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NEXCOM International Co., Ltd.

2024 Annual Report

Annual report website: <http://mops.twse.com.tw>

Company website: <http://www.nexcom.tw>

Printing Date: April 27, 2025

www.nexcom.com

I. Name, Job title, Contact Telephone and E-mail of Spokesman and Deputy Spokesman of the Company

Spokesperson

Name: Chen, Yuan-Pin

Title: CFO

Tel: (02) 8226 7786

E-mail: binchen@nexcom.com.tw

Deputy Spokesperson

Name: Tu, Shu-Ling

Title: Assistant Vice President

Tel: (02) 8226 7786

E-mail: shirine@nexcom.com.tw

II. Address and Telephone Number of Headquarter, Branch and Factory:

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Tel:(02)8226-7786 Fax:(02)8226-7782

Factory 12F., No. 63, Sec. 1, Sanmin Rd., Banqiao Dist., New Taipei City 220

Tel:(02)8228-7786 Fax:(02)2956-1259

2F., No. 50, Huaya 3rd Rd., Guishan Dist., Taoyuan City 333

Tel:(03)327-7766 Fax:(03)327-7755

Branches None

III. Name, Address, Website and Telephone of Stock Transfer Agency:

Name: Taishin Securities Co., Ltd.

Address: B1, No. 96, Section 1, Jianguo North Road, Zhongshan District, Taipei City

Website: <https://www.tssco.com.tw/>

Telephone: (02) 2504-8125

IV. Name of Independent Auditor, Accounting Firm's Name, Address, Website and Telephone for the Financial Statements of the Most Recent Year

Name of CPA: CPA Jen-Chieh Wu, and CPA Sung-Tse Wang

CPA firm: PwC Taiwan

Address: 27F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110

Website: <http://www.pwc.tw/>

Tel: (02) 2729-6666

V. The name of the exchanges where the Company's marketable securities are listed offshore, and the method by which the information on the offshore securities may be accessed: N/A.

VI. Company's Website: <http://wwwnexcom.comtw/>

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One. Letter to Shareholders

Dear Shareholders,

I. 2024 business results

In 2024, the Company's consolidated revenue reached NT\$5.42107 billion, a decrease of 5.97% from NT\$5.76551 billion in 2023, the 2024 net income after tax was NT\$84.89 million and basic earnings per share was NT\$0.60, a decrease of 53% from the net income after tax of NT\$178.79 million in 2023, and a decrease of 53% from the earnings per share of NT\$1.27 in 2023, respectively.

Following the downturn in 2023, industrial computer channels and customers are still digesting inventory. For two consecutive years, the entire industrial computer industry has experienced negative growth. Orders began to warm up in the second half of 2024, so shipments also resumed growth in the fourth quarter, with the negative growth rate notably narrowing compared to 2023. It is expected that a gradual recovery will begin from the first quarter of this year. NEXCOM Group has transformed the business to Industry 4.0 related solutions, 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		2023	2024
Financial income and expenses	Net sales revenue	5,765,509	5,421,065
	Net profit before tax	244,884	(54,448)
Profitability	Return on Assets (%)	2.88	1.24
	Return on Shareholders' Equity (%)	5.56	1.46
	Ratio of operating profit to paid-in capital (%)	15.74	(10.28)
	Net profit before tax to paid-in capital (%)	17.34	(3.86)
	Net profit margin (%)	3.30	0.88
	Basic earnings per share	1.27	0.60

2. R&D status

Unit: NT\$ thousand

Item	2023	2024
Research and development expenses	585,037	586,366
Ratio of research and development expense to net sales revenue (%)	10.15	10.82

3. Technology and products successfully developed in 2024:

- (1) AI enabled 5G smart enterprise wireless network gateway
- (2) Integrated AI 5G/Cyber security application platform and AI accelerator
- (3) Power plant-level AI cyber security gateway
- (4) Development of Nvidia high-end Jetson AGX Orin GMSL2 camera model, applicable for real-time hazard identification and warning alerts in vehicle-mounted systems
- (5) Tool gravity compensation parameter identification technology
- (6) FuSa robot functional safety (RSAP: Robot Safety Application) technology development
- (7) Introduction of Isaac Sim technology, integrating GRC controllers to achieve Digital Twin applications
- (8) Introduction and development of DDS technology, completing ECM product remote operation applications and integration with market DDS products
- (9) Introduction of LDRA software verification technology, used to obtain FuSa product software safety certification
- (10) Implemented CMAKE and VSCODE technology for software product development on Linux operating systems
- (11) Implemented Sentinel License Protection software
- (12) Implemented Angular Web front-end technology for developing cross-platform human-machine interface software
- (13) Completed delivery of Delta FuSa project DRSC2016 version B
- (14) Completed delivery of Estun FuSa project RSC version A
- (15) Developed eSAF Frontier V500 and V1000 multi-ports products for network isolation, network visualization, and real-time network monitoring to protect critical assets.
- (16) Developed eSAF Platform Manager P2000 with high performance capability to connect up to 30 Frontier X/V series devices, featuring AI/ML functionality for detecting abnormal network traffic and performing Large Language Model (LLM) inference.
- (17) NEXCOM's subsidiary TMR Technologies Co., Ltd. has successfully obtained the cyber security capability registration certificate from the Ministry of Digital Affairs.

II. Summary of the Business Plan for 2025

NEXCOM has successfully transformed into an Industry 4.0 total solution provider and an innovative entrepreneurial group focused on the “dual transformation” of “AIoT digital transformation” and “ESG net-zero transformation”! All business units, whether hardware platforms or solutions, can become important growth engines under the strategy of division and integration, professional focus, and comprehensive AI implementation. 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 2025 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 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, with full AI implementation, AI killer products and AI's strong momentum, NEXCOM, on the subsidiary AIoT Cloud'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 2024, NEXCOM will make progress in terms of products, organization, global deployment, and management team, and so its market competitiveness will 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 performance in 2024 has slightly declined due to the final phase of inventory clearance. It might recover step by step 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, thanks to support from AI. 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 2025, despite positive and negative factors co-existing. This is no doubt the result of the efforts of all staff and the support of all shareholders. This year, under the guidance and supervision of the Board of Directors, NEXCOM expects to deliver more good news.

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

Chairman: Lin, Mao-Chang

President: Yang, Chien-Hsing

Accounting Officer: Chen, Yuan-Pin

Two. Corporate Governance Report

I. Information of Directors, Supervisors, Presidents, Vice Presidents, Associate Vice Presidents, Managers of Departments and Branches

(I) Directors and Supervisors:

1. Directors and Supervisors Information:

March 31, 2025

Title	Nationality or place of registration	Name	Gender and age	Date elected (appointed)	Term of office	Date first elected	Shares Held at the Time of Election		Current shareholding		Shareholding of spouse and minor children now		Shareholding in the name of others		Main career (academic) achievements	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Chairman	R.O.C.	Lin, Mao-Chang	Male 61-70	2024.06.19	3 years	2000.04.10	5,457,657 (Note 1)	3.86	7,457,657 (Note 2)	5.28 (Note 2)	6,968,755 (Note 2)	4.93 (Note 2)	0	0	National Chiao Tung University - Management Science National Taiwan University - Electrical Engineering Business Department of Mitac International Corporation Associate vice president	Chairman of the Company Green Base Technology Corp. / Chairman NexAIOT Co., Ltd. / Chairman, CEO All IoT Cloud Corp. /Chairman TMR Technologies Co., Ltd. / Chairman EMBUX Technology Co., Ltd. / Chairman NexCOBOT Taiwan CO.,Ltd. / Chairman NEXCOM Surveillance Technology Corp./ Executive Director (Legal Representative) NEXCOM United System Service Corp./ Executive Director (Legal Representative) Nex Computers, Inc. / Director	Director/ Associate Vice President	Tu, Shu-Ling	Spouse	None

4. Professional Qualification and Independence of Independent Directors:

Criteria Name	Professional qualification and experience	Independence state	Number of independent directors concurrently serving in other public offering companies
Chairman Lin, Mao-Chang	<p>With work experiences in business, legal, financial, accounting, and business management skills required for company operations.</p> <p>Chairman of the Company Green Base Technology Corp. / Chairman NexAIOT Co. Ltd. / Director and Chief Strategy Officer All IoT Cloud Corp. / Chairman TMR Technologies Co.,Ltd. / Director EMBUX Technology Co., Ltd / Chairman NexCOBOT Taiwan CO.,Ltd. / Chairman NEXCOM Surveillance Technology Corp. / Executive Director (Legal Representative) NEXCOM United System Service Corp. / Executive Director (Legal Representative) Nex Computers, Inc. / Director; NEXCOBOT Inc. / Director, NEXCOM Japan Co.,Ltd. / Director NEXCOM International Co.,Ltd.(SAMOA) / Director</p> <p>Not exhibiting any of the circumstances specified under Article 30 of the Company Act.</p>	Not applicable	None

Director Lin, Jeng-Tay	<p>With work experiences in business, legal, financial, accounting, and business management skills required for company operations.</p> <p>Tai Wang Investment Co. Ltd. / Chairman eTouch medical Inc. / Chairman</p> <p>Not exhibiting any of the circumstances specified under Article 30 of the Company Act.</p>	Not applicable	None
Director Tu, Shu-Ling	<p>With work experiences in business, legal, financial, accounting, and business management skills required for company operations.</p> <p>NEXCOM International Co., Ltd. / CFO Darfon Electronics Corp / Chief Financial Officer</p> <p>Not exhibiting any of the circumstances specified under Article 30 of the Company Act.</p>	Not applicable	None

Independent Director Wang, Yun-Yuao	<p>With work experiences in business, legal, financial, accounting, and business management skills required for company operations.</p> <p>TENX Technology, Inc. - Former Chairman and President</p> <p>Not exhibiting any of the circumstances specified under Article 30 of the Company Act.</p>	<p>1. The independent director, their spouse, or relatives within the second degree of kinship are not serving as a director, supervisor or employee of the Company or its affiliates.</p> <p>2. The independent director, their spouses or relatives within the second degree of kinship (or in the name of others) are not holding any company shares.</p> <p>3. The independent director is not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship.</p> <p>4. The independent director did not receive compensation for providing commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company within the past two years.</p>	None
Independent Director Chen, Ching-Yin	<p>With work experiences in business, legal, financial, accounting, and business management skills required for company operations.</p> <p>Suzhou Yifu Financial Leasing Co., Ltd. / Former President</p> <p>Kanghe Leasing Co., Ltd. / Vice President</p> <p>Not exhibiting any of the circumstances specified under Article 30 of the Company Act.</p>	<p>1. The independent director, their spouse, or relatives within the second degree of kinship are not serving as a director, supervisor or employee of the Company or its affiliates.</p> <p>2. The independent director, their spouses or relatives within the second degree of kinship (or in the name of others) are not holding any company shares.</p> <p>3. The independent director is not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship.</p> <p>4. The independent director did not receive compensation for providing commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company within the past two years.</p>	None

Independent Director Chen, Li-Chun	Lecturer of a university or college for a subject required for company operations IBM Taiwan Corporation / Former Vice President, Finance and Planning Department Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	<p>1. The independent director, their spouse, or relatives within the second degree of kinship are not serving as a director, supervisor or employee of the Company or its affiliates.</p> <p>2. The independent director, their spouses or relatives within the second degree of kinship (or in the name of others) are not holding any company shares.</p> <p>3. The independent director is not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship.</p> <p>4. The independent director did not receive compensation for providing commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company within the past two years.</p>	None
Independent Director Lin, Ling-Fang	With work experiences in business, legal, financial, accounting, and business management skills required for company operations. Kornerstone Materials Technology Co., Ltd. / Vice President and CFO Asia Pacific Telecom Co., Ltd. / Chief Financial Officer General Electric Company / Controller Zuellig Pharma, Inc. / Chief Financial Officer and Chief of Administrative Division Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	<p>1. The independent director, their spouse, or relatives within the second degree of kinship are not serving as a director, supervisor or employee of the Company or its affiliates.</p> <p>2. The independent director, their spouses or relatives within the second degree of kinship (or in the name of others) are not holding any company shares.</p> <p>3. The independent director is not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship.</p> <p>4. The independent director did not receive compensation for providing commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company within the past two years.</p>	None

5. Professionalism, independence and diversity of the Board of Directors:

Article 23 of the Company's Corporate Governance Rules clearly stipulates that: To achieve the desired objectives of corporate governance, the Board of

Directors as a whole shall have the following competences:

I. The ability to make judgments about operations.

II. Accounting and financial analysis ability.

III. Business management ability.

IV. Crisis management ability.

V. Knowledge of the industry.

VI. An international market perspective.

VII. Leadership ability.

VIII. Decision-making ability.

Upon selecting directors, not only does the Company consider the professional backgrounds of directors, their diversity is also an important factor. The professional background of board members should cover: Industry operators, professional managers, business and legal fields.

