(1) Outcome of performance:

Unit: NTD thousand

Item	2025	2024
Operating revenue	25,295,196	25,969,435
Gross profit	6,743,321	6,434,215
Operating income	866,622	441,109
Income (loss) before income taxes	918,608	718,820
Net income	652,489	591,534

(2) Analysis on profitability:

Item		2025	2024
Return on total assets %		3.24	2.96
Return on attributable to shareholders of the parent %		5.64	5.28
As a percentage of paid-in capital %	Operating Income	20.86	10.72
	Income (Loss) before income taxes	22.11	17.47
Net income %		2.58	2.28
Basic earnings per share/NTD		1.56	1.41

2. Business Outlook:

Zyxel Group is dedicated to the networking industry, having deeply rooted itself in various areas about the network technology and market. The three subsidiaries, namely Zyxel Communications Corporation (hereinafter referred to as “Zyxel”), MitraStar Technology Corporation (hereinafter referred to as “MitraStar”), and Zyxel Networks Corporation (hereinafter referred to as “ZNet”), are in charge of telecommunication, DMS, and channel business, respectively, and strive in the technologies and markets in the network industry. We provide our customers with real-time sales and service in 150 markets worldwide.

In response to global shifts and intense competition, Zyxel Group launched a core strategic initiative in 2025 centered on "Integrated Production-Sales and Unified Operations." This strategy aims to optimize resource planning and allocation to enhance market competitiveness. Aligned with these strategic goals, Zyxel Group has horizontally integrated subsidiary resources through functional organization, consolidating them into four core executive roles: Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Technology Officer (CTO), and Chief Product Officer (CPO). The Group’s operational transformation is led by the CEO, whose leadership focuses on streamlining decision-making and fostering organizational synergy to drive overall competitiveness and shareholder value.

For the service provider market, Zyxel has introduced its latest 50G fiber carrier-grade product. Build on a tri-mode optical architecture design, it supports 50G PON, XGS-PON, and GPON on shared fiber, giving service providers a highly flexible migration path. This architecture accelerates network deployment and upgrades, helping service providers roll out large-scale fiber services faster while delivering ultra-high-speed and ultra-low-latency end-to-end connectivity. At CES 2026, Zyxel also launched its Wi-Fi 8 latest innovations, establishing the highly stable, low-latency network foundation essential for service providers in the AI application era.

Additionally, Zyxel has launched the Zyxel One AI-powered Wi-Fi management solution. Through AI analysis and visualized data, it enables service providers to remotely monitor and manage subscribers' devices while quickly troubleshooting issues. Subscribers can use the Zyxel One App to guide automatic installation and activation processes and to perform interactive smart diagnostics to resolve home networking issues. This effectively enhances service providers' operational efficiency, reduces operational costs, and further increases user adoption rates. Leveraging its exceptional software R&D capabilities, Zyxel has independently developed the modular OPAL software platform based on Linux. By integrating the prpl Foundation's open-source architecture, Zyxel has developed prplOS—compatible with prplWare—enabling rapid deployment of diverse applications and value-added services. The OPAL software increases the efficiency of system integration, significantly shortens product development cycles, and enables swift responses to service providers' deployment demands.

In the SMB market segment, ZNet centers its efforts around the Nebula cloud-based network management platform, focusing on collaborations with Managed Service Providers (MSPs) and authorized resellers. We continuously deliver networking products and solutions tailored to the needs of SMBs, MSPs, and professional users, addressing challenges businesses face in IT staffing, network management and maintenance, and cost control. Nebula currently supports over 100 device models, including wireless access points, Ethernet switches, firewalls, and multiple 5G/LTE mobile routers, catering to diverse networking environments.

ZNet also actively leverages AI-driven technologies to enhance automation and intelligence in cloud network management and cybersecurity, thereby improving network management efficiency and stability. ZNet has introduced software subscription services and related management platforms, while establishing its proprietary e-commerce platform, Zyxel Store, to further elevate its overall competitiveness and long-term business value in the SMB networking market.

Affected by factors such as Sino-US trade barriers and demands from European and American operators for supply chains to be "non-China manufacturing, sourced from third-party locations," MitraStar has established a new factory in Vietnam, with trial production expected to commence in 2026. The new facility will serve as a crucial hub in the group's global layout, enhancing shipment flexibility to Europe and America. This will further increase the self-manufacturing rate, reduce outsourcing proportions, and significantly boost the company's bargaining power and supply chain resilience.

