

Nexcom International Co.,Ltd.

2024 Annual Shareholders' Meeting Minutes

(Translation)

Time: June 19, 2024 (Wednesday), 9.00 a.m.

Venue: 9F., No. 920, Zhongzheng Rd., Zhonghe Dist., New Taipei City (auditorium of the Company)

Method: physical shareholders' meeting

Attendant: The total number of shares represented by the shareholders present and their proxies is 85,504,894 shares (including the number of shares that exercise voting rights electronically 5,802,229 shares), representing 60.54% of the Company's total issued shares of 141,226,472 shares.

Directors Present: Lin, Mao-Chang (the chairman of the Board of Directors), Chen, Wen-Chuan (Director), Wang, Yun-Yuao (Independent Director), Chen, Chin-Yin (Independent Director)

Others Present: Wu, Han-Chi, CPA of PricewaterhouseCoopers Taiwan

Tzan, Wen-Kai, lawyer of De-Cheng Law Office

Chairman: Lin, Mao-Chang, the chairman of the Board of Directors

Minute Recorder: Huang, SHU-WAN

I. Chairman announced commencement. (The aggregate shareholding of the shareholders present in person or by proxy constitutes a quorum. The Chairman called the meeting to order.)

II. Chairperson's Address : omitted

III. Report Items

1 · Business Report for 2023 (please see Attachment 1)

2 · Audit Committee's Review Report of Audited Financial Statements for 2023. (please see Attachment 2)

3 · Status Report on the Distributions of Employee Compensation and Director Remuneration for 2023.

Description: (1) In accordance with "Articles of Incorporation", Article 20, employee compensation and Director remuneration are appropriated.

(2) In 2023, the profit of the Company amounted to NT\$206,740,711 (pre-tax profit before employee compensation and Director remuneration). The Company appropriated 1.5847517% of the profit or NT\$3,276,327 as employee compensation, and 0.778328% of the profit or NT\$1,609,121 as Director remuneration. Both were disbursed in cash. The disbursements did not differ from the compensation and remuneration expenses recognized.

IV. Ratification Items

Proposal 1 (Proposed by the Board of Directors)

Item: Ratification of business report and financial statements for 2023.

Description: I. The Standalone and Consolidated Financial Statements for 2023 (Balance Sheet, Comprehensive Income Statement, Statement of Changes in Equity and Statement of Cash Flows) have been audited by CPAs from PricewaterhouseCoopers Taiwan (PwC Taiwan), Wu Han-Chi and Tsai Yi-Tai. The financial statements, along with the Business Report have been submitted to the Audit Committee for review. A written report has since been issued and documented.

II. For Business Report, Independent Auditors' Report and the aforementioned Financial Statements, please see Attachment 1 on page 7 and Attachment 3 on page 14 of the Handbook.

III. Kindly ratify.

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

Voting Results: Shares represented at the time of voting : 85, 504, 894 votes

Voting Results*		% of the total represented share present
Votes in favor:	84,654,541 votes (5,070,876 votes)	99.00%
Votes against:	114,881 votes (114,881 votes)	0.13%
Votes invalid:	0 votes	0.00%
Votes abstained:	735,472 votes (616,472 votes)	0.86%

*Including votes casted electronically (numbers in brackets)

Proposal 2 (Proposed by the Board of Directors)

Item: Ratification of earnings distribution for 2023.

Description: I. The net profit after tax of the Company for 2023 amounted to NT\$178,791,250. In accordance with the provisions of the Company Act, the Company appropriated NT\$17,898,886 for legal capital reserve and reversed the special reserve in an amount of NT\$9,360,022. Adding the adjusted beginning balance of undistributed earnings of NT\$809,121,901, the accumulated distributable earnings amounted to NT\$979,374,287.

II. 2023 Earnings Distribution Table is as follows:

NEXCOM International Co., Ltd.

2023 Earnings Distribution Table

Unit: NT\$

Item	Amount
Beginning balance of undistributed earnings	808,924,295
Add: Adjustment of retained earnings for 2023	197,606
Adjusted beginning balance of undistributed earnings	809,121,901
Add: 2023 after-tax net profit	178,791,250
Less: Provision for legal reserve	(17,898,886)
Add: Reversal of special reserve	9,360,022
Distributable earnings	979,374,287
Assign items	
Dividend to shareholders - cash (NT\$1.2 per share)	169,471,766
End balance of undistributed earnings	809,902,521
Note: The shareholder dividend is distributed based on a total of 141,226,472 outstanding shares on March 31, 2024.	

Chairperson: Lin Mao-Chang Manager: Yang Chien-Hsing Head of Accounting: Chen Yuan-Pin

III. Proposal for distributing cash dividend of NT\$1.2 per share, in which cash dividend shall be computed based on distribution proportion and rounded down to the nearest dollar (any amount below NT\$1 shall be omitted). The total fractional cash dividends less than NT\$1 shall be adjusted in the order starting from the largest to the smallest decimal number as well as from the smallest to the largest shareholder account number, until it reaches the total amount of the cash dividend to be distributed.

IV. The ex-dividend and disbursement dates, and other relevant matters regarding the earnings distribution shall be determined subsequent to a resolution passed in the Shareholders' Meeting, in which the Chairperson shall be authorized to take charge of the undertaking.

V. In the event that the share capital of the Company undergoes a change which affects the total number of outstanding shares, and changing the dividend payout ratio becomes necessary, the Chairperson shall be authorized with discretionary powers to make decisions pertaining to such matters.

VI. The distribution of earnings for 2023 shall be prioritized in the upcoming earnings distribution proposal.

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

Voting Results: Shares represented at the time of voting : 85,504,894 votes

Voting Results*		% of the total represented share present
Votes in favor:	84,841,541 votes (5,257,876 votes)	99.22%
Votes against:	181,881 votes (181,881 votes)	0.21%
Votes invalid:	0 votes	0.00%
Votes abstained:	481,472 votes (362,472 votes)	0.56%

*Including votes casted electronically (numbers in brackets)

V. Discussion Items

(Proposed by the Board of Directors)

Item: Proposal for amendments to "Procedures for Acquisition and Disposal of Assets".

Description: I. In order to align with the Company's actual practice, it is proposed to amend the Company's "Procedures for Acquisition and Disposal of Assets".

II. For the comparison table for amendments to "Procedures for Acquisition and Disposal of Assets", please see Attachment 4 at pages 40 of the Handbook.

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

Voting Results: Shares represented at the time of voting : 85,504,894 votes

Voting Results*		% of the total represented share present
Votes in favor:	84,806,501 votes (5,222,836 votes)	99.18%
Votes against:	216,921 votes (216,921 votes)	0.25%
Votes invalid:	0 votes	0.00%
Votes abstained:	481,472 votes (362,472 votes)	0.56%

*Including votes casted electronically (numbers in brackets)

VI. Election matters

Cause of motion: Full re-election of directors (Proposed by the Board of Directors)

Description: I. The term of office of the directors of the Company expired on August 26, 2024, and the re-election of directors was held in conjunction with the current shareholders' meeting.

II. Plan to elect 7 seats of directors (including 4 seats of independent directors) in accordance with the Company's Articles of Incorporation, adopting the candidate nomination system, and the term of office of the new directors is from June 19, 2024 to June 18, 2027 for 3 years. The original directors shall hold office until the conclusion of the current shareholders' meeting.

III. For the list of candidates for directors and independent directors, please refer to Attachment 5 on page 44 of this Handbook.