The Board of Directors of the Company consists of 7 directors (including 3 directors and 4 independent directors). Currently, there are 4 male directors and 3 female directors, such that the objective of gender equality has been achieved.

Board Member Diversity Implementation Status:

Title	Name	Gender	Age	Term of office	Current term of office	Diverse background and core competence of the Board of Directors (selection with check mark)						
						Business management	Leadership and decision making	Knowledge of the industry	Finance and accounting	Technology	Sustainable development	Crisis handling
Director	Lin, Mao-Chang	Male	61-70	3 years	2024.06~2027.06	V	V	V	V	V	V	V
Director	Lin, Jeng-Tay	Male	61-70	3 years	2024.06~2027.06	V	V	V	V	V	V	V
Director	Tu, Shu-Ling	Female	61-70	3 years	2024.06~2027.06	V	V	V	V	V	V	V
Independent Director	Wang, Yun-Yuao	Male	61-70	3 years	2024.06~2027.06	V	V	V	V	V	V	V
Independent Director	Chen, Ching-Yin	Male	61-70	3 years	2024.06~2027.06	V	V	V	V	V	V	V
Independent Director	Chen, Li-Chun	Female	61-70	3 years	2024.06~2027.06	V	V	V	V	V	V	V
Independent Director	Lin, Ling-Fang	Female	61-70	3 years	2024.06~2027.06	V	V	V	V	V	V	V

(II) Information on Presidents, Vice Presidents, Assistant Managers, and Heads of Departments and Branches:

March 31, 2025

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Main career (academic) achievements	Concurrent positions in other companies now	Managerial officers with spouses or relatives with second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
President	R.O.C.	Yang, Chien-Hsing	Male	2006.07.18	416,710	0.30	409,258	0.29	0	0	National Taiwan University - Graduate Institute of Chemical Engineering Advantech Co., Ltd. - Sales Manager	Green Base Technology Corp. - Director Nexcom Europe Ltd. - Director Nex Computers, Inc. - Director Nexcom Japan Co., Ltd. - Director	None	None	None	None
Vice President	R.O.C.	Lin, Hung-Chou	Male	2006.01.24	120,098	0.09	356,724	0.25	0	0	New York Institute of Technology - Graduate Institute of Computer Science Honeywell Taiwan - Sales Manager	NexAIOT Co., Ltd. - Director and President All IoT Cloud Corp. - Director EMBUX Technology Co., Ltd. - Director TMR Technologies Co., Ltd. - Director NexCOBOT Taiwan CO., Ltd. - Director Guang Zhou NexCOBOT China Co., Ltd. - Director NEXGOL Co.,	None	None	None	None

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Main career (academic) achievements	Concurrent positions in other companies now	Managerial officers with spouses or relatives with second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
												Ltd. - Director Chongqing NEXRAY Technology Co., Ltd. - Chairman (Legal Representative) NexCOBOT Inc. - Director				
Vice President	R.O.C.	Liu, Chun-Chun	Male	2011.08.01	297,144	0.21	13,989	0.01	0	0	National Taiwan University of Science and Technology - Department of Electrical Engineering Assistant Vice President of NEXCOM MCS Technology Development Department	None	None	None	None	None
Vice President	R.O.C.	Huang, Tsung-Hsi	Male	2013.08.05	0	0	0	0	0	0	National Taipei University of Technology-EMBA Program of Industrial and Technology Management, Graduate Institute Assistant Vice President of IBASE Technology Inc.	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Main career (academic) achievements	Concurrent positions in other companies now	Managerial officers with spouses or relatives with second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Vice President	R.O.C.	Li, Chun-I	Male	2014.10.28	0	0	0	0	0	0	Syracuse University, USA-Graduate Institute of Electrical Engineering Senior Manager of CYBERTAN Technology Inc.	None	None	None	None	None
Vice President	R.O.C.	Chiu, Chun-Ming	Male	2015.02.01	69,000	0.05	3,000	0.00	0	0	National Taiwan University of Science and Technology-Department of Electrical Engineering NEXCOM NCS-ODM Business Department No. 1 - Assistant Vice President	None	None	None	None	None
Vice President	R.O.C.	Shen, Chien-I	Female	2014.02.01	18,738	0.01	0	0	0	0	Universite Paul Valery - Graduate Institute of Language Education Division Head of NEXCOM ICS Manager Business Division	NexAIOT Co., Ltd. - Director NexCOBOT Taiwan CO.,Ltd. - Director and President	None	None	None	None

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Main career (academic) achievements	Concurrent positions in other companies now	Managerial officers with spouses or relatives with second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Vice President	R.O.C.	Yeh, Shu-Chen	Female	2015.08.01	0	0.00	0	0	0	0	National Taipei Institute of Technology (3-year college) - Department of Electrical Engineering Deputy Manager of GVC, INC. Engineering Department MPM Deputy Manager of Clevo Co. Engineering Manager of Chaintech Technology Corporation	None	None	None	None	None
Vice President	R.O.C.	Chen, Po-Hsu	Male	2021.09.01	0	0.00	0	0	0	0	National Sun Yat-sen University - Department of Applied Mathematics NexAIOT Co., Ltd. - Associate Vice President Wistron Corporation - Senior Manager	All IoT Cloud Corp. - Director	None	None	None	None
Assistant Vice President	R.O.C.	Tu, Shu-Ling	Female	2009.07.22	6,968,755	4.93	7,457,657	5.28	0	0	Graduate Institute of Finance, National Taiwan University Darfon Electronics Corp-Chief Financial Officer	None	Chairman	Lin, Mao-Chang	Spouse	None
Assistant Vice	R.O.C.	Chen, Yuan-Pin	Male	2017.10.30	0	0	0	0	0	0	National Cheng Kung University-Graduate Institute of Accounting	Nexcom Shanghai Co., Ltd. -	None	None	None	None

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Main career (academic) achievements	Concurrent positions in other companies now	Managerial officers with spouses or relatives with second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
President (CFO)											Manager of Gamania Digital Entertainment Manager of GIGABYTE Technology	Supervisor NEXCOM United System Service Corp. - Supervisor NEXCOM Surveillance Technology Corp. - Supervisor Nexcom Japan Co., Ltd. - Supervisor				
Assistant Vice President	R.O.C.	Chen, Chia-Li	Female	2018.05.01	18,890	0.01	0	0	0	0	University of Southampton Experienced MBA	None	None	None	None	None
Assistant Vice President	R.O.C.	Tsai, Chun-Yang	Male	2019.02.01	0	0	0	0.00	0	0	Fu Jen Catholic University-Graduate institute of Electronic Engineering ASUSTEK Computer Inc. - R&D Hardware Engineer Altbatron Technology Co. Ltd. - Senior R&D Engineer	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Main career (academic) achievements	Concurrent positions in other companies now	Managerial officers with spouses or relatives with second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Assistant Vice President	R.O.C.	Chang, Feng-Jung	Male	2019.02.01	0	0	0	0	0	0	Lawrence Technological University /Master of Business Administration Manager of Kontron Asia Technology Inc. Senior Manager of Quanta Computer Inc.	None	None	None	None	None
Assistant Vice President	R.O.C.	Ting, Wen-Ching	Male	2019.05.07	0	0	0	0	0	0	Chien Hsin University of Science and Technology NexAIOT Co., Ltd./ President President of NEXCOM (China) Co., Ltd. Associate Vice President of Advantech Co., Ltd.	EMBUX Technology Co., Ltd Director and President	None	None	None	None
Assistant Vice President	R.O.C.	Lin, Chih-Ta	Male	2021.02.01	0	0	0	0	0	0	National Taiwan University of Science and Technology - Department of Engineering Management Advantech Co., Ltd. - Deputy Manager of Engineering Department	None	None	None	None	None
Assistant Vice President	R.O.C.	Liu, Ying-Tsun	Male	2022.06.01	0	0	0	0	0	0	National Taiwan University - Master's Program in Medical	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Main career (academic) achievements	Concurrent positions in other companies now	Managerial officers with spouses or relatives with second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
President											Engineering NEXCOM International Co., Ltd.- Division Head of the Network Communications Group Flextronics International Led. - Engineering Manager of the Server Business Group					
Assistant Vice President	R.O.C.	Lai, Hui-Ying	Female	2022.06.01	0	0	0	0	0	0	National Taiwan University of Science and Technology - Department of Information Engineering NEXCOM International Co., Ltd. - Division Head Thecus Technology Corp. - Deputy Manager	None	None	None	None	None
Assistant Vice President	R.O.C.	Tsai, Chung-Yi	Male	2023.03.01	0	0	118	0	0	0	Da-Yeh University - Department of Electrical Engineering NEXCOM International Co., Ltd. - Division Head ADVANTECH Co., Ltd./ Senior Engineer	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Main career (academic) achievements	Concurrent positions in other companies now	Managerial officers with spouses or relatives with second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Assistant Vice President	R.O.C.	Lai, Ming-Hsiang	Male	2023.03.01	0	0	0	0	0	0	National Cheng Kung University - Institute of Manufacturing Information and Systems	None	None	None	None	None
Assistant Vice President	R.O.C.	Lo, Shih-Yun	Male	2023.05.10	0	0	0	0	0	0	NEXCOM International Co., Ltd. - Division Head ADVANTECH Co., Ltd./ Senior Engineer	None	None	None	None	None
Assistant Vice President (Note 1)	R.O.C.	Huang, Yuan-Hsin	Male	2024.03.01	0	0	0	0	0	0	Huaan University - Graduate Institute of Mechatronic Engineering MOXA INC./ Manager, Software Development Division	None	None	None	None	None
Assistant Vice President	R.O.C.	Chiu, Chen-I	Male	2024.06.01	0	0	0	0	0	0	St. John's University- Department of Electronic Engineering CyberTAN Technology Inc. - Manager Quanta Microsystems, Inc. - Manager National Taipei Institute of Technology - Department of Electrical Engineering	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Main career (academic) achievements	Concurrent positions in other companies now	Managerial officers with spouses or relatives with second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
(Note 2)											Hygeai InformatiX.Inc. Director of Board					
Assistant Vice President (Note 3)	R.O.C.	Wu, I-Ching	Female	2025.03.01	0	0	0	0	0	0	National Chengchi University - Graduate Institute of Information Management GIGABYTE Technology - Sales Manager	None	None	None	None	None

Note 1: Newly assumed the position on March 1, 2024.

Note 2: Newly assumed the position on June 1, 2024.

Note 3: Newly assumed the position on March 1, 2025.

(III) Remuneration Paid to Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Fiscal Year.