In response to climate change challenges and global manufacturers' net-zero emission requirements, Zyxel Group has comprehensively advanced emission reduction initiatives. In 2025, it earned the prestigious EcoVadis Platinum Award in international sustainability ratings, ranking among the top 1% of assessed companies globally for sustainability performance. This recognition affirms the company's sustained commitment and outstanding achievements across the three pillars of Environmental, Social, and Governance (ESG). Furthermore, in 2025, Zyxel Group successfully passed the greenhouse gas reduction target review by the Science Based Targets initiative (SBTi), demonstrating its commitment to carbon reduction and advancing environmental sustainability.

Zyxel Group also applies its expertise in network technology to defense communications and cybersecurity, standing as one of Taiwan's few firms with R&D capabilities for security hardware, including radar systems, military wireless communications, and network firewalls. In 2025, it became Taiwan's first networking company to join FIRST (Forum of Incident Response and Security Teams), the world's largest cybersecurity incident response organization, demonstrating its leadership in product security governance and international collaboration.

The entire management team will use its best effort to combine the sound technical energy, create more infinite possibilities for network communications, and maximize shareholder value and create a win-win-win situation for Zyxel Group Corporation, its employees, and shareholders.

At last, we wish all of you good health and everything goes well!

Chairman of Board: Shun-I Chu

Chief Executive Officer: Shun-I Chu

Chief Financial Officer: Jason Pu

Attachment 2

Zyxel Group Corporation

Audit Committee’s Review Report

Zyxel Group’s 2025 Business Report, Financial Statements, and proposal for earnings distribution were prepared and submitted by the Board of Directors. The Financial Statements were audited by Hai-Ning Huang and Ji-Long Yu, CPA of KPMG and issued an Independent Audit Report. The Business Report, Financial Statements, and proposal for earnings distribution, have been reviewed and determined to be correct and accurate by the Audit Committee of Zyxel Group Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Please review and approve.

To

Zyxel Group Corporation 2026 Annual Shareholders’ Meeting

Chin-Tang Liu, Convener of the Audit Committee

March 9, 2026

Independent Auditors' Report

To the Board of Directors of Zyxel Group Corporation:

Opinion

We have audited the consolidated financial statements of Zyxel Group Corporation and its subsidiaries ("the Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the consolidated statements 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 material 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, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") and the former Standing Interpretations Committee ("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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

Valuation of Inventories

Please refer to Note 4(8) "Summary of significant accounting policies－Inventories", Note 5 (Major sources of accounting judgments, estimations and assumptions of uncertainty", and Note 6(6) "Explanation of Significant Accounts－Inventories" to the consolidated financial statements.

Description of key audit matters:

The Company mainly engages in the research and development, as well as the production of networks communication products. Inventories are stated at the lower of cost or net realizable value. The Company used judgment and estimate to determine the net realizable value of inventory at the end of each reporting period. However, the rapid evolution of technology and the fluctuation of market may lead to obsolete inventories and unmarketable items. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time frame, which could result in significant adjustments. As a result, the valuation of inventories is one of the key audit matters of our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: obtaining the inventory aging report and testing the completeness and the accuracy of the aging of inventory based on acceptable documents from the last valid transaction; understanding and evaluating the management's judgment on the calculation of net realizable value, testing the relevant documents to assess the adequacy and reasonableness for identification of slow moving inventories and discussing with the management about the reasonableness for slow moving inventories; as well as understanding the management's assumption on the completeness of inventory provisions and evaluating the adequacy of provision to write down slow moving or obsolete inventories; and evaluating the adequacy of the Company's disclosures.

Other Matter

Zyxel Group Corporation has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, 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 or to cease operations, or has no realistic alternative but to do so.

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

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

The engagement partners on the audit resulting in this independent auditors' report are Hai-Ning Huang and Chi-Lung Yu.

KPMG

Taipei, Taiwan (Republic of China)
March 9, 2026

Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Zyxel Group Corporation and subsidiaries

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 3,178,855	15	3,241,996	15
1110	Financial assets at fair value through profit or loss－current (note 6(2))	749,576	3	681,592	3
1136	Financial assets at amortized cost－current (notes 6(3) and 8)	54,984	-	45,163	-
1170	Notes and accounts receivable, net (note 6(5))	6,064,679	28	7,428,000	33
1180	Accounts receivable－related parties, net (note 7)	28,241	-	40,907	-
1210	Other receivables－related parties (note 7)	2,269	-	2,540	-
130X	Inventories (note 6(6))	5,777,306	26	4,957,738	22
1476	Other financial assets－current	51,688	-	85,410	-
1479	Other current assets, others	1,205,292	6	947,566	4
		17,112,890	78	17,430,912	77
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(4))	46,681	-	30,099	-
1535	Financial assets at amortized cost－non-current (notes 6(3) and 8)	115,787	-	228,031	1
1550	Investments accounted for using the equity method (note 6(7))	166,674	1	228,904	1
1600	Property, plant and equipment (note 6(8))	2,430,882	11	2,499,779	11
1755	Right-of-use assets (note 6(9))	578,758	3	414,367	2
1780	Intangible assets (note 6(10))	161,837	1	199,605	1
1840	Deferred income tax assets (note 6(16))	807,122	4	913,297	4
1920	Refundable deposits (note 8)	190,069	1	196,613	1
1930	Long-term accounts receivable, net (note 6(5))	65,581	-	348,504	1
1975	Net defined benefit assets (note 6(15))	153,394	1	140,040	1
1990	Other non-current assets, others	34,369	-	31,179	-
		4,751,154	22	5,230,418	23
	Total assets	**$ 21,864,044**	**100**	**22,661,330**	**100**