IV. The re-election was held in accordance with the "Procedures for Election of Directors" of the Company.

V. Please proceed to the election.

Election results:

The list of directors elected as below:

ID	Name	Number of Right Voted
5	Lin, Mao-Chang	94,690,516
3	Lin, Jeng-Tay	88,716,962
6	Tu, Shu-Ling	87,547,836

The list of independent directors elected as below:

ID	Name	Number of Right Voted
A10354*****	Wang, Yun-Yuao	80, 687, 979
L10234*****	Chen, Chin-Yin	80, 669, 079
A22090*****	Chen, Li-Chun	80, 356, 472
E22154*****	Lin, Ling-Fang	80, 349, 739

VII. Other proposals

Cause of motion: Lifting of the non-compete restriction on the new directors and their representatives.

(Proposed by the Board of Directors)

Description: I. According to Article 209 of the Company Act, “A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and obtain their approval.”

II. Propose to the shareholders' meeting to lift the non-compete restrictions on the new directors and their representatives, please refer to Attachment 6 on page 47 of this handbook.

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

Voting Results: Shares represented at the time of voting : 85,504,894 votes

Voting Results*		% of the total represented share present
Votes in favor:	84,726,802 votes (5,143,137 votes)	99.09%
Votes against:	269,387 votes (269,387 votes)	0.31%
Votes invalid:	0 votes	0.00%
Votes abstained:	508,705 votes (389,705 votes)	0.59%

*Including votes casted electronica (numbers in brackets)

There were no questions from shareholders regarding the proposals at this meeting.

VI. Extemporany Motions : None.

VII. Adjournment : 9:24 a.m

Attachment 1

NEXCOM International Co., Ltd.

Business Report for 2023

I. 2023 Business Results

In 2023, the Company's consolidated revenue stood at NT\$5.76551 billion, a decrease of 27.17% from NT\$7.9167 billion in 2022, the 2023 net profits after tax at NT\$178.79 million and basic earnings per share at NT\$1.27, a decrease of 80% from NT\$902.19 million in 2022 and a decrease of 80% from NT\$6.39 in 2022, respectively.

Last year, the Company stopped recognizing the operating revenue and profit of the Beijing subsidiary, NEXCOM China Co., Ltd., and lacked the capital gains from the one-time share sale. Besides, the industrial computer customers were still liquidating inventory. Therefore, the Company's operating revenue and profit the operating profit have decreased significantly. The orders and shipments were not satisfactory throughout the year. A slow recovery is expected after Q2 of this year. However, NEXCOM Group's business transformation to Industry 4.0 related solutions has generated certain remarkable results, helping it establish a leading position in the industry, especially in terms of "AIoT digital transformation" and "ESG net zero transformation," the so-called "dual-axis transformation." NEXCOM Group owns the overall programs leading throughout the nation, coupled with the government's incentive policies. Therefore, this year, it is expected to make more obvious growth.

1. Financial income and expenses; profitability

Unit: NT\$ thousand

Item		2022	2023
Financial income and expenses	Net sales revenue	7,916,697	5,765,509
	Net profits before tax	1,353,491	244,884
Profitability	Return on Assets (%)	11.16	2.88
	Return on Shareholders' Equity (%)	29.72	5.56
	Ratio of operating profit to paid-in capital (%)	29.03	15.74
	Net profits before tax to paid-in capital (%)	95.84	17.34
	Net profit margin (%)	11.40	3.30
	Basic earnings per share	6.39	1.27

2. R&D status

Unit: NT\$ thousand

Item	2022	2023
Research and development expenses	551,492	585,037
Ratio of research and development expense to net sales revenue (%)	6.97	10.15

3. Technology and products successfully developed in 2023:

- (1) 400G high-end network switch
- (2) 5G mmWave smart enterprise wireless network gateway
- (3) Integrated AI 5G/Cyber security application platform
- (4) Industrial AI cyber-security gateway and switch.
- (5) Development of next-generation ultra-high-speed network (1.6T) technology
- (6) Development of NVDA's high-end Jetson AGX Orin IP67 products, which can be applied to the automotive market and outdoor special applications
- (7) Development of the SMART I/O System nDAS series, which were successfully launched into the IoT automation and semiconductor smart industries.
- (8) Continued hybrid middle-office platform under the brand of NexDATA supporting formation of an AI-based data service platform for big data analysis and ESG carbon tracking for enterprises.
- (9) Successful development of the Embedded UPS & DuoSSD, which are applied to the high-standard requirements of industrial computer data access.
- (10) Robot speed control technology
- (11) Collaborative robot dynamic parameter identification technology
- (12) Collaborative robot sensorless collision detection technology
- (13) Robot eye on hand Camera TCP calibration technology
- (14) Functional safety technology - EtherCAT FSoE master technology

- (15) EtherCAT cable redundant technology
- (16) Development of the eSAF Frontier V150 and V200 products for network isolation, network visualization, and real-time network monitoring to protect critical assets and have the hardware-bypass function
- (17) Development of eSAF Platform Manager P1000 and P500. The P1000 has high performance and can connect up to 30 Frontier X/V series. The P500 is lightweight and can connect up to 10 Frontier X/V series.
- (18) The subsidiary, TMR Technologies Co., Ltd., installed a full set of equipment in the key infrastructure demonstration site of the Shalun Information Security Service Base to simulate how to quickly detect, prevent, and respond to hackers and virus attacks on the industrial control system, in order to ensure 100% detection rate passing the test.

II. Summary of the Business Plan for 2024

NEXCOM has successfully transformed itself into an innovative start-up group with total Industry 4.0 solutions, “AIoT digital transformation” and “ESG net zero transformation,” the so-called “dual-axis transformation.” All business units, whether hardware platforms or solutions, can become the important growth engine based on the strategy of converging attack and professional focus. While continuing to grow its hardware product portfolio, NEXCOM has become one of the leaders in the industry for its ventures in robots, smart manufacturing, manufacturing cyber security, smart health care, and in all respects concerning industry 4.0 and AIoT solutions, including green manufacturing, not to mention its undertaking of smart factory turnkey projects. It has also modularized and platformized all of its technologies and products and made them free for download and painless development, in order to construct a network platform and ecosystem for sharing, co-creation, and mutual prosperity.

The business focus for 2024 will be the following:

1. NEXCOME will respond to the government's incentive policy to actively engage in the business of whole smart plant output and green manufacturing. It will also act in phase to develop ecological systems among different industries, play the national team, and actively participate in associations to advance its discourse right.
2. NEXCOME will continue to market its hardware products in the form of industry 4.0 total solutions. Meanwhile, NEXCOME will continue its "cross-industry alliance and whole plant export" strategy in Taiwan, and tap deeply into the markets of the US, China, and emerging countries in the Southeast Asia and scale up, so as to seize the growing opportunities.
3. NEXCOM will continue to enhance the relationship with its solution partners and important strategic alliance partners (e.g., ERP companies, CNC companies, and ESG carbon footprint verification companies) in scale and in depth by means of product collaborations and joint marketing, and thus form a long-term partnership for further growth, which on the other hand adds value to NEXCOM's products.
4. Capitalizing on NEXCOM's leading software and hardware products and technologies in connection with smart manufacturing and smart machinery, NEXCOM, on the subsidiary All IoT Cloud Corp.'s website, offers free downloads, experience, and developments to schools, enterprises, and startup companies, and sells standard modules and all related software and hardware packages of robots, smart manufacturing, industrial IoT, enterprise situation rooms, and solutions to assist Taiwan and the world in the development of talents and entrepreneurs for Industry 4.0 and AIoT digital transformation. Thereby, it expands the outlets for IPC hardware by providing solutions and subsequently spreads over the network ecosystem.