1. Remuneration of Directors and Independent Directors

Unit: NT\$ thousand

Title	Name	Remuneration to directors						Sum of A, B, C, and D as a percentage of the net profits after tax (%)		Remuneration to directors for concurrently serving as an employee				Sum of A, B, C, D, E, F, and G as a percentage of the net profits after tax (%)		Remuneration from investee enterprises other than subsidiaries or parent company			
		Compensation (A)		Severance and pension (B)		Remuneration of directors (C)		Business execution expenses (D)		Salary, bonus, and special allowance (E)		Severance and pension (F)		Employee compensation (G)			The Company		All companies in the financial statements
Chairman	Lin, Mao-Chang	All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements	
		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company	
		3,538		95		100		150		2,039		99		0		7.09%		7.15%	
		3,538		95		123		170		2,039		99		0		7.09%		7.15%	
Director	Lin, Jeng-Tay	All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements	
		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company	
		3,538		95		100		150		2,039		99		0		7.09%		7.15%	
		3,538		95		123		170		2,039		99		0		7.09%		7.15%	
Director (Note 1)	Chen, Wen-Chuan	All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements	
		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company	
		3,538		95		100		150		2,039		99		0		7.09%		7.15%	
		3,538		95		123		170		2,039		99		0		7.09%		7.15%	
Director (Note 2)	Tu, Shu-Ling	All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements		All companies in the financial statements	
		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company	
		3,538		95		100		150		2,039		99		0		7.09%		7.15%	
		3,538		95		123		170		2,039		99		0		7.09%		7.15%	

Table of remuneration ranges

Range of remuneration of each director of the Company	Name of director			
	Sum of first 4 remunerations (A+B+C+D)		Sum of first 7 remunerations (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements H	The Company	All companies included in the financial statements I
Below NT\$1,000,000	Lin, Jeng-Tay; Chen, Wen-Chuan Wang, Yun-Yuao; Chen, Ching-Yin Chen, Hong-Ming; Tai, Cheng-Chieh Tu, Shu-Ling; Chen, Li-Chun; Lin, Ling-Fang	Lin, Jeng-Tay; Chen, Wen-Chuan Wang, Yun-Yuao; Chen, Ching-Yin Chen, Hong-Ming; Tai, Cheng-Chieh Tu, Shu-Ling; Chen, Li-Chun; Lin, Ling-Fang	Lin, Jeng-Tay; Chen, Wen-Chuan Wang, Yun-Yuao; Chen, Ching-Yin Chen, Hong-Ming; Tai, Cheng-Chieh Chen, Li-Chun; Lin, Ling-Fang	Lin, Jeng-Tay; Chen, Wen-Chuan Wang, Yun-Yuao; Chen, Ching-Yin Chen, Hong-Ming; Tai, Cheng-Chieh Chen, Li-Chun; Lin, Ling-Fang
NT\$1,000,000 (inclusive) NT\$2,000,000 (non-inclusive)	-	-	-	-
NT\$2,000,000 (inclusive) NT\$3,500,000 (non-inclusive)	-	-	Tu Shu-Ling	Tu Shu-Ling
NT\$3,500,000 (inclusive) NT\$5,000,000 (non-inclusive)	Lin Mao-Chang	Lin Mao-Chang	Lin Mao-Chang	Lin Mao-Chang
NT\$5,000,000 (inclusive) NT\$10,000,000 (non-inclusive)	-	-	-	-
NT\$10,000,000 (inclusive)	-	-	-	-

NT\$15,000,000 (non-inclusive)					
NT\$15,000,000 (inclusive) -					
NT\$30,000,000 (non-inclusive)	-	-	-	-	-
NT\$30,000,000 (inclusive) -					
NT\$50,000,000 (non-inclusive)	-	-	-	-	-
NT\$50,000,000 (inclusive) -					
NT\$100,000,000 (non-inclusive)	-	-	-	-	-
More than NT\$100,000,000	-	-	-	-	-
Total	10	10	10	10	10

2. Remuneration of supervisors: Since the Company has established the Audit Committee on June 26, 2015, this is not applicable.

3. Remuneration of President and Vice Presidents

Unit: NT\$ thousand

Title	Name	Salary (A)		Severance and pension (B)		Bonus and special allowance (C)		Amount of employee remuneration (D)				Sum of A, B, C, and D as a percentage of the net profits after tax (%)	Remuneration from investee enterprises other than subsidiaries or parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	Cash amount	Share amount	All companies in the financial statements	The Company	
President	Yang, Chien-Hsing												
Vice President	Lin, Hung-Chou												
Vice President	Liu, Chun-Chun												
Vice President	Chiu, Chun-Ming												
Vice President	Li, Chun-I	12,120	16,500	754	970	5,943	7,256	0	0	0	22.17%	29.13%	0
Vice President	Huang, Tsung-Hsi												
Vice President	Yeh, Shu-Chen												
Vice President	Shen, Chien-I												
Vice President	Chen, Po-Hsu												

Table of remuneration ranges

Range of remunerations paid to each President and Vice President of the Company	Name of President and Vice President	
	The Company	All companies included in the financial statements E.
Below NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) - NT\$2,000,000 (non-inclusive)	-	-
NT\$2,000,000 (inclusive) - NT\$3,500,000 (non-inclusive)	Yang, Chien-Hsing; Liu, Chun-Chun; Chiu, Chun-Ming; Liu, Chun-Chun Huang Tsung-Hsi; Yeh, Shu-Chen; Chen, Po-Hsu	Yang, Chien-Hsing; Lin, Hung-Chou; Liu Chun-Chun; Chiu, Chun-Ming; Li, Chun-I Huang, Tsung-Hsi; Yeh Shu-Chen; Shen. Chien-I; Chen, Po-Hsu
NT\$3,500,000 (inclusive) - NT\$5,000,000 (non-inclusive)	-	-
NT\$5,000,000 (inclusive) - NT\$10,000,000 (non-inclusive)	-	-
NT\$10,000,000 (inclusive) - NT\$15,000,000 (non-inclusive)	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (non-inclusive)	-	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (non-inclusive)	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (non-inclusive)	-	-
More than NT\$100,000,000	-	-
Total	7	9

4. Name of Managerial Officers for Distribution of Employees' Remuneration and Distribution Status

December 31, 2024 / Unit: NT\$ thousand

Title		Name	Share amount	Cash amount	Total	Total amount as a percentage of net profits after tax (%)
Manager	President	Yang Chien-Hsing	0 (Note)	0 (Note)	0	0
	Vice President	Lin Hung-Chou				
	Vice President	Liu Chun-Chun				
	Vice President	Chiu Chun-Ming				
	Vice President	Li Chun-I				
	Vice President	Huang Tsung-Hsi				
	Vice President	Shen Chien-I				
	Vice President	Yeh Shu-Chen				
	Vice President	Chen Po-Hsu				
	CFO	Chen Yuan-Pin				
	Assistant Vice President	Tu Shu-Ling				
	Assistant Vice President	Lin Chih-Ta				
	Assistant Vice President	Chen Chia-Li				
	Assistant Vice President	Tsai Chun-Yang				
	Assistant Vice President	Chang Feng-Jung				
	Assistant Vice President	Ting Wen-Ching				
	Assistant Vice President	Lai Hui-Ying				
	Assistant Vice President	Liu Ying-Tsun				

Assistant Vice President	Lai Ming-Hsiang				
Assistant Vice President	Tsai Chung-Yi				
Assistant Vice President	Lo Shih-Yun				
Assistant Vice President	Huang Yuan-Hsin				
Assistant Vice President	Chiu, Chen-I				

Note: The amount proposed to be distributed for this year was calculated, as required, by applying the percentage of actual distributed amount for last year.

(IV) Separately compare and describe total remuneration, as a percentage of net income stated in the Company only financial reports or individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements during the past two fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

1. Analysis of the total amount of remuneration paid to the Company's directors, supervisors, president, and vice presidents, as a percentage of after-tax profit or loss for the last 2 years, by the Company and all companies in the consolidated statements.

Analysis item		2023		2024	
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Amount as a percentage of net profits after tax (%)	Total director remuneration	3.85	3.85	7.61	7.73
	Total supervisor remuneration	0	0	0	0
	Total remuneration to president and vice presidents	10.96	13.97	22.17	29.13

Note: The amount proposed to be distributed as employee bonus for 2024 had yet to be decided, but has been calculated, as required, by applying the percentage of actual distributed amount for last year.

2. Remuneration policies, standards, packages, and procedures, and association with business performance

The Company's remuneration for directors comprises transportation fee and compensation. The transportation fee is determined by referencing the industry standard among peers; the

compensation is determined by the provisions set out in the Company's Article of Incorporation, and based on their extent of participation in the Company's operations. The Company's remuneration for the President and vice presidents comprises salary, bonus, employee compensation, and employee stock options, which are reasonably granted based on the Company's operational performance, their individual performance, and their contribution to the Company.

III. Corporate Governance Status

(I) Board Meeting Operation Status

For the Board of Meeting for the most recent fiscal year (2024), the annual general shareholders' meeting was held on June 19, 2024 for elections of directors. A total of 5 [A] meetings were held - 2 meetings before the election and 3 meetings after the election. The attendance of directors is as follows:

Title	Name	Number of attendance in person [B]	Number of attendance by proxy	Ratio (%) of attendance in person [B/A]	Remarks
Chairman	Lin, Mao-Chang	5	0	100%	June 19, 2024 Reelection - Consecutive term of office
Director	Lin, Cheng-Tai	4	0	80%	June 19, 2024 Reelection - Consecutive term of office
Director	Chen, Wen-Chuan	2	0	100%	June 19, 2024 Released from duty
Director	Tu, Shu-Ling	3	0	100%	June 19, 2024 New assumption of position
Independent Director	Wang, Yung-Yao	5	0	100%	June 19, 2024 Reelection - Consecutive term of office
Independent Director	Chen, Ching-Yin	5	0	100%	June 19, 2024 Reelection - Consecutive term of office
Independent Director	Chen, Hung-Ming	2	0	100%	June 19, 2024 Released from duty
Independent Director	Tai, Cheng-Chieh	2	0	100%	June 19, 2024 Released from duty
Independent Director	Chen, Li-Chun	3	0	100%	June 19, 2024 New assumption of position
Independent Director	Lin, Ling-Fang	3	0	100%	June 19, 2024 New assumption of position

I. Where the operation of a board meeting is subject to one of the following, the board meeting date, session, proposal content, opinion of all independent directors and Company's handling for the opinions of independent directors shall be described:

1. Matters specified in Article 14-3 of Securities and Exchange Act: Please refer to pages

92~96 for details.

2. In addition to the previous matters, other board meeting decisions that have been opposed or faced reservations by independent directors and have records or written statements: none.

II. Recusal of the directors from proposals involving their private interest, specify the names of the directors, the content of the proposals, the reason for recusal and the participation in voting: There have been no proposals that required directors to recuse themselves from.

III. Information on the evaluation cycle and period, evaluation scope, method and evaluation content, etc. of the self-evaluation (or peer evaluation) of the board of directors is as follows:

<Internal Evaluation>

(I) Cycle of evaluation: once every year

(II) Period of evaluation: January 1 to December 31, 2024

(III) Scope of evaluation: 1. Board performance evaluation; 2. Board member performance evaluation; and 3. Functional Committee performance evaluation

(IV) Evaluation method: 1. Internal self-evaluation of the Board of Directors; 2.

Self-evaluation of Board members; and 3. Self-evaluation of Functional Committees

(V) Evaluation details:

1. Indicators for performance evaluation of Board of Directors:

(1) Participation in the operations of the Company; (2) Improvement of the quality of the Board of Directors' decision making; (3) Composition and structure of the Board of Directors; (4) Election and continuing education of the directors; (5) Internal control.

2. Indicators for the performance evaluation of Board members:

(1) Alignment of the Company's goals and mission; (2) Directors' awareness of duties; (3) Participation in the Company's operations; (4) Management of internal relations and communication; (5) Directors' professionalism and continuing education; (6) Internal Control.

3. Indicators for the performance evaluation of Functional Committee members:

(1) Participation in the company's operations, (2) Awareness of functional committee responsibilities, (3) Improvement of functional committee decision-making quality, (4) Composition and selection of functional committee members, and (5) Improvement of quality of decisions made by the functional committee; (4) Makeup and structure of the functional committee; (5) Internal control.

(VI) Overall Evaluation Result:

According to the provisions under the “Board of Directors Performance Evaluation Guidelines” adopted by the Company’s Board of Directors, at least one performance evaluation of the Board of Directors and each functional committee shall be carried out every year. The Company’s 2024 Board of Directors performance self-evaluation has been completed. The evaluation results have been reported to the Board of Directors on February 26, 2025 for review and improvement.

The overall average score of the “Performance Self-Evaluation of the Board of Directors” is 95.81. The Board of Directors and the management team communicate with each other very well and respect professionalism. The operation is considered sound.

The overall average score of the “Performance Self-Evaluation of Individual Directors” is 94.67 points, indicating that the directors (including independent directors) are professional, the communication is good, and the operation is proper.

The overall average score of the “Performance Self-Evaluation of Audit Committee” is 97, indicating that the Audit Committee members performed duty independently and effectively. The operation is considered sound.

The overall average score of the “Performance Self-Evaluation of Remuneration Committee” is 97.64, indicating that the Remuneration Committee members performed duty independently and effectively. The operation is considered sound.