		December 31, 2025		December 31, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(11))	$ 1,468,008	7	1,195,639	5
2120	Financial liabilities at fair value through profit or loss－current (note 6(2))	5,178	-	48,188	-
2130	Contract liabilities－current (notes 6(20) and 7)	183,786	1	457,525	2
2170	Notes and accounts payable	3,326,713	15	4,075,809	18
2180	Accounts payable－related parties (note 7)	68,857	-	80,152	-
2201	Payroll and bonus payable	814,863	4	935,701	4
2220	Other payables－related parties (note 7)	-	-	954	-
2230	Income tax payable	85,927	1	130,317	1
2250	Provision for warranty obligations－current (note 6(13))	243,307	1	333,364	2
2280	Lease liabilities－current (note 6(14))	37,362	-	43,418	-
2320	Long-term liabilities, current portion (note 6(12))	1,899,521	9	-	-
2399	Other current liabilities, others	1,172,002	5	1,447,277	7
		9,305,524	43	8,748,344	39
	Non-current liabilities:				
2530	Bonds payable (note 6(12))	-	-	1,898,699	8
2570	Deferred income tax liabilities (note 6(16))	356,608	2	315,648	1
2580	Lease liabilities－non-current (note 6(14))	342,377	1	393,098	2
2640	Net defined benefit liabilities (note 6(15))	6,118	-	7,766	-
2645	Guarantee deposits received	920	-	867	-
		706,023	3	2,616,078	11
	Total liabilities	10,011,547	46	11,364,422	50
	Equity (note 6(17)):				
	Equity attributable to the shareholders of the parent company:				
3100	Capital stock	4,154,450	19	4,115,175	18
3200	Capital surplus	3,715,272	17	3,640,792	16
3300	Retained earnings	4,275,485	19	3,761,864	17
3400	Other equity	(461,742)	(2)	(386,170)	(2)
3500	Treasury stock	(96,550)	-	(96,550)	-
		11,586,915	53	11,035,111	49
36XX	Non-controlling interests	265,582	1	261,797	1
	Total equity	11,852,497	54	11,296,908	50
	Total liabilities and equity	**$ 21,864,044**	**100**	**22,661,330**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Zyxel Group Corporation and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenues** (notes 6(20) and 7)	$ 25,295,196	100	25,969,435	100
5000	**Cost of goods sold** (notes 6(6) and 7)	18,551,875	73	19,535,220	75
	Gross profit	6,743,321	27	6,434,215	25
	Operating expenses (note 7):				
6100	Selling and marketing	2,649,799	11	2,626,123	10
6200	General and administrative	1,047,883	4	979,956	4
6300	Research and development	1,854,696	8	1,906,796	7
6450	Expected credit loss (note 6(5))	324,321	1	480,231	2
	Total operating expenses	5,876,699	24	5,993,106	23
	Operating income	866,622	3	441,109	2
	Non-operating income (expense):				
7010	Other income (notes 6(21) and 7)	38,852	-	56,081	-
7020	Other gains and losses (notes 6(21) and 7)	(121,948)	-	142,715	1
7060	Shares of profit (loss) of associates accounted for using the equity method, net (note 6(7))	(17,215)	-	(830)	-
7100	Interest income	130,972	1	130,299	-
7510	Interest expense (note 6(21))	(85,257)	-	(85,054)	-
7630	Foreign exchange loss, net (note 6(23))	106,582	-	34,500	-
		51,986	1	277,711	1
7900	**Income (loss) before income taxes**	918,608	4	718,820	3
7950	Income tax expenses (note 6(16))	266,119	1	127,286	1
8200	**Net income (loss)**	652,489	3	591,534	2
8300	**Other comprehensive income (loss):**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurements of defined benefit plans	12,791	-	41,828	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(17))	13,038	-	(11,658)	-
	Total items that will not be reclassified subsequently to profit or loss	25,829	-	30,170	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(21,535)	-	131,157	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(16))	4,246	-	(26,373)	-
	Total items that may be reclassified subsequently to profit or loss	(17,289)	-	104,784	1
8300	**Other comprehensive income for the year**	8,540	-	134,954	1
8500	**Total comprehensive income for the year**	**$ 661,029**	**3**	**726,488**	**3**
	Net income (loss) attributable to:				
8610	Shareholders of the parent company	$ 634,136	3	569,652	2
8620	Non-controlling interests	18,353	-	21,882	-
		$ 652,489	**3**	**591,534**	**2**
	Total comprehensive income attributable to:				
8710	Shareholders of the parent company	$ 637,997	3	705,213	3
8720	Non-controlling interests	23,032	-	21,275	-
		$ 661,029	**3**	**726,488**	**3**
	Earnings per share (New Taiwan Dollars) (note 6(19)):				
9750	Basic earnings per share	**$**	**1.56**		**1.41**
9850	Diluted earnings per share	**$**	**1.56**		**1.41**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Zyxel Group Corporation and subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollars)