Compared with 2023, NEXCOM will make progress in terms of products, organization, global deployment, and management team, and so its market competitiveness will only be even greater. So will be its customer base in terms of number and scale. Aided by new products, new markets, and supports

from strategic partners, NEXCOM will boost its reach to brand new areas and construct much more powerful growth engines. The new year will bring new harvest to NEXCOM.

NEXCOM's sales performance in 2023 declined due to inventory clearance and sale of subsidiaries. It might recover step by step as of Q2 of this year. Notwithstanding, the market related to Industry 4.0 smart manufacturing, “AIoT digital transformation” and “ESG net zero transformation,” the so-called “dual-axis transformation,” is heating up. Besides, there were also new smart factories established in consideration of the supply chain resilience. NEXCOM's investment in multiple new business lines is about to make contribution to operating revenue. With the support of new products, key customers, and new projects, there are rigid demand and leading products. The sales performance is still promising in 2024, despite positive and negative factors co-exist. This absolutely has to rely on the efforts of all colleagues and the support of all shareholders. Meanwhile, we hope to deliver a good news again under the leadership and supervision of the Board of Directors this year.

We wish you good health, and may all your wishes come true.

Chairperson: Lin Mao-Chang President: Yang Chien-Hsing Head of Accounting: Chen Yuan-Pin

Attachment 2

NEXCOM International Co., Ltd.

Audit Committee Review Report

The Board of Directors prepared and presented the Company's 2023 Business Report, 2023 individual financial statements, and 2023 consolidated financial statements, among which the 2023 individual financial statements and 2023 consolidated financial statements were audited by CPA Wu Han-Chi and CPA Tsai Yi-Tai of PwC Taiwan, who also released an independent auditors' report containing their opinion. The above-mentioned financial statements have been reviewed by the Audit Committee and no discrepancies have been found and a report was prepared for your review according to the provisions of Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act.

To:

The 2024 General Shareholders' Meeting of NEXCOM International Co., Ltd.

Audit Committee Convener

Yung-Yao Wang

February 26, 2024

NEXCOM International Co., Ltd.
Audit Committee Review Report

The Board of Directors has prepared and submitted a proposal of the Company's 2023 earnings distribution. The above-mentioned financial statements have been reviewed by the Audit Committee and no discrepancies have been found and a report was prepared for your review according to the provisions of Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act.

To:

The 2024 General Shareholders' Meeting of NEXCOM International Co., Ltd.

Audit Committee Convener

Yung-Yao Wang

May 8, 2024

Attachment 3

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of NEXCOM International Co., Ltd.

PWCR23000301

Opinion

We have audited the accompanying parent company only balance sheets of NEXCOM International Co., Ltd. (the “Company”) as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, 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 Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Adequacy of allowance for inventory valuation loss

Description

Refer to Note 4(11) for description of accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(3) for details of inventories. As of December 31, 2023, the Company's inventories and allowance for inventory valuation loss amounted to NT\$1,549,515 thousand and NT\$217,645 thousand, respectively.

The Company is primarily engaged in the manufacture and sales of industrial personal computers and there is a higher risk of inventory losing value or becoming obsolete due to the rapid technology innovation and stiff competition in the market. The Company's inventories are stated at the lower of cost and net realisable value, and the Company recognises loss on decline in value of obsolete or damaged inventories based on specific identification.

Since the amounts of inventories are material, types of inventories are various, and the identification of the net realisable value for individually identified obsolete or scrap inventories involves subjective judgement, we identified the adequacy of allowance for inventory valuation loss a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding of and assessed the reasonableness of accounting policies on provision of allowance for inventory valuation losses and confirmed whether they were adopted consistently in the comparative period.
- B. Inspected the annual plan of the physical inventory count and performed observation on inventory count, and evaluated the effectiveness of procedures in determining obsolete inventories.
- C. Verified the appropriateness of the system logic in calculating the ageing of inventories, and confirmed whether it is consistent with the accounting policy.
- D. For the net realisable value of inventories that are over a certain age and individually identified obsolete and damaged inventories, discussed with the management, obtained supporting documents and reviewed the calculation of the net realisable value.
- E. Tested the market price used to estimate the net realisable value of individual inventories, and selected samples to verify the calculation of net realisable value.

Cutoff of sales revenue

Description

Refer to Note 4(27) for description of accounting policy on revenue recognition and Note 6(22) for the details of operating revenue.

The Company's sales mainly arise from manufacturing and sales of industrial personal computers and is mainly for export. The Company recognises export revenue in accordance with the terms of the transaction with the customer. Since the Company has many sales targets, sales regions and transaction conditions, we considered the cutoff of sales revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding of the transaction terms of sales revenue and tested the internal control relating to revenue recognition.
- B. Selected samples to check the supporting documents for revenue recognition. The procedures performed include checking relevant documents such as orders and delivery orders to evaluate the appropriateness of cutoff of revenue.
- C. Performed sales transaction cut-off test for a certain period before and after balance sheet date to assess the appropriateness of cutoff on sales revenue.

Other matter - Reference to the audits of other auditors

The financial statements of certain investees accounted for using equity method for the years ended December 31, 2023 and 2022 were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements in respect of these companies, is based solely on the reports of the other auditors. The aforementioned investments accounted for using equity method amounted to NT\$407,897 thousand and NT\$396,742 thousand, constituting 7% and 5% of the Company's total assets as at December 31, 2023 and 2022, respectively, and the comprehensive income recognised from the aforementioned investees amounted to NT\$50,420 thousand and NT\$82,866 thousand, constituting 27% and 8% of the Company's total comprehensive income for the years then ended, respectively.

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:

- A. 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.

- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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.
- E. 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.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Wu, Han-Chi

Tsai, Yi-Tai

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2024

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

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

NEXCOM INTERNATIONAL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 504,868	8	\$ 474,583	6
1136	Current financial assets at amortised cost	6(5)	5,000	-	-	-
1150	Notes receivable, net	6(2)	13	-	3	-
1170	Accounts receivable, net	6(2)	393,759	6	1,154,346	14
1180	Accounts receivable - related parties	7	640,223	10	822,706	10
1200	Other receivables		23,515	1	34,035	1
1210	Other receivables - related parties	7	16,461	-	20,753	-
130X	Inventory	6(3)	1,331,870	22	1,962,313	24
1410	Prepayments		16,728	-	10,932	-
11XX	Total current assets		<u>2,932,437</u>	<u>47</u>	<u>4,479,671</u>	<u>55</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(4)	48,657	1	44,344	-
1535	Non-current financial assets at amortised cost	6(5)	12,337	-	12,305	-
1550	Investments accounted for under equity method	6(6)	1,220,632	19	1,525,140	19
1600	Property, plant and equipment	6(7) and 8	1,362,614	22	1,393,935	17
1755	Right-of-use assets	6(8)	331,483	5	385,465	5
1760	Investment property - net	6(10) and 8	171,035	3	172,555	2
1780	Intangible assets	6(11)	40,241	1	45,803	-
1840	Deferred income tax assets	6(27)	68,849	1	67,071	1
1900	Other non-current assets	6(12) and 8	38,921	1	48,188	1
15XX	Total non-current assets		<u>3,294,769</u>	<u>53</u>	<u>3,694,806</u>	<u>45</u>
1XXX	Total assets		<u>\$ 6,227,206</u>	<u>100</u>	<u>\$ 8,174,477</u>	<u>100</u>

(Continued)