The overall average score of the “Performance Self-Evaluation of Sustainable Development Committee” is 94.05, indicating that the Sustainable Committee members performed duty independently and effectively. The operation is considered sound.

All evaluation results of the internal self-evaluations of the 2024 Board of Directors, individual Board members, and each functional committee received the rating of Excellent and above, meeting the expectation.

<External Evaluation>

According to the Company’s Board of Directors Performance Evaluation Guidelines, the Company’s Board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars, who shall be professional and independent, at least once every three years.

During the 2022 external performance evaluation of the Board of Directors, three executive members (Wang En-Kuo, Chien Shih-Hsiung and Huang Kuo-Ming) were already assigned by the appointed institution to conduct the evaluation. The appointed institution and assigned executive members do not have any business relationship with the Company but act independently.

Taiwan Investor Relations Institute issued the Board performance evaluation report on December 31, 2022 and reported such to the Board of Directors on February 22, 2023.

(I) Evaluation Period: From January 1 to December 31, 2022

(II) Evaluation Methods: The Company's documents, self-evaluation questionnaire, online interview.

(III) Evaluation Criteria: 1. Composition and professional development of the Board

2. Quality of the Board of Directors' decision making

3. Operation efficiency of the Board of Directors

4. Internal control and risk management

5. Degree of participation in corporate social responsibility of the Board of Directors

(IV) Conclusion: 1. The Board of Directors operates efficiently with thorough communication and interaction among directors.

2. Corporate governance has been implemented.

3. The Board of Directors has taken the initiative to promote the concept of intellectual property and cyber security.

4. The Board of Directors has actively integrated and facilitated ESG-related initiatives.

(V) The suggestions made are described below:

1. Inclusion of at least one female member in the Board of Directors is suggested.

In order to conform to the global trend of gender equality, the Company is advised to include at least one female director in its Board of Directors of the next term so to increase the participation of females in the operation and compose a diverse and sound Board of Directors.

Improvement Status

The Company plans to elect female directors at the shareholders' meeting convened in June 2024.

2. A succession plan for directors and senior management is suggested.

The Company is advised to establish a succession plan for directors (including at least the Chairman) and important senior management (including at least the executive officers, such as the General Manager, President, CEO, etc.) and disclose the implementation status (such as: relevant training and education, and predefined schedule of succession) of the plan on the Company's website or Annual Report.

Improvement Status

It is under assessment.

3. Adoption of the Board-approved risk management policy and procedures is advised.

The Company is advised to have its Audit Committee or functional committee at the Board of Directors' level supervise its risk management, to have a risk management policy and procedures adopted by the Board of Directors, and to disclose on its website the scope of risk management, organizational structure, and implementation status, which shall also be reported to the Board of Directors at least annually. In addition to building a risk-aware corporate culture, this measure will enhance the Company's ability to manage crises by preparing ahead of the risk, thereby strengthening its corporate governance and risk management effectiveness.

Improvement Status

The Company has approved the establishment of the "Risk Management Policy and Procedures" approved per the resolution of the Board of Directors' meeting on February 22, 2023.

4. Appointment of a Chief Corporate Governance Officer.

The Company is advised to appoint a Chief Corporate Governance Officer, who is responsible for affairs in connection to corporate governance, to boost its corporate governance.

Improvement Status

In light of the Company's internal segregation of duties, currently, the Head of the Finance Department concurrently serves as the Chief Corporate Governance Officer, and further adjustment will be made in the future depending on internal segregation of duties.

5. Publication of an English version of the Sustainable Report.

The Company is advised to publish an English version of its Sustainability Report and submit it to the Market Observation Post System and the Company's website to improve the information accessibility for foreign investors and global market visibility under a globalized investment environment.

Improvement Status

An English version of the Sustainability Report has been produced since 2023.

6. Evaluation of the independence and competency of external auditors with reference to the Audit Quality Indicators (AQI).

The Company is advised to obtain AQI information from the accounting firm and take it as a reference for the annual competency evaluation of external auditors in

2023, so that the Audit Committee can effectively and objectively evaluate the audit quality of the accounting firm and the audit team in the selection or evaluation of the external auditors, and thus ensure the reliability of the Company's financial statements.

Improvement Status

Starting from 2023, the Company will conduct the evaluation on the independence and competency of external auditors in reference to the Audit Quality Indicators (AQI) at least once a year.

IV. Goals for enhancement of Board functions (such as establishment of Audit Committee, improvement of information transparency, etc.) and evaluation of the implementation status

for the current year and the most recent year:

- (I) The Company has 4 independent directors and has set up the "Rules Governing the Duties of Independent Directors." Not only do independent directors directly oversee the Company's operating plans with an objective and impartial perspective, they also propose recommendations based on their experience and knowledge when the Company determines strategies.
- (II) Each year, the Company arranges for instructors to come to the Company to give lessons to the directors. The continuing education courses cover corporate governance, in line with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies. By doing so, the directors are able to maintain their core values, professional advantages and competencies. The continuing education of the directors is disclosed on the annual report and MOPS.
- (III) In an effort to protect directors and managers from the risks they bear when conducting business, they are covered with "liability insurance for directors and managers" taken out by the Company. The contents of the policy are regularly reviewed to ensure the compensation limits and coverage of the insurance are on a par with the requirements. The relevant matters are reported to the Board of Directors.
- (IV) The Company has achieved the objective of enhancing information transparency by regularly disclosing its financial information on the MOPS.

(II) Audit Committee Implementation Status:

For the Audit Committee of the most recent fiscal year (2024), the annual general shareholders' meeting was held on June 19, 2024 for elections of directors. A total of 4 [A] meetings were held - 2 meetings before the election and 2 meetings after the election, and the attendance status of the directors is as follows:

Title	Name	Number of attendance in person [B]	Number of attendance by proxy	Ratio (%) of attendance in person [B/A]	Remarks
Independent Director	Wang, Yung-Yao	4	0	100%	June 19, 2024 Reelection - Consecutive term of office
Independent Director	Chen, Ching-Yin	4	0	100%	June 19, 2024 Reelection - Consecutive term of office
Independent Director	Chen, Hung-Ming	2	0	100%	June 19, 2024 Reelection - Released from duty Number of required attendance was 2 times
Independent Director	Tai, Cheng-Chieh	2	0	100%	June 19, 2024 Reelection - Released from duty Number of required attendance was 2 times
Independent Director	Chen, Li-Chun	2	0	100%	June 19, 2024 Reelection - New assumption of position Number of required attendance was 2 times
Independent Director	Lin, Ling-Fang	2	0	100%	June 19, 2024 Reelection - New assumption of position Number of required attendance was 2 times

Other matters to be recorded:

I. Where the operation of Audit Committee is subject to one of the following, the board meeting date, session, proposal content, dissenting opinion of independent directors, reserved opinions or major recommendation item content, resolution result of the Audit Committee meeting and the Company's handling with respect to the opinions of the Audit Committee shall be described.

(I) Matters listed in Article 14-5:

Date of Audit Committee meeting	Details of resolution	Content of objections, reservations, or material recommendations of Independent Directors	Audit Committee's resolution	How the Company responded to the Audit Committee's opinions
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2024.02.26	<ol style="list-style-type: none"> 1. Proposal for the 2023 “Statement of the Internal Control System”. 2. Proposal for the 2023 business report. 3. Proposal for the 2023 financial statements. 4. Matters involving changing of the Company’s CPAs for the financial statements. 5. Evaluation on the independence and competency of the Company’s external auditors. 6. Proposal for approval of the non-certification service provided by the external auditors’ firm and its affiliates to the Company and its subsidiaries. 7. Uncollected significant funds overdue for 3 months or more were evaluated whether or not they were loaned to others. 8. Proposal for making endorsement/guarantee for subsidiary EMBUX Technology Co., Ltd. (credit lines with financial institutions). 9. Proposal for amendment to the “Procedures for Acquisition or Disposal of Assets” of the Company. 10. Proposal for establishment of the “Rules Governing Financial and Business Matters Between the Company and Its Related Parties” of the Company. 	None	After the chair consulted with all members present at the meeting, the proposal was passed without objections.	Not applicable
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2024.05.08	1. Proposal for 2024 Q1 financial statements. 2. Earnings distribution proposal for 2023. 3. Uncollected significant funds overdue for 3 months or more were evaluated whether or not they were loaned to others.	None	After the chair consulted with all members present at the meeting, the proposal was passed without objections.	Not applicable
2024.08.07	1. Proposal for 2024 Q2 financial statements. 2. Uncollected significant funds overdue for 3 months or more were evaluated whether or not they were loaned to others.	None	After the chair consulted with all members present at the meeting, the proposal was passed without objections.	Not applicable
2024.11.06	1. Proposal for establishment of the internal control operation of “Operational Guidelines for Sustainable Information Management” of the Company. 2. Proposal for establishment of the Company’s 2025 internal audit plan. 3. Proposal for 2024 Q3 financial statements. 4. Evaluation to determine whether uncollected significant funds overdue for three months or more were loaning of funds to others. 5. Proposal for amendment to parts of the provisions of the “Audit Committee Charter” of the Company.	None	After the chair consulted with all members present at the meeting, the proposal was passed without objections.	Not applicable

(II) Except for the preceding matters, proposals not passed by the Audit Committee but with the consent of more than two-thirds or more of all directors:

The Company’s proposals of the Audit Committee’s meetings in 2024 related to the matters specified in Article 14-5 of the Securities and Exchange Act are described above, and the Audit Committee members have thoroughly communicated with related personnel with regard to these proposals. All proposals were approved by all members present at the meeting without objections or reservations, and there were no proposals not passed by the Audit Committee but with the consent of more than two-thirds or more of all directors.

II. For the execution status of recusal of directors due to conflicts of interest, the name of independent directors, proposal content, reasons of recusal and participation in voting shall be described:
The Company is not subject to proposals requiring recusal of independent directors due to conflict of interest.

III. Communication between independent directors and chief internal auditor and accountants (e.g., matters methods and results of communication on the Company's financial and business status):

1. There are channels available for the direct contact of the Company's independent directors and chief internal auditor and accountants. Audits on the Company's finance and business are carried out on a regular basis in accordance with the requirements of the competent authority and direct communication with the management unit is performed.
2. The chief internal auditor sends the monthly audit report to the independent directors and reports on the internal audit at the quarterly Audit Committee meeting and Board meeting. There has been sufficient communication and explanation on the implementation of audit operations and their effectiveness.
3. After a regular audit on financial statements is completed, the Company's CPAs conduct communication and discussion with independent directors through electronic or written means. When necessary, a meeting is held to communicate with the independent directors.
4. The date of Audit Committee's meetings in which the Independent Directors and the chief internal auditor communicated in 2024 and the matters discussed are listed as follows:

(1) Report on the internal audit project

Date	Attendees	Communication Matters	Independent Directors' Opinions and Actions Taken
2024.11.06 Meeting for the report on the internal audit project	Independent Director Wang, Yun-Yuao Independent Director Chen, Chin-Yin Independent Director Chen, Li-Chun Independent Director Lin, Ling-Fang Chief Internal Auditor Yang, Tung-Lin	1. Internal audit implementation status. 2. Discussion on the addition of the internal control operation of sustainable management and the introduction of subsequent relevant schedule. 3. Discussion of the main business functions of the Group's subsidiaries.	No other opinion was raised by the independent directors present at the meeting.

(2) Quarterly routine internal audit reports

Date	Communication Matters	Communication Result
2024.02.26 Audit Committee	Chief Internal Auditor's Report: Implementation of the 2023 Q4 internal audit plan.	All independent directors agreed with the content of the report.
2024.05.08 Audit Committee	Chief Internal Auditor's Report: Implementation of the 2024 Q1 internal audit plan.	All independent directors agreed with the content of the report.

2024.08.07 Audit Committee	Chief Internal Auditor’s Report: Implementation of the 2024 Q1 internal audit plan.	All independent directors agreed with the content of the report.
2024.11.06 Audit Committee	Chief Internal Auditor’s Report: Implementation of the 2024 Q3 internal audit plan.	All independent directors agreed with the content of the report.