	Equity attributable to the shareholders of the parent company															
	Capital stock				Retained earnings				Total other equity interest							
	Common stock	Advance receipts for share capital	Total capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned stock-based employee compensation	Total	Treasury stock	Subtotal of equity attributable to the shareholders of the parent	Non-controlling interests	Total equity
Balance at January 1, 2024	$ 4,063,930	30,965	4,094,895	3,612,111	519,606	490,256	2,773,353	3,783,215	(433,168)	(47,061)	-	(480,229)	(96,550)	10,913,442	202,550	11,115,992
Net income (loss) for the period	-	-	-	-	-	-	569,652	569,652	-	-	-	-	-	569,652	21,882	591,534
Other comprehensive income (loss) for the period	-	-	-	-	-	-	41,502	41,502	105,717	(11,658)	-	94,059	-	135,561	(607)	134,954
Total comprehensive income (loss) for the period	-	-	-	-	-	-	611,154	611,154	105,717	(11,658)	-	94,059	-	705,213	21,275	726,488
Appropriation and distribution of retained earnings:																
Legal reserve	-	-	-	-	133,656	-	(133,656)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	(10,028)	10,028	-	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	-	(614,234)	(614,234)	-	-	-	-	-	(614,234)	-	(614,234)
Changes in ownership interests in subsidiaries accounted for using the equity method	-	-	-	(1,188)	-	-	(18,271)	(18,271)	-	-	-	-	-	(19,459)	19,459	-
Cash dividends received by subsidiaries from the parent company	-	-	-	10,941	-	-	-	-	-	-	-	-	-	10,941	-	10,941
Share-based payment transaction	49,490	(29,210)	20,280	18,928	-	-	-	-	-	-	-	-	-	39,208	52,861	92,069
Cash dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(24,350)	(24,350)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,998)	(9,998)
Balance at December 31, 2024	4,113,420	1,755	4,115,175	3,640,792	653,262	480,228	2,628,374	3,761,864	(327,451)	(58,719)	-	(386,170)	(96,550)	11,035,111	261,797	11,296,908
Net income (loss) for the period	-	-	-	-	-	-	634,136	634,136	-	-	-	-	-	634,136	18,353	652,489
Other comprehensive income (loss) for the period	-	-	-	-	-	-	12,714	12,714	(21,891)	13,038	-	(8,853)	-	3,861	4,679	8,540
Total comprehensive income (loss) for the period	-	-	-	-	-	-	646,850	646,850	(21,891)	13,038	-	(8,853)	-	637,997	23,032	661,029
Appropriation and distribution of retained earnings:																
Legal reserve	-	-	-	-	59,288	-	(59,288)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	(94,059)	94,059	-	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	-	(123,455)	(123,455)	-	-	-	-	-	(123,455)	-	(123,455)
Changes in ownership interests in subsidiaries accounted for using the equity method	-	-	-	241	-	-	(9,774)	(9,774)	-	-	-	-	-	(9,533)	9,533	-
Cash dividends received by subsidiaries from the parent company	-	-	-	2,190	-	-	-	-	-	-	-	-	-	2,190	-	2,190
Share-based payment transaction	41,030	(1,755)	39,275	72,049	-	-	-	-	-	-	(66,719)	(66,719)	-	44,605	25,721	70,326
Cash dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(29,312)	(29,312)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,189)	(25,189)
Balance at December 31, 2025	**$ 4,154,450**	**-**	**4,154,450**	**3,715,272**	**712,550**	**386,169**	**3,176,766**	**4,275,485**	**(349,342)**	**(45,681)**	**(66,719)**	**(461,742)**	**(96,550)**	**11,586,915**	**265,582**	**11,852,497**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Zyxel Group Corporation and subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollars)