NEXCOM INTERNATIONAL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13) and 8	\$ 1,652,820	27	\$ 2,405,000	29
2110	Short-term notes and bills payable	6(14)	30,000	-	100,000	1
2130	Current contract liabilities	6(22)	21,097	-	38,000	1
2150	Notes payable		43	-	-	-
2170	Accounts payable	7	366,474	6	1,074,182	13
2200	Other payables	6(15) and 7	332,374	5	403,222	5
2230	Current income tax liabilities		108,477	2	80,802	1
2250	Provisions for liabilities - current	6(16)	32,166	1	31,059	-
2280	Current lease liabilities		54,692	1	52,800	1
2300	Other current liabilities		7,596	-	11,364	-
21XX	Total current liabilities		<u>2,605,739</u>	<u>42</u>	<u>4,196,429</u>	<u>51</u>
Non-current liabilities						
2550	Provisions for liabilities - non-current	6(16)	8,076	-	11,490	-
2570	Deferred income tax liabilities	6(27)	120,560	2	183,020	3
2580	Non-current lease liabilities		286,227	5	340,152	4
2600	Other non-current liabilities		2,222	-	2,222	-
25XX	Total non-current liabilities		<u>417,085</u>	<u>7</u>	<u>536,884</u>	<u>7</u>
2XXX	Total liabilities		<u>3,022,824</u>	<u>49</u>	<u>4,733,313</u>	<u>58</u>
Equity						
Share capital		6(19)				
3110	Common stock		1,412,265	23	1,412,265	17
Capital surplus		6(20)				
3200	Capital surplus		366,535	6	367,987	4
Retained earnings		6(21)				
3310	Legal reserve		428,308	7	336,749	4
3320	Special reserve		30,188	-	66,125	1
3350	Unappropriated retained earnings		987,913	16	1,288,225	16
Other equity interest						
3400	Other equity interest		(20,827)	(1)	(30,187)	-
3XXX	Total equity		<u>3,204,382</u>	<u>51</u>	<u>3,441,164</u>	<u>42</u>
Significant contingent liabilities and unrecognised contract commitments		9				
3X2X	Total liabilities and equity		<u>\$ 6,227,206</u>	<u>100</u>	<u>\$ 8,174,477</u>	<u>100</u>

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

NEXCOM INTERNATIONAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22) and 7	\$ 4,120,632	100	\$ 5,576,554	100
5000	Operating costs	6(3)(25)(26) and 7	(3,270,408)	(79)	(4,481,287)	(80)
5900	Net operating margin		850,224	21	1,095,267	20
5910	Unrealised profit from sales		(32,438)	(1)	(36,346)	(1)
5920	Realized profit from sales		36,346	1	32,464	-
5950	Net operating margin		<u>854,132</u>	<u>21</u>	<u>1,091,385</u>	<u>19</u>
	Operating expenses	6(25)(26)				
6100	Selling expenses		(274,506)	(7)	(352,756)	(6)
6200	General and administrative expenses		(108,939)	(3)	(129,678)	(2)
6300	Research and development expenses		(389,018)	(9)	(355,108)	(7)
6450	Impairment gain (expected credit impairment loss determined in accordance with IFRS 9	12(2)	1,171	-	(4,840)	-
6000	Total operating expenses		(771,292)	(19)	(842,382)	(15)
6900	Operating profit		<u>82,840</u>	<u>2</u>	<u>249,003</u>	<u>4</u>
	Non-operating income and expenses					
7010	Other income	6(23) and 7	94,907	2	110,884	2
7020	Other gains and losses	6(24)	3,351	-	39,728	1
7050	Finance costs		(42,032)	(1)	(37,458)	(1)
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(6)	62,789	2	814,013	15
7000	Total non-operating income and expenses		<u>119,015</u>	<u>3</u>	<u>927,167</u>	<u>17</u>
7900	Profit before income tax		<u>201,855</u>	<u>5</u>	<u>1,176,170</u>	<u>21</u>
7950	Income tax expense	6(27)	(23,064)	-	(273,982)	(5)
8200	Profit for the year		<u>\$ 178,791</u>	<u>5</u>	<u>\$ 902,188</u>	<u>16</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial gains on defined benefit plan	6(17)	\$ 248	-	\$ 2,650	-
8316	Unrealised gain from investments in equity instruments measured at fair value through other comprehensive income	6(4)	9,813	-	5,112	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	(50)	-	(530)	-
8310	Other comprehensive income that will not be reclassified to profit or loss		<u>10,011</u>	<u>-</u>	<u>7,232</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		(453)	-	42,109	1
8300	Other comprehensive income for the year		<u>\$ 9,558</u>	<u>-</u>	<u>\$ 49,341</u>	<u>1</u>
8500	Total comprehensive income for the year		<u>\$ 188,349</u>	<u>5</u>	<u>\$ 951,529</u>	<u>17</u>
	Earnings per share (in dollars)	6(28)				
9750	Basic earnings per share		<u>\$ 1.27</u>		<u>\$ 6.39</u>	
9850	Diluted earnings per share		<u>\$ 1.27</u>		<u>\$ 6.38</u>	

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

NEXCOM INTERNATIONAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings				Other Equity Interest			Total equity
		Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
Year ended December 31, 2022									
Balance at January 1, 2022		\$ 1,412,265	\$ 367,763	\$ 322,108	\$ 45,978	\$ 548,648	(\$ 40,062)	(\$ 26,063)	\$ 2,630,637
Profit for the year		-	-	-	-	902,188	-	-	902,188
Other comprehensive income for the year		-	-	-	-	2,120	42,109	5,112	49,341
Total comprehensive income		-	-	-	-	904,308	42,109	5,112	951,529
Distribution of 2021 earnings	6(21)	-	-	-	-	-	-	-	-
Legal reserve		-	-	14,641	-	(14,641)	-	-	-
Special reserve		-	-	-	20,147	(20,147)	-	-	-
Cash dividends		-	-	-	-	(141,226)	-	-	(141,226)
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	11,283	-	(11,283)	-
Changes in ownership interests in subsidiaries		-	224	-	-	-	-	-	224
Balance at December 31, 2022		\$ 1,412,265	\$ 367,987	\$ 336,749	\$ 66,125	\$ 1,288,225	\$ 2,047	(\$ 32,234)	\$ 3,441,164
Year ended December 31, 2023									
Balance at January 1, 2023		\$ 1,412,265	\$ 367,987	\$ 336,749	\$ 66,125	\$ 1,288,225	\$ 2,047	(\$ 32,234)	\$ 3,441,164
Profit for the year		-	-	-	-	178,791	-	-	178,791
Other comprehensive income for the year		-	-	-	-	198	(453)	9,813	9,558
Total comprehensive income		-	-	-	-	178,989	(453)	9,813	188,349
Distribution of 2022 earnings	6(21)	-	-	-	-	-	-	-	-
Legal reserve		-	-	91,559	-	(91,559)	-	-	-
Reversal of special reserve		-	-	-	(35,937)	35,937	-	-	-
Cash dividends		-	-	-	-	(423,679)	-	-	(423,679)
Changes in ownership interests in subsidiaries		-	(1,452)	-	-	-	-	-	(1,452)
Balance at December 31, 2023		\$ 1,412,265	\$ 366,535	\$ 428,308	\$ 30,188	\$ 987,913	\$ 1,594	(\$ 22,421)	\$ 3,204,382