5. The date of meetings in which the Independent Directors and the external auditors communicated in 2024 and the matters discussed are as follows:

Date	Attendees	Matters Discussed	Independent Directors’ Opinions and Actions Taken
2024.02.26 Communication Meeting	Independent Director Wang, Yun-Yuao Independent Director Chen, Chin-Yin Independent Director Chen, Hong-Ming Independent Director Tai, Cheng-Chieh CPA Wu, Han-Chi	I. Analysis of 2023financial and operational performance II. 2023 annual audit report III. Independence of the CPAs	No opinion was expressed with respect to the matters discussed in this meeting.
2024.05.08 Communication Meeting	Independent Director Wang Yun-Yuao Independent Director Chen Chin-Yin Independent Director Chen Hong-Ming Independent Director Tai Cheng-Chieh CPA Wu, Jen-Chieh	I. Analysis of 2024 Q1 financial and operational performance II. 2024 Q1 audit report	No opinion was expressed with respect to the matters discussed in this meeting.

<p>2024.08.07 Communication Meeting</p>	<p>Independent Director Wang, Yun-Yuao Independent Director Chen, Chin-Yin Independent Director Chen, Li-Chun Independent Director Lin, Ling-Fang CPA Wu, Jen-Chieh</p>	<p>I. Analysis of 2023 Q2 financial and operational performance II. 2023 Q2 audit report</p>	<p>No opinion was expressed with respect to the matters discussed in this meeting.</p>
<p>2024.11.06 Communication Meeting</p>	<p>Independent Director Wang, Yun-Yuao Independent Director Chen, Chin-Yin Independent Director Chen, Li-Chun Independent Director Lin, Ling-Fang CPA Wu, Jen-Chieh</p>	<p>I. Analysis of 2023 Q3 financial and operational performance II. 2023 Q3 audit report III. Regulatory updates</p>	<p>No opinion was expressed with respect to the matters discussed in this meeting.</p>

(III) Corporate Governance Operation Status and Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Evaluation Items	The State of Operation		The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company already formulated its “Corporate Governance Best Practice Principles” in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and disclosed the same on the Market Observation Post System (MOPS) and the Company’s website.
II. The Company’s equity structure and shareholder equity (I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes, and litigations, and implemented them in accordance with the procedures? (II) Does the Company have a list of the major shareholders who actually control the Company and those who have ultimate control over the major shareholders? (III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies? (IV) Has the Company established internal policies that prevent insiders from trading securities against non-public	V		(I) The Company has a spokesperson and an acting spokesperson who are responsible for dealing with shareholders’ suggestions, questions, and disputes. (II) The Company has commissioned a professional stock agency and so can always have a good grasp of the list of the major shareholders who actually control the Company as well as the ultimate controllers of the major shareholders, thereby ensuring the security of the management rights. (III) The Company has formulated its “Regulations Governing the Supervision of Subsidiaries”, according to which and its internal control system it has implemented its risk management and firewall mechanisms. (IV) To maintain the fairness on the securities exchange market, the Company has formulated its “Procedures for Handling Material Inside Information and Preventing Insider Trading”. Newly recruited insiders will be informed of the regulations governing the

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
information?			prevention of insider trading, and be required that they strictly abide by the regulations to prevent any occurrence of insider trading.	
III. Composition and responsibilities of the Board of Directors (I) Have diversity policy and specific management objectives been adopted for the board and have they been fully implemented? (II) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee? (III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		(I) The Company's Board members have diversified background and possess the knowledge, skills, and competencies requisite for their professional and management roles; this also facilitates their performing their duties. (II) Already having the Remuneration Committee in place, the Company further set up the Audit Committee on June 26, 2015. (III) The Company already formulated its Board of Directors Performance Evaluation Guidelines as well as evaluation methods on October 29, 2019. Board performance evaluation will be performed at the end of each year. The evaluation methods include the evaluation of the Board of Directors' operating performance and the self-evaluation of individual directors and the functional committees. The evaluation results are summarized and, together with an evaluation report and improvement suggestions, submitted to the Board of Directors. The Board performance evaluation results for 2024 was reported to the Board of Directors in February 2025. The satisfaction rate of each board member all reached 90% or above, rendering an "Excellent" rating level. In the future, the Board of Directors will continue to	No significant difference.

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
(IV) Does the Company regularly evaluate its external auditors' independence?			<p>improve its operating benefits to facilitate their participation in and communication on the Company's operations.</p> <p>(IV) In conformity with Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and with reference to the Audit Quality Indicators (AQIs), the Company evaluated the independence and competency of the external auditors, CPA Jen-Chieh Wu and CPA Sung-Tse Wang, and demanded that the external auditors should provide an independence statement stating therein that they have no other financial interest or business relationship with the Company other than the fees for their attestation and tax services, and that none of their spouse or dependent relatives or children violates the independence requirements. The evaluation results were then submitted to the Audit Committee and the Board of Directors for review and resolution. (Note 1)</p>	
IV. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer responsible for corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with	V		<p>The Company has assigned its head of accounting, who is experienced in accounting affairs, financial affairs, stock affairs, and meeting affairs, to be the Chief Corporate Governance Officer.</p> <p>The Chief Corporate Governance Officer is responsible for corporate governance affairs, including conducting Board of Directors meeting and shareholder meeting related matters in accordance with law, preparing minutes of Board of Directors meetings and shareholder meetings, assisting</p>	No significant difference.

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?			directors and supervisors in continuing education, providing information necessary for directors and supervisors to perform their duties, and assisting directors and supervisors to comply with laws and regulations, Chief Corporate Governance Officer (Note 2)	
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		Aside from providing smooth communication channels for stakeholders such as shareholders, employees, creditors, and financial institutions doing business with it, the Company has also set up a stakeholder zone on its corporate website. Stakeholders may also inquire about the Company's information on the "Market Observation Post System (MOPS)".	No significant difference.
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The Company has commissioned Taishin Securities Co., Ltd., Shareholder Service Agency Dept., a professional stock transfer agent, to handle the shareholders' meeting and all other shareholder service affairs.	No significant difference.
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financial, business, and corporate governance status? (II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information	V		(I) The Company has set up an official website where investors can access related information. (http://www.nexcom.com.tw/About NEXCOM/Stakeholder/Corporate Governance) (II) The Company also has an official website in the English language, a dedicated employee responsible for collecting and disclosing information, a spokesperson system, and a dedicated employee responsible for	No significant difference.

Evaluation Items	The State of Operation		The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	
<p>collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?</p> <p>(III) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?</p>			<p>shareholder affairs. Whenever needed, investors may communicate with the Company via the Company's hot line of the dedicated email address: nexcom_ir@nexcom.com.tw.</p> <p>(III) As required by the Securities and Exchange Act, the Company has had its annual financial statements passed at the Board meeting and announced and filed the same within 3 month after the close of the year; it also has filed with the competent authority the financial statements for the first, second, and third quarter within 45 days after the end of each quarter, and the business performance results of the previous month by 10th day of each month.</p>
<p>VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?</p>	V		<p>(I) Employee rights: The Company provides employees with the legal rights guaranteed by the Labor Standards Act, and, at irregular intervals, opportunities of internal/external educational trainings that would enrich their work skills and knowledge.</p> <p>(II) Employee wellness: The Company provides employees with an employee restaurant where group meal services are available, a gym and an aerobics classroom for them to exercise, and an annual health examination free of charge.</p> <p>(III) Investor relations: The Company has a dedicated employee responsible for handling shareholders' suggestions, so as to ensure investors' basic rights.</p> <p>(IV) Supplier relations: The Company has been in good</p> <p>No significant difference.</p>

Evaluation Items	The State of Operation		The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	
			(IX) Purchasing liability insurance for directors and supervisors: The Company has purchased liability insurance for directors and supervisors from Fubon Insurance Co., Ltd., with the insurance duration from March 1, 2024 to March 1, 2025.
IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. Prioritized items to be improved: All items required by the Corporate Governance Evaluation to be disclosed are items prioritized to be improved, and will be done asap.			

Note 1: On February 26, 2025, the Audit Committee and the Board of Directors approved upon review that both of CPA Jen-Chieh Wu and CPA Sung-Tze Wang of PwC Taiwan met the criteria for assessment on independence and competence.

2024 CPA Independence and Competency Evaluation Table

Retained CPA Firm and CPAs Evaluated: PwC Taiwan - CPA Jen-Chieh Wu, and CPA Sung-Tze Wang

Evaluation Basis: Evaluation basis is established in accordance with Article 47 of the Certified Public Accountant Act and Statement of CPA Professional Ethics No. 10 “Integrity, Objectivity and Independence” and the audit quality indicators (AQIs).

Table of Audit Quality Indicators (AQIs):

Item	AQI indicator	Evaluation Item	Evaluation result
Profession			
1-1	Audit Experience	Whether auditors possess enough audit experience.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
1-2	Training Hours	Whether auditors and senior audit personnel receive enough training every year for continuous learning of professional knowledge and skills.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1-3	Attrition Rate	Whether the firm maintains sufficient human resources.	■ Yes □ No
1-4	Professional Support	Whether the firm is equipped with sufficient experts, e.g., financial appraisers, to support audit teams.	■ Yes □ No
Quality Control			
2-1	Partners' Workload	Whether partners are loaded with excessive engagements.	□ Yes ■ No
2-2	Involvement	Whether the involvement of the audit team in each audit phase is appropriate.	■ Yes □ No
2-3	Engagement Quality Control Review (EQCR)	Whether EQC reviewers spend sufficient time on engagement.	■ Yes □ No
2-4	Quality Supporting Capacity	Whether the firm is equipped with sufficient quality control human resources to support audit teams.	■ Yes □ No
Independence			
3-1	Non-audit Service Fees	Does the Company understand whether the proportion of non-audit service fees affects the firm's independence.	■ Yes □ No
3-2	Familiarity	Does the Company understand whether the audit firm's tenure in attestation of engagement's financial statements affects the firm's independence.	■ Yes □ No
Monitoring			
4-1	External Inspection Results and Enforcement	Does the Company understand whether the firm's quality control system and engagement are compliance with related laws and regulations.	■ Yes □ No
4-2	Number of Official Improvement Letters Issued by the Authority	Does the Company understand whether the firm's quality control system and engagement are compliance with related laws and regulations.	■ Yes □ No
Innovation			
5-1	Innovative Planning or Initiatives	Does the Company understand the CPA firm's commitment to audit quality improvement, including the firm's ability to innovate and relevant plans?	■ Yes □ No

CPA Independence Evaluation Form:

Item	Evaluation Item	Evaluation result
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1	The appointed CPA does not have any direct or material indirect financial interest in the Company.	■ Yes □ No
2	The appointed CPA averts any improper relationships with the Company.	■ Yes □ No
3	The appointed CPA shall require his/her assistant to comply with integrity, fairness, and independence.	■ Yes □ No
4	The appointed CPA did not serve as a director, supervisor, or any role in the Company that had significant influence over the audit case in the current year or within the most recent 2 years, and will not serve as any such role during the audit period in the future.	■ Yes □ No
5	During the audit period the appointed CPA or his/her spouse or dependent relatives did not serve as a director, supervisor, manager, or any role in the Company that had significant influence over the audit case. If during the audit period any of the appointed CPA relatives within the fourth degree of kinship serves as a director, supervisor, manager, or any role in the Company that has significant influence over the audit case, the extent of violation of the independence requirement shall be minimized to an acceptable level.	■ Yes □ No
6	The appointed CPA does not receive any gifts or presents of material value from the Company, or any of the Company's directors, supervisors, or managers (the value shall not exceed the standard for general social etiquette).	■ Yes □ No
7	The CPA's name shall not be used by others.	■ Yes □ No
8	The appointed CPA shall not borrow fund from, or lend fund to, the Company; however, any transaction conducted in the normal course of business and at arm's length shall not be counted herein.	■ Yes □ No
9	The appointed CPA may not run other business that might cause the loss of his/her independence.	■ Yes □ No
10	The appointed CPA shall not receive any commission associated with his/her duties.	■ Yes □ No

Note 2: Corporate governance officer - annual continuing education status

Course date	Course organizer	Course name	Training hours
August 5, 2021	Taiwan Corporate Governance Association	Changes in the 5G Era: Industrial Upgrades, Future Business Applications and the New Normal in the Post-epidemic Era	3 hours