	2025	2024
Cash flows from operating activities:		
Income (loss) before income tax	$ 918,608	718,820
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	341,852	333,033
Amortization expense	151,125	133,817
Expected credit loss	324,321	480,231
Provision for warranties and after service cost	5,685	54,082
Provision of allowance for sales discounts	116,878	97,346
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	138,059	(130,248)
Interest expense	85,257	85,054
Interest income	(130,972)	(130,299)
Dividend income	(3,487)	(13,765)
Share-based payments	4,130	-
Share of loss of associates accounted for using the equity method	17,215	830
Loss (gain) on disposal of property, plant and equipment	543	(106)
Reversal of inventory obsolescence loss	(334,423)	(541,092)
Others	650	2,589
Total adjustments to reconcile profit (loss)	716,833	371,472
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets or liabilities at fair value through profit or loss	(204,093)	110,313
Notes and accounts receivable (including related parties and long-term accounts receivable)	1,394,604	(1,336,219)
Other receivables－related parties	271	1,706
Inventories	(500,560)	(833,600)
Other operating assets	(271,102)	(317,367)
Total changes in operating assets	419,120	(2,375,167)
Changes in operating liabilities:		
Notes and accounts payable (including related parties)	(760,391)	649,555
Other payables－related parties	(954)	818
Net defined benefit assets and liabilities	(2,211)	(844)
Other operating liabilities	(885,965)	(382,160)
Total changes in operating liabilities	(1,649,521)	267,369
Total changes in operating assets and liabilities	(1,230,401)	(2,107,798)
Total adjustments	(513,568)	(1,736,326)
Cash inflow (outflow) generated from operations	405,040	(1,017,506)
Interest received	129,170	133,112
Dividends received	6,501	13,064
Interest paid	(84,287)	(85,105)
Income taxes paid	(120,284)	(428,782)
Net cash flows generated from (used in) operating activities	336,140	(1,385,217)

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Zyxel Group Corporation and subsidiaries

Consolidated Statements of Cash Flows (continue)

For the years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollars)

	2025	2024
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(3,544)	-
Acquisition of financial assets at amortized cost	(65,527)	(265,408)
Proceeds from repayments of financial assets at amortized cost	172,169	240,824
Acquisition of financial assets at fair value through profit or loss	(389,610)	(543,354)
Proceeds from disposal of financial assets at fair value through profit or loss	344,650	28,841
Acquisition of investments accounted for using equity method	(3,238)	(192,750)
Acquisition of property, plant and equipment	(245,867)	(929,167)
Proceeds from disposal of property, plant and equipment	6,733	210
Decrease (increase) in refundable deposits	6,544	(28,779)
Acquisition of intangible assets	(76,323)	(19,538)
Acquisition of right-of-use assets	(222,853)	-
Decrease in other financial assets	-	50
Increase in other non-current assets	(38,628)	(39,599)
Net cash flows used in investing activities	(515,494)	(1,748,670)
Cash flows from financing activities:		
Increase in short-term borrowings	25,661,658	16,094,106
Decrease in short-term borrowings	(25,382,890)	(15,771,061)
Increase in short-term notes and bills payable	200,000	10,000
Decrease in short-term notes and bills payable	(200,000)	(10,000)
Increase in guarantee deposits received	52	170
Payment of lease liabilities	(46,825)	(42,662)
Cash dividends paid	(121,265)	(603,293)
Exercise of employee stock options	66,197	92,069
Cash dividends paid by subsidiaries to non-controlling interests	(29,312)	(24,350)
Decrease in non-controlling interests	(25,189)	(9,998)
Net cash flows generated from (used in) financing activities	122,426	(265,019)
Effect of exchange rate changes on cash and cash equivalents	(6,213)	95,045
Net decrease in cash and cash equivalents	(63,141)	(3,303,861)
Cash and cash equivalents at the beginning of period	3,241,996	6,545,857
Cash and cash equivalents at the end of period	$ **3,178,855**	**3,241,996**

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

To the Board of Directors of Zyxel Group Corporation:

Opinion

We have audited the financial statements of Zyxel Group Corporation "the Company"), which comprise the balance sheets as of December 31, 2025 and 2024, the 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 material accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent-company-only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 current period. 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. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

Evaluation of investments accounted for using the equity method

Please refer to Note 4(7) "Summary of significant accounting policies－Investment in associates" , Note 4(8) "Summary of significant accounting policies－Investment in subsidiaries", and Note 6(4) "Explanation of significant accounts－Investments accounted for using the equity method" to the parent-company-only financial statements.