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

NEXCOM INTERNATIONAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 201,855	\$ 1,176,170
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property)	6(7)(10)(25)	82,090	74,717
Depreciation (Right-of-use assets)	6(8)(25)	54,832	54,400
Amortization	6(11)(25)	29,307	34,098
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9		(1,171)	4,840
Interest expense	6(8)	38,396	33,319
Interest expense (lease liability)		3,636	4,139
Interest income	6(23)	(1,948)	(603)
Dividend income	6(23)	(1,356)	(5,200)
Share-based payment transactions	6(18)	-	413
Share of profit of subsidiaries accounted for under the equity method	6(6)	(62,789)	(814,013)
Gain on disposal and scrap of property, plant and equipment	6(24)	(1,445)	(6)
Loss on disposal of investment	6(24)	837	-
Unrealised gross profit		32,438	36,346
Realized gross profit		(36,346)	(32,464)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(10)	4
Accounts receivable		760,370	(387,093)
Accounts receivable - related parties		183,871	69,886
Other receivables		6,378	3,661
Other receivables - related parties		4,292	9,662
Inventories		630,443	(156,050)
Prepayments		(5,796)	9,750
Changes in operating liabilities			
Current contract liabilities		(16,903)	19,230
Notes payable		43	-
Accounts payable (including related parties)		(707,708)	82,099
Other payables		(63,882)	126,616
Provision		(2,307)	4,893
Other current liabilities		(3,768)	5,643
Cash inflow generated from operations		1,123,359	354,457
Interest received		1,928	585
Dividends received		355,238	190,138
Interest paid		(41,615)	(36,684)
Income tax paid		(59,679)	(6,710)
Net cash flows from operating activities		<u>1,379,231</u>	<u>501,786</u>

(Continued)

NEXCOM INTERNATIONAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6(4)	\$ 5,500	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	77,975
Current financial assets at amortised cost		(5,000)	-
Non-current financial assets at amortised cost		(32)	(21)
Increase in investments accounted for using equity method		-	(18,360)
Return of capital from liquidation of subsidiary		18,745	-
Acquisition of property, plant and equipment	6(29)	(42,053)	(44,662)
Proceeds from disposal of property, plant and equipment		1,445	380
Acquisition of intangible assets	6(29)	(23,745)	(29,707)
(Increase) decrease in refundable deposits		(36)	10,506
Increase in other non-current assets		(1,392)	(14,835)
Net cash flows used in investing activities		(46,568)	(18,724)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease (increase) in short-term borrowings		(752,180)	77,320
Decrease in short-term notes and bills payable		(70,000)	-
Decrease in guarantee deposits received		-	171
Payment of lease liabilities		(56,519)	(56,099)
Cash dividends paid	6(21)	(423,679)	(141,226)
Net cash flows used in financing activities		(1,302,378)	(119,834)
Net increase in cash and cash equivalents		30,285	363,228
Cash and cash equivalents at beginning of year	6(1)	474,583	111,355
Cash and cash equivalents at end of year	6(1)	<u>\$ 504,868</u>	<u>\$ 474,583</u>

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of NEXCOM International Co., Ltd.

PWCR23000291

Opinion

We have audited the accompanying consolidated balance sheets of NEXCOM International Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing 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 Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, 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 Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Adequacy of allowance for inventory valuation loss

Description

Refer to Note 4(13) for description of accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(4) for details of inventories. As of December 31, 2023, the Group's inventories and allowance for inventory valuation loss amounted to NT\$2,066,015 thousand and NT\$385,050 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of industrial personal computers and there is a higher risk of inventory losing value or becoming obsolete due to the rapid technology innovation and stiff competition in the market. The Group's inventories are stated at the lower of cost and net realisable value, and the Group recognises loss on decline in value of obsolete or damaged inventories based on specific identification.

Since the amounts of inventories are material, types of inventories are various, and the identification of the net realisable value for individually identified obsolete or scrap inventories involves subjective judgement, we identified the adequacy of allowance for inventory valuation loss a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding of and assessed the reasonableness of accounting policies on provision of allowance for inventory valuation losses and confirmed whether they were adopted consistently in the comparative period.
- B. Inspected the annual plan of the physical inventory count and performed observation of inventory count, and evaluated the effectiveness of procedures in determining obsolete inventories.

- C. Verified the appropriateness of the system logic in calculating the ageing of inventories, and confirmed whether it is consistent with the accounting policy.
- D. For the net realisable value of inventories that are over a certain age and individually identified obsolete and damaged inventories, discussed with the management, obtained supporting documents and reviewed the calculation of the net realisable value.
- E. Tested the market price used to estimate the net realisable value of individual inventories, and selected samples to verify the calculation of net realisable value.

Cutoff of sales revenue

Description

Refer to Note 4(29) for description of accounting policy on revenue recognition and Note 6(23) for the details of operating revenue.

The Company's sales mainly arise from manufacturing and sales of industrial personal computers and is mainly for export. The Company recognises export revenue in accordance with the terms of the transaction with the customer. Since the Company has many sales targets, sales regions and transaction conditions, we considered the cutoff of sales revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding of the transaction terms of sales revenue and tested the internal control over relating to revenue recognition.
- B. Selected samples to check the supporting documents for revenue recognition. The procedures performed include checking relevant documents such as orders and delivery orders to evaluate the appropriateness of cutoff of revenue.
- C. Performed sales transaction cut-off test for a certain period before and after balance sheet date to assess the appropriateness of cutoff on sales revenue.

Other matter - Reference to the audits of other auditors

The financial statements of certain subsidiaries and investments accounted for under the equity method as at and for the years ended December 31, 2023 and 2022 were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements in respect of these subsidiaries and investees, is based solely on the reports of the other auditors. Total assets of these subsidiaries including investments accounted for using equity method amounted to NT\$1,421,596 thousand and NT\$1,562,997 thousand, constituting 20% and 18% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and the operating revenue amounted to NT\$2,350,282 thousand and NT\$2,752,109 thousand, constituting 41% and 35% of the consolidated total operating revenue for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of NEXCOM International Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

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

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

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

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

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:

- A. 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.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Group to cease to continue as a going concern.
- E. 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.

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Wu, Han-Chi

Tsai, Yi-Tai

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 26, 2024

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

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

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,697,599	25	\$ 1,464,475	17
1136	Current financial assets at amortised cost	6(6)	5,000	-	-	-
1150	Notes receivable, net	6(2)	2,565	-	2,919	-
1170	Accounts receivable, net	6(2)	931,951	13	1,896,736	21
1180	Accounts receivable - related parties	7	8,697	-	23,107	-
1200	Other receivables	6(3)	268,633	4	421,861	5
130X	Inventory	6(4)	1,680,965	24	2,413,265	27
1410	Prepayments		113,701	2	75,019	1
11XX	Total current assets		<u>4,709,111</u>	<u>68</u>	<u>6,297,382</u>	<u>71</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(5)	49,114	1	44,801	1
1535	Non-current financial assets at amortised cost	6(6)	15,391	-	14,656	-
1550	Investments accounted for under equity method	6(7)	3,394	-	13,911	-
1600	Property, plant and equipment	6(8) and 8	1,400,869	20	1,436,124	16
1755	Right-of-use assets	6(9)	388,451	6	435,946	5
1760	Investment property - net	6(11) and 8	171,035	2	172,555	2
1780	Intangible assets	6(12)	51,130	1	55,462	1
1840	Deferred income tax assets	6(28)	105,536	1	91,192	1
1900	Other non-current assets	6(1)(13) and 8	62,388	1	281,567	3
15XX	Total non-current assets		<u>2,247,308</u>	<u>32</u>	<u>2,546,214</u>	<u>29</u>
1XXX	Total assets		<u>\$ 6,956,419</u>	<u>100</u>	<u>\$ 8,843,596</u>	<u>100</u>

(Continued)