November 3, 2021	Taiwan Corporate Governance Association	Securities Laws Violation Cases and Directors and Supervisors Liability (Including Insider Trading)	3 hours
May 4, 2022	Taiwan Investor Relations Institute	ESG Trends and Values	3 hours
May 13, 2022	Accounting Research and Development Foundation	Analysis of the Latest International Financial Statement Standards Q&A (IFRS Q&A)	3 hours
May 13, 2022	Accounting Research and Development Foundation	“Breach of Trust” Cases and Analysis of Legal Liability Thereof	3 hours
May 31, 2022	Accounting Research and Development Foundation	Financial Technology and New Money Laundering Techniques - Analysis of Legal Liability	3 hours
May 31, 2022	Accounting Research and Development Foundation	How to Achieve Effective Function of a Chief Corporate Governance Officer - Discussion on Legal Liability of a Managerial Officer	3 hours
May 10, 2023	Taiwan Corporate Governance Association	Intellectual property rights and business secret protection	3 hours
August 2, 2023	Taiwan Corporate Governance Association	Artificial Intelligence Explosion: The Technology Development and Application Business Opportunities of the Chatting Robot, ChatGPT	3 hours
September 4, 2023	Financial Supervisory Commission	14th Taipei Corporate Governance Forum	6 hours
July 5, 2024	Accounting Research and Development Foundation	Risk Management” enterprise sustainable development professional seminar	6 hours

August 7, 2024	Taiwan Corporate Governance Association	Inheritance plan activation - employee bonus plan and equity inheritance	3 hours
November 6, 2024	Taiwan Corporate Governance Association	Recent development of ESG and precautions for directors and supervisors	3 hours

(IV) Remuneration Committee and Sustainable Development Committee

● **Operation Status of Remuneration Committee:**

1. Information on Remuneration Committee Members

December 31, 2024

Position	Criteria	Professional qualification and experience	Independence state	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
	Name			
Independent Director	Wang Yun-Yuao	Work experiences in business, legal, financial, accounting or related areas required for the Company's business R&D Vice President of Myson Century, Inc. R&D Vice President of Syntek Semiconductor Co., Ltd. TENX Technology, Inc. - Chairman and President	The independent director meet the Independence criteria, which include but are not limited to the following: none of the independent director, or the spouse or a relative within the second degree of kinship serves as a director, supervisor, or employee of the Company or its affiliates; holds any shares of the Company or its affiliates; serves as a director, supervisor, or employee of any company having specific relationship with the Company; or has received consideration for rendering the Company or its affiliates the services respecting business, law, finance, or	None

			accounting in the most recent 2 years.	
Independent Director	Chen Ching-Yin	Work experiences in business, legal, financial, accounting or related areas required for the Company's business Vice President of Kanghe Leasing Co., Ltd. Suzhou Yifu Financial Leasing Co., Ltd. - President	The independent director meet the Independence criteria, which include but are not limited to the following: none of the independent director, or the spouse or a relative within the second degree of kinship serves as a director, supervisor, or employee of the Company or its affiliates; holds any shares of the Company or its affiliates; serves as a director, supervisor, or employee of any company having specific relationship with the Company; or has received consideration for rendering the Company or its affiliates the services respecting business, law, finance, or accounting in the most recent 2 years.	None
External professional	Mai Tsu-Hui	Work experiences in business, legal, financial, accounting or related areas required for the Company's business Manager, President Office of Wego Management Consulting Firm	The independent director meet the Independence criteria, which include but are not limited to the following: none of the independent director, or the spouse or a relative within the second degree of kinship serves as a director, supervisor, or employee of the Company or its affiliates; holds any shares of the Company or its affiliates; serves as a director, supervisor, or employee of any company having specific relationship with the Company; or has received consideration for rendering the Company or its affiliates the services respecting business, law, finance, or accounting in the most recent 2 years.	None

2. Operation Status of Remuneration Committee

I. The Remuneration Committee of the Company consists of 3 members.

II. Term of office of the current committee members: From June 19, 2024 to June 18, 2027. The Remuneration Committee held 3 meetings (A)

in 2024. The member qualification and attendance status are as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Percentage of attendance in person (%) (B/A) (Note)	Remarks
Convener	Wang Yun-Yuao	3	0	100%	June 19, 2024 Consecutive term of office
Member	Chen Ching-Yin	3	0	100%	June 19, 2024 Consecutive term of office
Member	Mai Tsu-Hui	2	1	66.66%	June 19, 2024 Consecutive term of office

Other matters to be recorded:

- I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, session, proposal content, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated).
- II. For the proposals by the Remuneration Committee, if any members have objections or reservations that are put down in records or written statements, the date, session, proposal content, the opinions of all members, its handling of the members' opinions should be stated.

Date of meeting	Resolutions	Resolution results and state of implementation
2024.02.26	1. Proposal for distribution of operating bonus for managerial officers, submitted for discussion. 2. Proposal for the 2024 remuneration distribution of employees and directors, submitted for discussion. 3. Proposal for the review of remuneration of directors and managerial officers, submitted for discussion.	This proposal was passed without objection after the chair consulted with all members present at the meeting. The proposal was implemented as resolved.
2024.08.07	1. Proposal for the 2023 remuneration distribution to directors, submitted for discussion.	This proposal was passed without objection after the chair consulted with all members present at the meeting. The proposal was implemented as resolved.

2024.11.06	1. Proposal for adjustment of transportation allowance for directors, independent directors and members attending meetings of the Board of Directors, Audit Committee, Remuneration Committee and Sustainable Development Committee, submitted for discussion.	This proposal was passed without objection after the chair consulted with all members present at the meeting. The proposal was implemented as resolved.
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● Information on Operation Status of Sustainable Development Committee:

To improve the management of corporate social responsibility, the Board of Directors has approved the establishment of the “Sustainable Development Committee” on August 3, 2022. The Chairman acts the convener, and two independent directors act as the members (term of office from 2022.08.03 ~ 2024.08.26).

In order to assist the Board of Directors to continue to promote corporate social responsibility and improve corporate governance, for the purpose of achieving sustainable development, the responsibilities and authorities of the committee shall include the following:

- I. Establishment of the Company’s corporate social responsibility and sustainable development related systems and amendment in accordance with relevant regulations.
- II. Advocacy and implementation of the Company’s corporate social responsibility and sustainable development policies, and periodic tracking of implementation progress.
- III. Periodic evaluation of the follow-up, review and amendment of the implementation outcomes of the Company’s corporate social responsibility and sustainability plans, and reporting of the implementation results to the Board of Directors annually.
- IV. Other matters resolved by the Board of Directors to be handled by the Committee.

The plan and implementation outcomes of the preceding year shall be discussed by the Committee and reported to the Board of Directors.

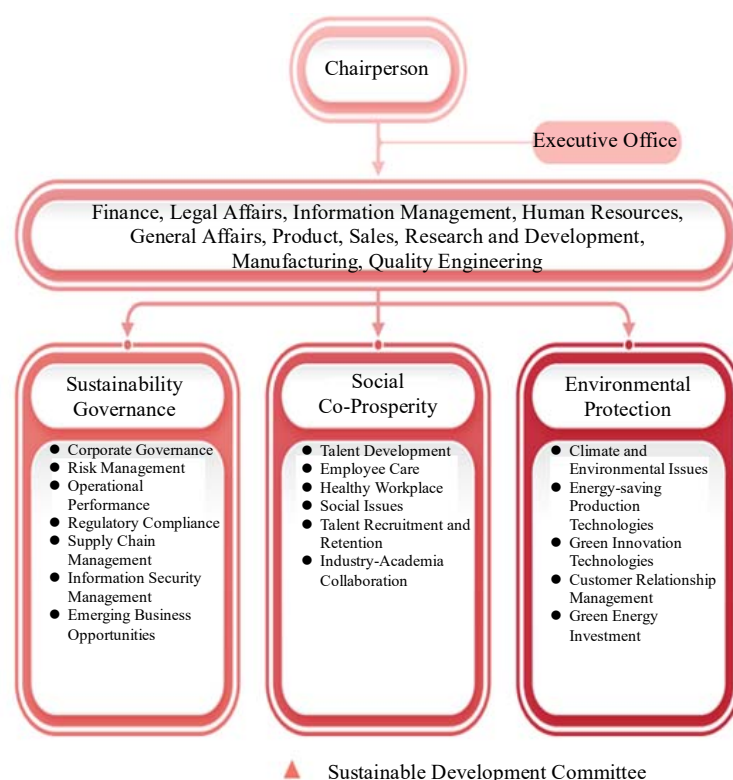
The Committee has established the Sustainable Development Implementation Office and has set up one responsible person to be in charge of the relevant business of the Committee, to coordinate work implementation teams to perform annual plan and execution. The plan and implementation outcomes of the preceding year shall be discussed by the Committee and reported to the Board of Directors.

● Sustainable Development Committee - Management Policies and Strategies

The NEXCOM Board of Directors approved the “Corporate Social Responsibility Best Practice Principles” and authorized the establishment of the “Sustainable Development Committee” in 2022. This committee serves as the highest-level decision-making body for sustainability within the company. Senior executives collectively review core operational competencies and define the ESG vision, mission, and mid- to long-term sustainability plans.

The Sustainable Development Committee functions as a vertically integrated and horizontally connected cross-departmental communication platform. Through quarterly meetings, it identifies sustainability issues relevant to operations and stakeholder concerns, formulates corresponding strategies and action plans, allocates sustainability-related budgets, implements annual projects, and tracks performance to ensure that sustainability strategies are effectively embedded into day-to-day operations.

The Chairperson of the Committee reports annually to the Board of Directors on the progress and future plans of sustainability initiatives.



● Sustainable Development Committee Members

All three members are equipped the professional skills necessary for the Sustainable Development Committee.

Name	Title	Professional Qualification and Experience
Lin, Mao-Chang Chairman/Director	Convener	<ul style="list-style-type: none"> ● Equipped with working experiences necessary for business, technology, industry knowledge, and operational judgment. ● Chairman of the Company ● MiTAC International Corporation - Business Division / Associate Manager ● Not under any conditions defined in subparagraphs of Article 30 of the Company Act
Chen, Li-Chun Independent Director	Member	<ul style="list-style-type: none"> ● Equipped with working experiences necessary for business, technology, and operational judgment ● IBM Taiwan Corporation / Former Vice President, Finance and Planning Department ● Not under any conditions defined in subparagraphs of Article 30 of the Company Act

Name	Title	Professional Qualification and Experience
Lin, Ling-Fang Independent Director	Member	<ul style="list-style-type: none"> ● Equipped with working experiences necessary for business, technology, and operational judgment. ● Kornerstone Materials Technology Co., Ltd. / Vice President and CFO Asia Pacific Telecom Co., Ltd. / Chief Financial Officer General Electric Company / Controller ● Not under any conditions defined in subparagraphs of Article 30 of the Company Act

● Sustainable Development Committee - Attendance Status and Annual Goal

For the Sustainable Development Committee of the most recent fiscal year (2024), the annual general shareholders' meeting was held on June 19, 2024 for elections of directors.