Description of key audit matters:

The investments in subsidiaries accounted for using the equity method constituted 69% of total assets of the Company, wherein the amount is material. As a result, the evaluation of investments accounted for using the equity method is our key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included: recalculating the shares of profit or loss of associates and subsidiaries in accordance with ownership percentage of shares; physically counting the securities and certificates of long-term equity investment; discussing with the management about the evaluation of subsidiary-related significant matters, as well as understanding the reasonableness of the subsidiary's valuation of impairment for accounts receivable and inventories; considering the adequacy of the Company's disclosures on its accounts.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. Furthermore, we remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Hai-Ning Huang and Chi-Lung Yu.

KPMG

Taipei, Taiwan (Republic of China)
March 9, 2026

Notes to Readers

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

The independent auditors' report and the accompanying parent-company-only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent-company-only financial statements, the Chinese version shall prevail.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Zyxel Group Corporation

Balance Sheets

December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 219,626	2	189,246	1
1110	Financial assets at fair value through profit or loss－current (note 6(2))	378,094	3	-	-
1170	Accounts receivable, net (note 7)	59,108	-	62,372	1
1210	Other receivables－related parties (notes 6(9) and 7)	3,600,358	26	3,147,985	24
1476	Other financial assets－current (note 7)	11,424	-	4,029	-
1479	Other current assets, others (notes 6(9))	5,726	-	877	-
		4,274,336	31	3,404,509	26
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(3))	9,128	-	10,133	-
1550	Investments accounted for using the equity method (note 6(4))	9,283,195	69	9,591,209	74
1600	Property, plant and equipment (note 6(5))	552	-	1,834	-
1780	Intangible assets (note 6(6))	30,235	-	22,572	-
1840	Deferred income tax assets (note 6(9))	872	-	844	-
		9,323,982	69	9,626,592	74
	Total assets	**$ 13,598,318**	**100**	**13,031,101**	**100**

		December 31, 2025		December 31, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2201	Payroll and bonus payable	$ 32,026	-	35,695	1
2207	Compensation payable due to directors (note 6(14))	9,125	-	7,843	-
2220	Other payables－related parties (notes 6(9) and 7)	30,844	-	14,850	-
2230	Income tax payable (note 6(9))	-	-	7,235	-
2320	Long-term liabilities, current portion (note 6(7))	1,899,521	14	-	-
2399	Other current liabilities, others	33,401	1	23,902	-
		2,004,917	15	89,525	1
	Non-current liabilities:				
2530	Bonds payable (note 6(7))	-	-	1,898,699	14
2570	Deferred income tax liabilities (note 6(9))	368	-	-	-
2640	Net defined benefit liabilities (note 6(8))	6,118	-	7,766	-
		6,486	-	1,906,465	14
	Total liabilities	2,011,403	15	1,995,990	15
	Equity (note 6(10)):				
3100	Capital stock	4,154,450	31	4,115,175	32
3200	Capital surplus	3,715,272	27	3,640,792	28
3300	Retained earnings	4,275,485	31	3,761,864	29
3400	Other equity	(461,742)	(3)	(386,170)	(3)
3500	Treasury stock	(96,550)	(1)	(96,550)	(1)
	Total equity	11,586,915	85	11,035,111	85
	Total liabilities and equity	**$ 13,598,318**	**100**	**13,031,101**	**100**

See accompanying notes to the parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Zyxel Group Corporation

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

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

		2025			2024	
			Amount	%	Amount	%
	Revenues:					
4600	Service revenues (notes 6(13) and 7)	$	228,990	24	231,869	27
4222	Shares of profit of subsidiaries and associates accounted for using the equity method (note 6(4))		652,920	69	593,514	68
4223	Gains on financial assets at fair value through profit		1,861	-	-	-
4240	Interest income (note 7)		60,363	7	41,703	5
7010	Other income		336	-	146	-
			944,470	100	867,232	100
	Expenses:					
6200	General and administrative expenses (note 7)		264,527	28	247,021	28
7510	Interest expense		16,972	2	16,990	2
			281,499	30	264,011	30
	Income (loss) before income taxes		662,971	70	603,221	70
7950	Income tax expenses (note 6(9))		28,835	3	33,569	4
	Net income (loss)		634,136	67	569,652	66
8300	**Other comprehensive income (loss):**					
8310	**Items that will not be reclassified subsequently to profit or loss**					
8311	Remeasurements of defined benefit plans (note 6(8))		1,784	-	2,841	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(10))		(4,549)	-	(10,905)	(1)
8331	Shares of remeasurements of the defined benefit plans of subsidiaries accounted for using the equity method		10,930	1	38,661	4
8336	Shares of unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income of subsidiaries accounted for using the equity method (note 6(10))		17,587	2	(753)	-
	Total items that will not be reclassified subsequently to profit or loss		25,752	3	29,844	3
8360	**Items that may be reclassified subsequently to profit or loss**					
8381	Shares of exchange differences on translation of foreign financial statements of subsidiaries accounted for using the equity method		(27,364)	(3)	132,146	15
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(9))		5,473	1	(26,429)	(3)
	Total items that may be reclassified subsequently to profit or loss		(21,891)	(2)	105,717	12
8300	**Other comprehensive income for the year**		3,861	1	135,561	15
8500	**Total comprehensive income for the year**	$	**637,997**	**68**	**705,213**	**81**
	Earnings per share (New Taiwan Dollars) (note 6(12)):					
9750	Basic earnings per share	$		**1.56**		**1.41**
9850	Diluted earnings per share	$		**1.56**		**1.41**