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(14) and 8	\$ 1,707,820	25	\$ 2,470,000	28
2110	Short-term notes and bills payable	6(15)	30,000	-	100,000	1
2130	Current contract liabilities	6(23)	152,768	2	179,685	2
2150	Notes payable		67	-	382	-
2170	Accounts payable	7	560,558	8	1,232,124	14
2200	Other payables	6(16)	457,928	7	527,649	6
2230	Current income tax liabilities		148,077	2	108,336	1
2250	Provisions for liabilities - current	6(17)	32,166	1	31,059	-
2280	Current lease liabilities		77,779	1	66,524	1
2300	Other current liabilities	6(18)	17,223	-	10,591	-
21XX	Total current liabilities		<u>3,184,386</u>	<u>46</u>	<u>4,726,350</u>	<u>53</u>
Non-current liabilities						
2550	Provisions for liabilities - non-current	6(17)	8,076	-	11,490	-
2570	Deferred income tax liabilities	6(28)	121,551	2	184,376	2
2580	Non-current lease liabilities		326,352	4	382,451	5
2600	Other non-current liabilities		2,222	-	2,482	-
25XX	Total non-current liabilities		<u>458,201</u>	<u>6</u>	<u>580,799</u>	<u>7</u>
2XXX	Total liabilities		<u>3,642,587</u>	<u>52</u>	<u>5,307,149</u>	<u>60</u>
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(20)	1,412,265	20	1,412,265	16
Capital surplus						
3200	Capital surplus	6(21)	366,535	5	367,987	4
Retained earnings						
3310	Legal reserve	6(22)	428,308	6	336,749	4
3320	Special reserve		30,188	1	66,125	1
3350	Unappropriated retained earnings		987,913	14	1,288,225	14
Other equity interest						
3400	Other equity interest		(20,827)	-	(30,187)	-
31XX	Equity attributable to owners of parent		<u>3,204,382</u>	<u>46</u>	<u>3,441,164</u>	<u>39</u>
36XX	Non-controlling interest		<u>109,450</u>	<u>2</u>	<u>95,283</u>	<u>1</u>
3XXX	Total equity		<u>3,313,832</u>	<u>48</u>	<u>3,536,447</u>	<u>40</u>
Significant contingent liabilities and unrecognised contract commitments						
3X2X	Total liabilities and equity		<u>\$ 6,956,419</u>	<u>100</u>	<u>\$ 8,843,596</u>	<u>100</u>

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

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(23) and 7	\$ 5,765,509	100	\$ 7,916,697	100
5000 Operating costs	6(4)(26)(27) and 7	(4,154,828)	(72)	(5,906,015)	(75)
5900 Gross profit from operations		<u>1,610,681</u>	<u>28</u>	<u>2,010,682</u>	<u>25</u>
Operating expenses	6(26)(27)				
6100 Selling expenses		(682,307)	(12)	(783,349)	(10)
6200 Administrative expenses		(134,576)	(2)	(189,558)	(2)
6300 Research and development expense		(585,037)	(10)	(551,492)	(7)
6450 Impairment gain (expected credit impairment loss) determined in accordance with IFRS 9	12(2)	<u>13,558</u>	<u>-</u>	(<u>76,338</u>)	(<u>1</u>)
6000 Total operating expenses		(<u>1,388,362</u>)	(<u>24</u>)	(<u>1,600,737</u>)	(<u>20</u>)
6900 Operating profit		<u>222,319</u>	<u>4</u>	<u>409,945</u>	<u>5</u>
Non-operating income and expenses					
7010 Other income	6(24)	106,645	2	71,773	1
7020 Other gains and losses	6(25)	(27,321)	(1)	921,523	12
7050 Finance costs		(46,336)	(1)	(45,521)	(1)
7060 Share of loss of associates and joint ventures accounted for under equity method	6(7)	(<u>10,423</u>)	<u>-</u>	(<u>4,229</u>)	<u>-</u>
7000 Total non-operating income and expenses		<u>22,565</u>	<u>-</u>	<u>943,546</u>	<u>12</u>
7900 Profit before income tax		244,884	4	1,353,491	17
7950 Income tax expense	6(28)	(<u>54,453</u>)	(<u>1</u>)	(<u>423,016</u>)	(<u>5</u>)
8200 Profit for the year		<u>\$ 190,431</u>	<u>3</u>	<u>\$ 930,475</u>	<u>12</u>

(Continued)

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

Items	Notes	Year ended December 31				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Gains on remeasurements of defined benefit plans	6(18)	\$ 248	-	\$ 2,650	-
8316	Unrealised gain on financial assets measured at fair value through other comprehensive income	6(5)	9,813	-	5,112	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	(50)	-	(530)	-
8310	Other comprehensive income that will not be reclassified to profit or loss		10,011	-	7,232	-
Other comprehensive income (loss) that will be reclassified to profit or loss						
8361	Exchange differences on translation of foreign financial statements		(81)	-	45,491	-
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		(81)	-	45,491	-
8300	Total other comprehensive income for the year		\$ 9,930	-	\$ 52,723	-
8500	Total comprehensive income for the year		\$ 200,361	3	\$ 983,198	12
Profit attributable to:						
8610	Owners of the parent		\$ 178,791	3	\$ 902,188	12
8620	Non-controlling interest		11,640	-	28,287	-
			\$ 190,431	3	\$ 930,475	12
Comprehensive income attributable to:						
8710	Owners of the parent		\$ 188,349	3	\$ 951,529	12
8720	Non-controlling interest		12,012	-	31,669	-
			\$ 200,361	3	\$ 983,198	12
Earnings per share (in dollars)						
9750	Basic earnings per share	6(29)	\$ 1.27		\$ 6.39	
9850	Diluted earnings per share	6(29)	\$ 1.27		\$ 6.38	

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

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent										Total	Non-controlling interest	Total equity
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Retained Earnings			Other Equity Interest			Total			
				Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income					
Year ended December 31, 2022													
Balance at January 1, 2022		\$ 1,412,265	\$ 367,763	\$ 322,108	\$ 45,978	\$ 548,648	(\$ 40,062)	(\$ 26,063)	\$ 2,630,637	\$ 206,989	\$ 2,837,626		
Profit for the year		-	-	-	-	902,188	-	-	902,188	28,287	930,475		
Other comprehensive income for the year	6(5)	-	-	-	-	2,120	42,109	5,112	49,341	3,382	52,723		
Total comprehensive income		-	-	-	-	904,308	42,109	5,112	951,529	31,669	983,198		
Distribution of 2021 earnings	6(22)	-	-	-	-	-	-	-	-	-	-		
Legal reserve		-	-	14,641	-	(14,641)	-	-	-	-	-		
Special reserve		-	-	20,147	-	(20,147)	-	-	-	-	-		
Cash dividends		-	-	-	-	(141,226)	-	-	(141,226)	-	(141,226)		
Disposal of equity instruments at fair value through other comprehensive income	6(5)	-	-	-	-	11,283	-	(11,283)	-	-	-		
Disposal of subsidiaries		-	-	-	-	-	-	-	-	(150,137)	(150,137)		
Changes in non-controlling interest		-	-	-	-	-	-	-	-	5,872	5,872		
Changes in ownership interests in subsidiaries		-	224	-	-	-	-	-	224	890	1,114		
Balance at December 31, 2022		\$ 1,412,265	\$ 367,987	\$ 336,749	\$ 66,125	\$ 1,288,225	\$ 2,047	(\$ 32,234)	\$ 3,441,164	\$ 95,283	\$ 3,536,447		
Year ended December 31, 2023													
Balance at January 1, 2023		\$ 1,412,265	\$ 367,987	\$ 336,749	\$ 66,125	\$ 1,288,225	\$ 2,047	(\$ 32,234)	\$ 3,441,164	\$ 95,283	\$ 3,536,447		
Profit for the year		-	-	-	-	178,791	-	-	178,791	11,640	190,431		
Other comprehensive income (loss) for the year	6(5)	-	-	-	-	198	(453)	9,813	9,558	372	9,930		
Total comprehensive income (loss)		-	-	-	-	178,989	(453)	9,813	188,349	12,012	200,361		
Appropriations of 2022 earnings	6(22)	-	-	-	-	-	-	-	-	-	-		
Legal reserve		-	-	91,559	-	(91,559)	-	-	-	-	-		
Reversal of special reserve		-	-	(35,937)	-	35,937	-	-	-	-	-		
Cash dividends		-	-	-	-	(423,679)	-	-	(423,679)	-	(423,679)		
Changes in ownership interests in subsidiaries	6(21)	-	(1,452)	-	-	-	-	-	(1,452)	15,402	13,950		
Change in non-controlling interests		-	-	-	-	-	-	-	-	(13,247)	(13,247)		
Balance at December 31, 2023		\$ 1,412,265	\$ 366,535	\$ 428,308	\$ 30,188	\$ 987,913	\$ 1,594	(\$ 22,421)	\$ 3,204,382	\$ 109,450	\$ 3,313,832		