A total of 4 [A] meetings were held - 2 meetings before the election and 2 meetings after the election, and the attendance status of the committee members is as follows:

Title	Name	Number of attendance in person [B]	Number of attendance by proxy	Ratio (%) of attendance in person [B/A]	Remarks
Convener	Lin, Mao-Chang	4	0	100%	June 19, 2024 Reelection - Consecutive term of office
Member	Chen, Hung-Ming	2	0	100%	Released from duty after re-election on June 19, 2024 Number of required attendance was 2 times
Member	Tai, Cheng-Chieh	2	0	100%	Released from duty after re-election on June 19, 2024 Number of required attendance was 2 times
Member	Chen, Li-Chun	2	0	100%	Newly assumed the position after re-election on June 19, 2024 Number of required attendance was 2 times

Member	Lin, Ling-Fang	2	0	100%	Newly assumed the position after re-election on June 19, 2024 Number of required attendance was 2 times
<p>Goals for the current year and implementation status: A total of 4 meetings were convened in 2024. The proposal content included the goal for the current year and implementation status.</p> <p>After listening to the report, the Board of Directors evaluated the effectiveness of the implementation of relevant goals and policies, and followed up the progress of implementation and urged the management team to make adjustments when necessary.</p>					
GOALS FOR THIS YEAR		STATE OF IMPLEMENTATION			
GHG inventory		Conducted GHG inventory and obtained third-party certification from “GREAT International Certification Co., Ltd.”.			
Preparation of Corporate Sustainability Report		<p>The Chinese version of Corporate Sustainability Report was released on 2024.08.08, and the English version thereof was released on 2024.08.29.</p> <p>The report was prepared in accordance with the 2021 new version of the GRI Standards, and the requirements of SASB (Sustainability Accounting Standards Board) and TCFD (Task Force on Climate-related Financial Disclosures) were compiled in the report. The external verification institute conducted the verification in accordance with the GRI Standards and AA1000 Type 1 Moderate level.</p>			

(V) Deviation of the Company(s) actual promotion of sustainable development execution status from the Sustainable Development Best Practice

Principles for TWSE/TPEX Listed Companies and cause thereof

Item promoted	Implementation status		Differences from the <u>Sustainable Development Best Practice Principles</u> for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		<p>The Company's vision and mission ESG policy are complied, and the Board of Directors is the highest decision-making unit for the sustainable development related topics. The Company has established a functional committee "Sustainable Development Committee" in 2022, with the Chairman acting as the chairperson of the committee and numerous senior officers from different fields review the core operation capability of the Company jointly, in order to formulate a medium and long-term sustainable development plan.</p> <p>The "Sustainable Development Committee" is an interdepartmental communication platform that coordinates the efforts vertically and horizontally. Through the quarterly meetings and according to the topics, the committee identifies the sustainability issues that concern stakeholders or in relation to the Company's operations; formulates action plans and operation policy; develops the budget respecting sustainable development for each organization; plans and implements annual plans and tracks the implementation performance thereof, so as to ensure the sustainable development strategy is implemented in daily operations.</p> <p>The chairperson of the "Sustainable Development Committee" reports to the Board of Directors quarterly on the results of implementation of sustainable development and the future action plans. A total of 4 meetings were convened</p>

				<div>in 2024. The proposal content included:</div> <table><tr><th>Goals for this year</th><th>State of implementation</th></tr><tr><td>GHG inventory</td><td>1. Conduct GHG inventory and obtain third-party certification from “GREAT International Certification Co., Ltd.” 2. All business locations of overseas subsidiaries have started the inventory inspection preparation</td></tr><tr><td>Preparation of Corporate Sustainability Report</td><td>The Chinese version of Corporate Sustainability Report was released on 2024.08.08, and the English version thereof was released on 2024.08.29. The report was prepared in accordance with the 2021 new version of the GRI Standards, and the requirements of SASB (Sustainability Accounting Standards Board) and TCFD (Task Force on Climate-related Financial Disclosures) were compiled in the report. The external verification institute conducted the verification in accordance with the GRI Standards and AA1000 Type 1 Moderate level.</td></tr></table> <div>The Board of Directors of the Company reviews reports (including ESG Report) presented by the management team quarterly, and the management team is required to establish corporate strategies for the board of directors, and the board of directors must determines the feasibility of the success of such strategies, reviews the strategy process and also requests the management team to make adjustments whenever necessary.</div>	Goals for this year	State of implementation	GHG inventory	1. Conduct GHG inventory and obtain third-party certification from “GREAT International Certification Co., Ltd.” 2. All business locations of overseas subsidiaries have started the inventory inspection preparation	Preparation of Corporate Sustainability Report	The Chinese version of Corporate Sustainability Report was released on 2024.08.08, and the English version thereof was released on 2024.08.29. The report was prepared in accordance with the 2021 new version of the GRI Standards, and the requirements of SASB (Sustainability Accounting Standards Board) and TCFD (Task Force on Climate-related Financial Disclosures) were compiled in the report. The external verification institute conducted the verification in accordance with the GRI Standards and AA1000 Type 1 Moderate level.	No significant difference.
Goals for this year	State of implementation										
GHG inventory	1. Conduct GHG inventory and obtain third-party certification from “GREAT International Certification Co., Ltd.” 2. All business locations of overseas subsidiaries have started the inventory inspection preparation										
Preparation of Corporate Sustainability Report	The Chinese version of Corporate Sustainability Report was released on 2024.08.08, and the English version thereof was released on 2024.08.29. The report was prepared in accordance with the 2021 new version of the GRI Standards, and the requirements of SASB (Sustainability Accounting Standards Board) and TCFD (Task Force on Climate-related Financial Disclosures) were compiled in the report. The external verification institute conducted the verification in accordance with the GRI Standards and AA1000 Type 1 Moderate level.										
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company’s operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		<div>1. The data disclosed covers the performance of sustainable development of the Company’s major operational bases from January 2024 to December 2024. The risk assessment boundary covers mainly the operational bases in Taiwan, including the Zhonghe Headquarters, Banqiao Sanmin Plant, and Taoyuan Huaya Plant.</div> <div>2. The Sustainable Development Committee analyzes the risks based on the materiality principles requisite for a sustainability report; communicates with internal and external stakeholders; and, by referencing domestic and foreign research reports, literary, and the assessment data provided by</div>								

			<p>each department, assesses the material ESG issues, formulates risk management policy therefor to identify, measure, assess, monitor, and control such risks, and adopts action plans, so as to mitigate the effects of related risks.</p> <p>3. The Committee also formulates related risk management policies and strategies based on the risks assessed. (Note 1)</p>	
<p>III. Environmental Issues</p> <p>(I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?</p>	V		<p>The Company has established environmental safety and health management rules in accordance with environmental protection regulations (such as the Air Pollution Control Act, Water Pollution Control Act, Waste Disposal Act, and Toxic and Concerned Chemical Substances Control Act) established by the Ministry of Environment. In addition, the Company has obtained the “ISO 14001” environmental management system certification and has also continuously qualified the third party certification (valid until 2026/10/14). The environmental management system includes the following criteria:</p> <p>(1) Collecting, assessing, and identifying risks to the natural environment caused by the Company’s activities, products, and services.</p> <p>(2) Establishing measurable goals for environmental sustainability and regularly reviewing the continuity and relevance of these goals.</p> <p>(3) Setting a practical action plan and regularly reviewing the operational results.</p>	No significant difference.
<p>(II) Does the Company endeavor to use <u>energy</u> more efficiently and to use renewable materials with low environmental impact?</p>	V		<p>1. The Company actively promotes various energy conservation measures and uses energy-efficient and energy-saving equipment to reduce the energy consumption of enterprises and products and thereby optimize energy usage effectiveness.</p> <p>2. In recent years, environment-related hazardous substances contained in products have become an important issue for sustainable development. All raw materials used by the Company are in compliance with the EU’s standards of RoHS, REACH, and halogen-free regulations. In terms of green manufacturing, unnecessary waste resources are reduced, and the</p>	No significant difference.

			development of waste reduction and reuse technologies are sought. The upstream and downstream of the value chain collaborate together to recycle and reuse the packaging materials. In terms of products, efforts are made to test the use of renewable materials with low environmental impact, thereby maximizing the benefits of the circular economy. Through the recycling of raw materials, waste reduction technology development, and the design and sales of circular products, the value of circulation is achieved.	
(III) Has the Company evaluated the potential risks and opportunities posed by climate change to its business now and in the future and adopted relevant measures to address them?	V		Being the highest governance body respecting climate change management, the Sustainable Development Committee annually reviews the Company's strategy and goals for coping with climate change; manages the risks and opportunities that come with climate change; and reviews the implementation status and discusses future plans, and reports to the Board of Directors. To reduce the risk factor, the Company also simultaneously identifies other alternatives and action plans. Measures for mitigation of the climate change risks can be classified into three categories, namely green innovative design, energy management, and carbon information disclosure. Please refer to the Climate Risk Response on pages 59~66 of the Company's 2024 Sustainability Report on its website for details about the Company's analysis on climate risks and opportunities.	No significant difference.
(IV) Has the Company statistically analyzed the greenhouse gas emission, water usage and waste total weight over the past years, and does the Company establish policies for reduction of greenhouse gas emissions, reduction of water consumption or other waste management?	V		1. In 2024, the Company performed the inventory inspection on Scope 1 and Scope 2 emissions with NEXCOM Group as the organization boundary (including all operating locations and domestic and foreign subsidiaries (sub-subsidiaries)), and the Company qualified the ISO 14064-1 certification with third-party verification. The Company's energy-conservation and carbon-reduction strategies are stated as following: (1) Replace and update old equipment and office lighting step by step in order to achieve the purpose of energy conservation and carbon reduction.	No significant difference.

			<div>(2) Optimize production process, improve SMT changeover efficiency, and reduce energy waste.</div> <div>(3)Conduct feasibility assessment on the purchase of green power certificate, increase the proportion of renewable energy use, and reduce carbon emissions.</div> <div>Greenhouse gas (GHG) emissions in the most recent two years:</div> <table><tr><th>Year</th><th>2023</th><th>2024</th></tr><tr><td>Category 1</td><td>272. 1796</td><td>213. 7889</td></tr><tr><td>Category 2</td><td>3, 876. 5921</td><td>4, 348. 6065</td></tr><tr><td>Category 3</td><td>549. 4184</td><td>717. 3427</td></tr><tr><td>Intensity (Total emissions/Revenue)</td><td>0. 81</td><td>0. 97</td></tr><tr><td>Total</td><td>4, 698. 1901</td><td>5, 279. 7381</td></tr></table> <div>Note: The 2024 total carbon emissions refers to the internal inspection results, and external verification is yet to be conducted. The inventory boundary further includes the emission of overseas subsidiaries (sub-subsidiaries).</div> <div>2.The Company has focused on the energy-conservation and environmental protection issues on water resources for long time. Meanwhile, considering that water resources are a major issue for sustainability internationally, the Company takes water-saving measures to mitigate the impact of water scarcity and promotes information about water conservation to prevent the crisis of water scarcity in the dry season.</div> <div>Total Water Consumption:<div>(Unit: degree)</div></div>	Year	2023	2024	Category 1	272. 1796	213. 7889	Category 2	3, 876. 5921	4, 348. 6065	Category 3	549. 4184	717. 3427	Intensity (Total emissions/Revenue)	0. 81	0. 97	Total	4, 698. 1901	5, 279. 7381
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Intensity (Total emissions/Revenue)	0. 81	0. 97																			
Total	4, 698. 1901	5, 279. 7381																			

<p>IV. Social Issues</p> <p>(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?</p>	<p>V</p> <p>In order to fulfill the corporate social responsibility and protect the basic human rights of employees and all stakeholders, the Company has taken into consideration the human right standards recognized internationally, including the International Bill of Rights and the “ILO International Labor Standards” and the “UN Guiding Principles on Business and Human Rights”, in order to formulate the Company’s human rights policy to fully reflect the responsibility to respect and protect human rights. The Company treats all employees with dignity and respect them, and also expects its suppliers and partners to work together to practice the human rights policy.</p> <p>Application scope</p> <p>The policy applies to the Company, and affiliates of the NEXCOM Group.</p> <p>Commitments to human rights</p> <p>I. Support and respect international human rights, insofar as the Company may exercise influence.</p> <p>II. Strictly abide by the labor-related laws and regulations applicable within the jurisdictions where the Company’s global business locations are situated.</p> <p>III. Eliminate any acts that infringe or violate human rights.</p> <p>IV. Take concrete actions to reflect the Company’s responsibility to respect and protect human rights.</p> <p>V. Strive to incorporate the principles and spirit of human rights into the corporate values and culture.</p> <p>Based on the Company’s business lines and characteristics, the human rights issues and policies focused on by the Company are stated as follows:</p> <p>I. Occupational health and safety.</p> <p>To construct a safe and healthy environment to reduce workplace safety and health risks, and aim to achieve zero occupational disasters.</p> <p>II. Diversity, inclusion and equal opportunity</p> <p>To advocate a diversified and inclusive new workplace culture that</p>	<p>No significant difference.</p>
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			<p>embraces ethnic groups from different backgrounds while respecting and preserving everyone's differences to enhance the value of individual uniqueness and ultimately achieve equality rights at workplace.</p> <p>III. Non-discrimination</p> <p>The Company upholds the principles of openness and fairness, and avoids any discrimination based on "race, class, language, ideology, religion, political affiliation, nationality, birthplace, gender, sexual orientation, age, marriage, appearance, facial features, mental and physical disability, zodiac sign, blood type, or previous union membership."</p> <p>IV. Prohibition of Forced Labor</p> <p>Respect the individual's freedom to choose occupation, and never force or coerce any unwilling personnel to perform labor services.</p> <p>V. Prohibition of child labors</p> <p>Protect the physical and mental development of children and never employ child labors.</p> <p>VI. Assist employees to maintain mental and physical health and work-life balance.</p> <p>Build a friendly workplace, care for employees' mental and health , and provide employees with leisure travel subsidies to promote employees' mental and physical health and achieve work-life balance.</p>		
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		<p>In accordance with Article 70 of the Labor Standards Act and Article 38 of the Enforcement Rules of the Labor Standards Act, the Company has prepared its Work Rules which stipulate working hours, break, leave, salary, allowance and bonus, discipline, attendance, leave, reward/punishment and job promotion, employment, dismissal, severance, resignation and retirement, compensation for occupational injuries or accidents, and welfares, filed it with the competent authority, and disclosed it in the workplace.</p>		No significant difference.
(III) Does the Company provide	V		"Employees are the most valuable assets of the Company." The Company		No significant