See accompanying notes to the parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)
Zyxel Group Corporation
Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars)

	Capital stock				Retained earnings				Total other equity interest					
	Common stock	**Advance receipts for share capital**	**Total capital stock**	**Capital surplus**	**Legal reserve**	**Special reserve**	**Unappropriated retained earnings**	**Total**	**Exchange differences on translation of foreign financial statements**	**Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income**	**Unearned stock-based employee compensation**	**Total**	**Treasury stock**	**Total equity**
Balance at January 1, 2024	$ 4,063,930	30,965	4,094,895	3,612,111	519,606	490,256	2,773,353	3,783,215	(433,168)	(47,061)	-	(480,229)	(96,550)	10,913,442
Net income (loss) for the period	-	-	-	-	-	-	569,652	569,652	-	-	-	-	-	569,652
Other comprehensive income (loss) for the period	-	-	-	-	-	-	41,502	41,502	105,717	(11,658)	-	94,059	-	135,561
Total comprehensive income (loss) for the period	-	-	-	-	-	-	611,154	611,154	105,717	(11,658)	-	94,059	-	705,213
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	-	-	133,656	-	(133,656)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	(10,028)	10,028	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	-	(614,234)	(614,234)	-	-	-	-	-	(614,234)
Changes in ownership interests in subsidiaries accounted for using the equity method	-	-	-	(1,188)	-	-	(18,271)	(18,271)	-	-	-	-	-	(19,459)
Cash dividends received by subsidiaries from the parent company	-	-	-	10,941	-	-	-	-	-	-	-	-	-	10,941
Share-based payment transaction	49,490	(29,210)	20,280	18,928	-	-	-	-	-	-	-	-	-	39,208
Balance at December 31, 2024	4,113,420	1,755	4,115,175	3,640,792	653,262	480,228	2,628,374	3,761,864	(327,451)	(58,719)	-	(386,170)	(96,550)	11,035,111
Net income (loss) for the period	-	-	-	-	-	-	634,136	634,136	-	-	-	-	-	634,136
Other comprehensive income (loss) for the period	-	-	-	-	-	-	12,714	12,714	(21,891)	13,038	-	(8,853)	-	3,861
Total comprehensive income (loss) for the period	-	-	-	-	-	-	646,850	646,850	(21,891)	13,038	-	(8,853)	-	637,997
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	-	-	59,288	-	(59,288)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	(94,059)	94,059	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	-	(123,455)	(123,455)	-	-	-	-	-	(123,455)
Changes in ownership interests in subsidiaries accounted for using the equity method	-	-	-	241	-	-	(9,774)	(9,774)	-	-	-	-	-	(9,533)
Cash dividends received by subsidiaries from the parent company	-	-	-	2,190	-	-	-	-	-	-	-	-	-	2,190
Share-based payment transaction	41,030	(1,755)	39,275	72,049	-	-	-	-	-	-	(66,719)	(66,719)	-	44,605
Balance at December 31, 2025	**$ 4,154,450**	**-**	**4,154,450**	**3,715,272**	**712,550**	**386,169**	**3,176,766**	**4,275,485**	**(349,342)**	**(45,681)**	**(66,719)**	**(461,742)**	**(96,550)**	**11,586,915**

See accompanying notes to the parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Zyxel Group Corporation

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollars)