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 244,884	\$ 1,353,491
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property)	6(25)(26)	100,918	99,318
Depreciation (Right-of-use assets)	6(9)(26)	77,112	84,987
Amortization	6(12)(26)	32,141	36,309
Expected Impairment (reversal) loss	12(2)	(13,558)	76,338
Interest expense		39,497	36,886
Interest expense (lease liability)	6(9)	6,839	8,635
Interest income	6(24)	(40,187)	(7,713)
Dividend income	6(24)	(1,356)	(5,200)
Share-based payments	6(19)	1,369	-
Share of loss of associates accounted for under the equity method	6(7)	10,423	4,229
Gain on disposal and scrap of property, plant and equipment	6(25)	(1,295)	(522)
Gain on disposal of subsidiaries	6(25)	837	(846,367)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		354	5,594
Accounts receivable		960,707	(521,621)
Accounts receivable - related parties		32,046	(27,797)
Other receivables		26,582	(39,442)
Inventories		732,300	(337,221)
Prepayments		(38,682)	19,999
Other non-current assets		(667)	(9,200)
Changes in operating liabilities			
Contract liabilities		(26,917)	83,725
Notes payable		(315)	201
Accounts payable		(671,566)	426,476
Other payables		(63,750)	164,451
Provision		(2,307)	4,893
Other current liabilities		6,632	2,210
Other liabilities		(260)	260
Cash inflow generated from operations		1,411,781	612,919
Interest received		25,071	1,663
Dividends received		1,356	5,200
Interest paid		(45,919)	(44,748)
Income tax paid		(90,314)	(146,950)
Net cash flows from operating activities		<u>1,301,975</u>	<u>428,084</u>

(Continued)

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(5)	\$ -	\$ 77,975
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6(5)	5,500	-
Increase in financial assets at amortised cost, net-current		(5,000)	-
(Increase) decrease in financial assets at amortised cost, net-non-current		(735)	6,319
Acquisition of property, plant and equipment	6(30)	(52,859)	(84,130)
Proceeds from disposal of property, plant and equipment		1,295	1,480
Acquisition of intangible assets	6(30)	(27,809)	(34,010)
(Increase) decrease in refundable deposits		(4,951)	10,671
Cash outflow from disposal of subsidiaries	6(30)	-	(64,040)
Proceeds from disposal of subsidiaries	6(30)	357,372	587,204
Increase in long-term receivables		-	(6,013)
Increase in other non-current assets		(3,504)	(16,400)
Net cash flows from investing activities		<u>269,309</u>	<u>479,056</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term loans		(762,180)	25,931
Decrease in short-term notes and bills payable		(70,000)	-
Payment of long-term debt		-	(5,245)
Increase in guarantee deposits received		-	170
Payment of lease liabilities		(81,703)	(89,837)
Cash dividends paid	6(22)	(423,679)	(141,226)
Change in non-controlling interest		(1,690)	10,298
Net cash flows used in financing activities		<u>(1,339,252)</u>	<u>(199,909)</u>
Effect of foreign exchange translations		1,092	47,808
Net increase in cash and cash equivalents		233,124	755,039
Cash and cash equivalents at beginning of year	6(1)	1,464,475	709,436
Cash and cash equivalents at end of year	6(1)	<u>\$ 1,697,599</u>	<u>\$ 1,464,475</u>

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

Attachment 4

NEXCOM International Co., Ltd.

Comparison Table for Amendments to “Procedures for Acquisition and Disposal of Assets”

“After” amendments	"Before" amendments	Description
<p>Article 11: Procedures for related party transactions</p> <p>I. For the acquisition or disposal of assets from or to a related party, apart from complying with procedures for resolution passing and evaluation of reasonableness of the transaction terms prescribed from Articles 8 to 10, if the transaction amount exceeds 10% of the Company’s total assets, the Company shall obtain appraisal report provided by professional appraiser or opinion offered by certified public accountant.</p> <p>The computation of transaction amount shall be undertaken as per Article 10-1. When determining whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>II. If the Company intends to acquire or dispose of property or related right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than property or related right-of-use assets thereof from or to a related party and the transaction amount reaches 20% of the Company’s paid-in capital, 10% of the</p>	<p>Article 11: Procedures for related party transactions</p> <p>I. For the acquisition or disposal of assets from or to a related party, apart from complying with procedures for resolution passing and evaluation of reasonableness of the transaction terms prescribed from Articles 8 to 10, if the transaction amount exceeds 10% of the Company’s total assets, the Company shall obtain appraisal report provided by professional appraiser or opinion offered by certified public accountant.</p> <p>The computation of transaction amount shall be undertaken as per Article 10-1. When determining whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>II. If the Company intends to acquire or dispose of property or related right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than property or related right-of-use assets thereof from or to a related party and the transaction amount reaches 20% of the Company’s paid-in capital, 10% of the</p>	<p>Amendment is made in alignment with the Company’s actual practice.</p>

<p>Company’s total assets, or more than NT\$300 million, (except for buying or selling domestic government bonds, bonds under repurchase and resale agreements and subscribing or redeeming money market funds issued by domestic securities investment trusts), the Company shall submit the following information to the Audit Committee and Board for approval prior to entering into any transaction contract or making payment. For transaction per the preceding paragraph between the Company and any subsidiaries that are not domestic public companies, when the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the following types of information as prescribed below to the General Shareholders’ Meeting for approval prior to entering into a transaction contract or making a payment. However, for transactions between the Company and its subsidiaries, or transactions between their subsidiaries, this restriction shall not apply:</p> <p>(I) The purpose, necessity and anticipated benefit of the proposed acquisition or disposal of assets.</p> <p>(II) The rationale for choosing the related party as a trading counterparty.</p> <p>(III) Information regarding the evaluation of the reasonableness of the preliminary transaction terms in accordance with these Procedures</p>	<p>Company’s total assets, or more than NT\$300 million, (except for buying or selling domestic government bonds, bonds under repurchase and resale agreements and subscribing or redeeming money market funds issued by domestic securities investment trusts), the Company shall submit the following information to the Audit Committee and Board for approval prior to entering into any transaction contract or making payment. For transaction per the preceding paragraph between the Company and any subsidiaries that are not domestic public companies, when the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the following types of information as prescribed below to the General Shareholders’ Meeting for approval prior to entering into a transaction contract or making a payment. However, for transactions between the Company and its subsidiaries, or transactions between their subsidiaries, this restriction shall not apply:</p> <p>(I) The purpose, necessity and anticipated benefit of the proposed acquisition or disposal of assets.</p> <p>(II) The rationale for choosing the related party as a trading counterparty.</p> <p>(III) Information regarding the evaluation of the reasonableness of the preliminary transaction terms in accordance with these Procedures</p>	
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<p>with respect to the acquisition of property or related right-of-use assets thereof from a related party.</p> <p>(IV) The date and price at which the related party originally acquired the property, the original trading counterparty, and such trading counterparty’s relationship to the Company and such related party.</p> <p>(V) Monthly cash flow forecasts for the year commencing from the anticipated month of the signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(VI) An appraisal report from a professional appraiser or an opinion by a certified public accountant obtained in compliance with the preceding paragraphs.</p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The aforementioned transaction amount shall be computed in accordance with the provision of Article 14. “Within the preceding year” as used in the preceding paragraph refers to one year preceding the date of occurrence of the subject acquisition or disposal of assets. Items duly announced in accordance with these Procedures that have been reported to and approved by the General Shareholders’ Meeting, Audit Committee and Board of Directors shall be excluded from the transaction amount.</p> <p><u>The acquisition or disposal of business equipment or its right-of-use assets, or</u></p>	<p>with respect to the acquisition of property or related right-of-use assets thereof from a related party.</p> <p>(IV) The date and price at which the related party originally acquired the property, the original trading counterparty, and such trading counterparty’s relationship to the Company and such related party.</p> <p>(V) Monthly cash flow forecasts for the year commencing from the anticipated month of the signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(VI) An appraisal report from a professional appraiser or an opinion by a certified public accountant obtained in compliance with the preceding paragraphs.</p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The aforementioned transaction amount shall be computed in accordance with the provision of Article 14. “Within the preceding year” as used in the preceding paragraph refers to one year preceding the date of occurrence of the subject acquisition or disposal of assets. Items duly announced in accordance with these Procedures that have been reported to and approved by the General Shareholders’ Meeting, Audit Committee and Board of Directors shall be excluded from the transaction amount.</p> <p>III. (omitted) no amendment</p>	
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<p><u>business real estate right-of-use assets between the Company and its subsidiaries, or between the Company and subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or capital, the Board of Directors may authorize the Chairman to make a decision within NTD 300 million and then report it to the most recent Board of Directors meeting for ratification.</u></p> <p>III. (omitted) no amendment</p>		
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Attachment 5

Director and Independent Director Candidate List

Director candidate

Serial number	Name	Shares held	Major education and experience
1	Lin, Mao-Chang	7,457,657 shares	<p>Education: Master's Degree, Department of Management Science, Yang Ming Chiao Tung University (formerly National Chiao Tung University) Bachelor's Degree, Department of Electrical Engineering, National Taiwan University</p> <p>Experience: Business Division / Associate Manager, MiTAC International Corporation</p> <p>Current position: NEXCOM International Co., Ltd. / Chairperson Green Base Technology Corp. / Chairperson NexAIOT Co., Ltd. / Chairperson, Chief Strategy Officer All IoT Cloud Corp. / Chairperson TMR Technologies Co.,Ltd. / Chairperson EMBUX Technology Co., Ltd. / Chairperson NexCOBOT Taiwan CO.,Ltd. / Chairperson NEXCOM Surveillance Technology Corp. / Executive Director (Legal Representative) NEXCOM United System Service Corp. / Executive Director (Legal Representative) Guang Zhou NexCOBOT China Co.,Ltd. / Chairperson (Legal Representative) Nex Computers, Inc. / Director NEXCOBOT Inc. / Director NEXCOM Japan Co.,Ltd. / Director NEXCOM International Co.,Ltd. (SAMOA) / Director</p>

2	Lin, Jeng-Tay	808,656 shares	<p>Education: National Taiwan University - Department of Electrical Engineering / Bachelor of Science</p> <p>Current position: Tai Wang Investment Co., Ltd. / Chairperson eTouch medical Inc. / Chairperson</p>
3	Tu, Shu-Ling	6,968,755 shares	<p>Education: Master's Degree, Department of Finance, National Taiwan University Bachelor, Department of Commerce, National Taiwan University</p> <p>Experience: NEXCOM International Co., Ltd. / Chief Financial Officer DARFON ELECTRONICS CORP / Chief Financial Officer</p> <p>Current position: NEXCOM International Co., Ltd. / Special Assistant of the Chairperson's Office NEXCOM International Co., Ltd. / Assistant Vice President, Managing Service Division Green Base Technology Corp. / Supervisor Guang Zhou NexCOBOT China Co.,Ltd. / Supervisor</p>

Independent director candidate

Serial number	Name	Shares held	Major education and experience
1	Wang, Yun-Yuao	0 shares	<p>Education: National Taiwan University - Department of Electrical Engineering/Bachelor of Science</p> <p>Experience: TENX TECHNOLOGY, INC. / Chairperson and President</p> <p>Current position: None.</p>
2	Chen, Chin-Yin	0 shares	<p>Education: Soochow University - Department of Economics/Bachelor degree</p> <p>Experience: Suzhou Yifu Financial Leasing Co., Ltd. / President Kanghe Leasing Co., Ltd. / Vice President</p>

			Current position: None
3	CHEN, LI-CHUN	0 shares	<p>Education: National Taiwan University - Department of Commerce, Bachelor's Degree, International Trade Section</p> <p>Experience: IBM Taiwan Corporation / Vice President, Finance and Planning Department</p> <p>Current Position: B Current Impact Investment / Director Greenvines Biotech Co., Ltd. / Director</p>
4	Lin, Ling-Fang	0 shares	<p>Education: National Taiwan University - Department of Accounting / Master's Degree Soochow University - Accounting Department / Bachelor's Degree</p> <p>Experience: Kornerstone Materials Technology Co., Ltd. / Vice President and Chief Financial Officer Asia Pacific Telecom Co., Ltd. / Chief Financial Officer General Electric Company / Controller ZUELLIG PHARMA,INC. / Chief Financial Officer and Chief of Administrative Division</p> <p>Current position: None</p>

Attachment 6

Lifting of non-compete restrictions on the director nominees and their representatives

Names of directors and their representatives	Proposal to request the shareholders' meeting to lift the non-compete restrictions on them who concurrently serve/hold position in the Company
Lin Mao-Chang	Green Base Technology Corp. / Chairperson NexAIOT Co., Ltd. / Chairperson, Chief Strategy Officer All IoT Cloud Corp. / Chairperson TMR Technologies Co.,Ltd. / Chairperson EMBUX Technology Co., Ltd. / Chairperson NexCOBOT Taiwan CO.,Ltd. / Chairperson NEXCOM Surveillance Technology Corp. / Executive Director (Legal Representative) NEXCOM United System Service Corp. / Executive Director (Legal Representative) Guang Zhou NexCOBOT China Co.,Ltd. / Chairperson (Legal Representative) Nex Computers, Inc. / Director NEXCOBOT Inc. / Director NEXCOM Japan Co.,Ltd. / Director NEXCOM International Co.,Ltd. (SAMOA) / Director
Lin Jeng-Tay	Tai Wang Investment Co., Ltd. - Chairperson eTouch medical Inc. / Chairperson
Tu Shu-Ling	Green Base Technology Corp. / Supervisor Guang Zhou NexCOBOT China Co.,Ltd. / Supervisor
Chen Li-Chun	B Current Impact Investment / Director Greenvines Biotech Co., Ltd. / Director