		2025	2024
Cash flows from operating activities:			
Income (loss) before income tax	$	662,971	603,221
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		1,007	1,349
Amortization expense		7,931	7,205
Net gain on financial assets or liabilities at fair value through profit or loss		(1,861)	-
Interest expense		16,972	16,990
Interest income		(60,363)	(41,703)
Share-based payments		366	-
Share of profit of subsidiaries accounted for using the equity method		(652,920)	(593,514)
Loss on disposal of property, plant and equipment		13	-
Total adjustments to reconcile profit (loss)		(688,855)	(609,673)
Changes in operating assets and liabilities:			
Changes in operating assets:			
Accounts receivable		3,264	(1,610)
Other receivables－related parties		48,231	244,178
Other operating assets		(4,204)	53
Total changes in operating assets		47,291	242,621
Changes in operating liabilities:			
Other payables－related parties		(10,567)	(5,103)
Net defined benefit liabilities		136	170
Other operating liabilities		7,112	(30,276)
Total changes in operating liabilities		(3,319)	(35,209)
Total changes in operating assets and liabilities		43,972	207,412
Total adjustments		(644,883)	(402,261)
Cash inflow generated from operations		18,088	200,960
Interest received		56,481	44,225
Dividends received (treated as a reduction of equity-method investment cost)		958,845	1,191,466
Interest paid		(16,150)	(16,150)
Income taxes paid		(13,931)	(310,467)
Net cash flows generated from operating activities		1,003,333	1,110,034
Cash flows from investing activities:			
Acquisition of financial assets at fair value through other comprehensive income		(3,544)	-
Acquisition of financial assets at amortized cost		-	(120,000)
Proceeds from repayments of financial assets at amortized cost		-	120,000
Acquisition of financial assets at fair value through profit or loss		(379,758)	-
Proceeds from disposal of financial assets at fair value through profit or loss		3,525	-
Proceeds from disposal of property, plant and equipment		262	-
Increase in other receivables－related parties		(500,000)	(2,400,000)
Acquisition of intangible assets		(15,594)	(256)
Net cash flows used in investing activities		(895,109)	(2,400,256)
Cash flows from financing activities:			
Cash dividends paid		(123,455)	(614,234)
Exercise of employee stock options		45,611	49,440
Net cash flows used in financing activities		(77,844)	(564,794)
Net increase (decrease) in cash and cash equivalents		30,380	(1,855,016)
Cash and cash equivalents at the beginning of period		189,246	2,044,262
Cash and cash equivalents at the end of period	$	**219,626**	**189,246**

See accompanying notes to the parent-company-only financial statements.

Attachment 5

Zyxel Group Corporation
2025 Earnings Distribution Table

Unit: NTD

Item	Amount	
	Subtotal	Total
Opening undistributed earnings		$ 2,539,688,458
Plus (Less):		
Remeasurement of the defined benefit plans	$ 12,714,361	
Changes in ownership interests of subsidiaries recognized using the equity method	(9,773,556)	
Net income of 2025	634,135,984	637,076,789
Distributable earnings		3,176,765,247
Plus (Less):		
Legal Reserve	(63,707,679)	
Special Reserve	(8,853,173)	
Distribution Item:		
Cash Dividends (NT$0.4 per share)	(166,177,988)	(238,738,840)
Unappropriated retained earnings		2,938,026,407

Chairman of Board: Shun-I Chu

Chief Executive Officer: Shun-I Chu

Chief Financial Officer: Jason Pu

Attachment 6

Zyxel Group Corporation
Comparison Table for Amendments to the Procedures for Ethical Management and Guidelines for Conduct

After amendment	Before amendment	Basis of amendment
Article 6 Omitted. 6. Money, property, or other benefits with a market value of TWD 5,000 or less offered to a person other than relatives or friends, provided that the total market value of the property offered to the same counterparty within a single fiscal year shall be limited to TWD 30,000. 7. Money, property, or other benefits with a market value of TWD 1,000 or less accepted from a person other than relatives or friends, provided that the total market value of the property coming from the same source within a single fiscal year shall be limited to TWD 3,000. The rest is omitted.	Article 6 Omitted. 6. Money, property, or other benefits with a market value of TWD 5,000 or less offered to a person other than relatives or friends; or gifts of property with a total market value of TWD 5,000 or less given by another party to the majority of the personnel of the Company, provided that the total market value of the property offered to the same counterparty or coming from the same source within a single fiscal year shall be limited to TWD 30,000. 7. Money, property, or other benefits with a market value of TWD 1,000 or less accepted from a person other than relatives or friends; or gifts of property with a total market value of TWD 1,000 or less given by another party to the majority of the personnel of the Company, provided that the total market value of the property offered to the same counterparty or coming from the same source within a single fiscal year shall be limited to TWD 3,000. The rest is omitted.	Amended to adapt to the internal demands.
Article 27 Omitted. The third amendment was approved on November 07, 2023.	Article 27 Omitted. The third amendment was approved on November 07, 2023	Adding the date of amendment.

After amendment	Before amendment	Basis of amendment
The fourth amendment was approved on March 09, 2026.		