<p>employees with a safe and healthy working environment, and implement regular safety and health education for employees?</p>		<p>provides employees with a safe working environment to avert injuries and casualties. It also establishes concrete guidelines, such as the “NEXCOM Regulations Governing Occupational Safety and Health” and the “NEXCOM Occupational Safety and Health Work Rules”.</p> <p>1. Operation safety and health: To prevent certain operations from harming employee’s safety and health, equipment and machinery are installed with legally compliant safeguards and the operating procedures are regularly reviewed and improved by the operation supervisors, so as to avert employees’ encountering any potential danger at the workplace. If the dangers cannot be averted through improvement in procedures, the Company shall provide employees with effective protection gears on which sufficient and efficient trainings are given, or with job rotations or longer break time, so as to avoid irreversible physical and mental harm to employees.</p> <p>2. Environmental safety and health: The Company provides employees with a clean and safe workplace, at which the drinking water, facilities, and objects used during operation that might harm employees’ health are regularly checked, as required by law, to ensure employees’ physical safety and health.</p> <p>3. Emergency response: The Company evaluates the various hazards before hand and, based on the evaluation results, formulates measures to prevent and address emergencies at an organizational level, in the hope to minimize the live loss and equipment damage resulting from an emergency. To ensure the functioning of the emergency response plan at the occurrence of an incident, related drills are conducted every year.</p> <p>4. Occupational accident: In the case where an employee becomes sick, injured, or dead due to reasons attributable to his/her work, the Company shall handle the case in accordance of the local laws and regulations. The Company should encourage employees to report any occurrence of</p>	<p>difference.</p>
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			incidents (including any near miss); related management unit should also investigate into, and review, the incident occurred, so as to avert recurrence of similar incidents. 5. The Company had no fire accident in 2024. 6. The Company regularly arranges for new employees to receive basic trainings and trainings on labor safety and health, so as to ensure that they abide by relevant regulations.	
(IV) Has the Company established an effective career development training program for employees?	V		The Company has formulated an annual training program, which covers the following dimensions: (Internal training: new employees training, corporate culture training, professional lectures for PM, sales summit, technology summit, and supervisor training) and (external training: Professional training courses.)	No significant difference.
(V) Does the company <u>comply</u> with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement <u>consumer</u> protection and grievance policies?	V		The Company provides customers with products and services in a fair and reasonable manner. Examples of “fair and reasonable manner” as stated above are as follows: 1. Contracts are executed based on principles of reciprocity, fairness, and honesty. 2. Whenever being entrusted by customers, the Company always exercises due care and fulfills its fiduciary duty. 3. Advertisements for solicitation of business should not be exaggerated. 4. The Company ensures that the products and services rendered to customers are suitable for them. 5. When offering products or services, the Company describes the important content and discloses any associated risks. 6. The remuneration system for sales personnel shall be based on the equitable consideration of customer rights, in addition to the achievement of sales targets. 7. The channels for customers and clients to file their grievances remain smooth, and the Company always responds to their grievances through the	No significant difference.

			channels. 8. Where a job requires professionalism, the job undertaker should obtain professional qualification or a professional license.	
(VI) Has the Company established supplier management policy, In order to request suppliers to comply with relevant regulations of environmental protection, occupational safety and Health or labor rights, and other topics, and Implementation status thereof?	V		<p>The Company has established the “Supplier Management Procedures” and “NEXCOM Co., Ltd. Environmental Safety and Health Promotion Letter”, in which the Company specifies the selection criteria for environmental protection, human rights, safety, health, and sustainable development for suppliers. Based on cooperation, and through selection, audit, consultation provision, and performance evaluation, the Company fully implements its requirements in daily supplier management activities.</p> <p>The Company will further revise such internal regulations in accordance with international standard or guidance to align suppliers’ practices with requirements and expectations in all respects concerning ESH risks, prohibition of child labor, labor management, do-no-harm concerning labors’ basic rights, ethical standard, and ethical corporate management.</p>	No significant difference.
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	V		<p>The Company has prepared the “2023 ESG Sustainability Report” in accordance with the general standards, industry standards and major topic standards published by the Global Reporting Initiative (GRI), in order to disclose the material topics and impacts of the economics, environment and groups (including human rights) identified by the Company, as well as the disclosure items and reporting requirements thereof. The report also references the Guidelines of the Sustainability Accounting Standards Board (SASB) to disclose the information of industrial indicators and SASB indicator corresponding report content index.</p> <p>The Company’s 2023 Sustainability Report includes the content index corresponding to the GRI Standards, and specifies that the verification process is completed by an independent third-party unit, GREAT International Certification Co., Ltd., in accordance with the AA 1000AP Account Ability Principles:2018, and has been publicly disclosed on the Company’s website.</p> <p>The Company’s Sustainability Reports over the past years have been published on the Company’s website: (https://www.nexcom.com.tw/About/Page/esg-and-sustainability)</p>	No significant difference.
VI. If the Company has related sustainable development best practice principles compiled in accordance with the “Sustainable Development Best				

<p>Practice Principles for TWSE/TPEX Listed Companies”, it should disclose the difference between its principles and its implementation:</p> <p>To further the implementation of its corporate social responsibility, the Company passed the “Corporate Social Responsibility Best Practice Principles” at a Board meeting in April 2017. The Company regularly reviews the implementation status against the best practice principles and so far has not found its implementation to significantly differ from the best practice principles.</p>	<p>VII. Other important information to facilitate the understanding of the execution status of promotion of sustainable development:</p> <p>1. The Company upholds the concept of giving back to society and contributing to public welfare. The third-year “donation of one bag of blood with passion” blood donation event was held to demonstrate the Company’s care to the society, to enhance the corporate image, and to encourage employees to voluntarily participate in the blood donation event. A total of 126 bags of blood were collected for this event. 100 employees actively participated in the event, and there were 5 volunteers. In addition, the Company also offered charity gift vouchers to show the Company’s appreciation to the participants.</p> <p>2. The Company makes use of its own influence and fulfills corporate social responsibility by setting an example in industry-university cooperation, and the results are as follows:</p> <p>(1) Department of Mechanical Engineering, Yuan Ze University - Smart Machinery Industry Talent Promotion Program, from 2024/01/15 to 2024/11/30.</p> <p>The school can provide students with practical experience at corporate end based on the academic theories and knowledge, in order to reduce the gap between industry and academic studies, and provide job opportunities to help students to evaluate their professional abilities based on their performance evaluation, which can be further used as the basis for the Company’s recruitment of talents in the future. A total of three topics were announced:</p> <ol style="list-style-type: none"> 1. Development of robotic arm feeding system combining with visual recognition technology. 2. Based on communications, the robotic arms can assemble and test or inspect the application of qualified sorting production lines. 3. Integrate the production line systems, such as three different robotic arms. <p>Provided scholarship: NT\$112,500 (a total of 15 students participated). Invested budget of NT\$400 thousand (including instructors, teaching assistants, teaching material preparation (course of 54 hours), materials, equipment use expense, place rental, transportation fees, travel expense and other administrative expenses).</p> <p>(2) Department of Industrial Management, National Taiwan University of Science and Technology - Smart Machinery Industry Talent Promotion Program, from 2024/01/15 to 2024/11/30.</p>
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NEXCOM used its practical experience in the industry, case study and analysis, and presentation of results to guide the practical operations, and organized competitions to encourage students to express their creativity, for DIY of various hands-on projects starting from zero. No matter the design of robots or various automated systems, students always need to apply cross-disciplinary professional skills, such as software programming, mechanical circuits, and image processing, in order to improve their technical skills to connect with the industry. Under the planning and implementation of this program, students are gradually led to learn and to become familiar with the actual application and Internet of Machines (IoM) for image recognition and remote control of robotic arms and unmanned transportation vehicles in practice, etc. In addition, students with outstanding in specific topics are able to receive recognition from the Company. The top three students are selected from the evaluation and are awarded with the corporate scholarship, in order to further encourage the students to pursue excellence and improvement. A total of three topics were announced:

1. Development of the grab control system of the robotic arm.
2. Development of a tracking and positioning system for smart carrier robots.
3. Application of collaboration of machine tool IoT and robots on production lines.

Provided scholarship: NT\$112,500 (a total of 14 students participated). Invested budget of NT\$400 thousand (including instructors, teaching assistants, teaching material preparation (course of 54 hours), materials, equipment use expense, place rental, transportation fees, travel expense and other administrative expenses).

Note 1: The Committee also formulates related risk management policies and strategies based on the risks assessed.

Material topics	Risk evaluation items	Description
Environment	Environmental impact and management	1. Through the implementation of process safety management and systematic management cycles, the Company is able to effectively reduce pollution emissions and the impact on the environment.
		2. The Company's main market refers to the region of European Union (EU), where products are required to meet environmental protection regulations. Accordingly, the Company has managed to obtain "ISO14001" Environmental management systems in 2005, and will regularly obtain more assurance certificates.
		3. The Group constructs its climate risks identification procedures based on the TCFD framework. After cross-departmental discussions on the results of climate risks and opportunities, three major opportunities and three major risks have been identified.
		4. The Company conducts GHG emission inventory periodically according to "ISO 14064-1" and examines the impacts faced by the Company's operation. In addition, through continuous implementation of carbon-reduction measures based on the inventory results, the Company effectively reduces the risk of Scope 1 emissions and Scope 2 indirect GHG emissions caused by electricity input, heat or steam the consumption of electricity.
		5. The Company has established an annual internal audit plan, which examines the legal compliance of the Company with environmental laws and regulations, and of the Company's operating procedures.
Society	Occupational health and safety	1. The "ISO 45001 Occupational Health and Safety Management System" certification has been completed in 2013. 2. Fire drills and other training are organized on a regular basis annually to help employees develop the ability to respond to emergencies and manage their own safety, in order to prevent injuries or diseases (such as chemicals, fire, explosives) of employees in contact with such hazards.
	Product quality and safety	1. All products of the Company comply with various regulations specified by the Company and also comply with the EU's RoHS standard such that there is no hazardous substance. 2. The Company has completed the "ISO 9001" quality management certification in 1999 and the "ISO 13485" medical equipment quality management system in 2017, and has utilized the green product management system to track products, in order to satisfy the green management requirements.

Corporate governance	Socioeconomic Compliance	<ol style="list-style-type: none"> 1. Setting the Company's future operational policy. 2. Based on the Company's strategy, implementing R&D, production, and sale of products, and endeavoring to improve production technology, enhance quality, and reduce cost, thereby increasing profitability. 3. Hedging interest rate risk and foreign exchange risk, managing credit facilities and relations with banks. 4. Establishing and reviewing consumer lines of credit, managing and collecting accounts receivable. 5. Reviewing contracts and authorizations, reducing corporate legal risk, and protecting tangible and intangible assets of the Company.
	Enhance the functions of directors	<ol style="list-style-type: none"> 1. Every year the Company arranges for directors to attend continuing education courses on related subject matters, and provides them with information regarding the latest laws and regulations, policies, and system development.
	Stakeholder communication	<ol style="list-style-type: none"> 1. To prevent operational or legal risks due to misunderstanding caused by different positions of stakeholders and the Company, the Company analyzes the important issues concerned by stakeholders annually. 2. The Company establishes various communication channels for actively communicate, in order to reduce any conflict and misunderstanding. The Company has also set up investors' mailbox, which is handled and responded by the spokesperson.

NEXCOM's Risk Management Strategies

Risk type	Risk description	Risk management strategy
Sustainable Environment	Increasing Emission of Greenhouse Gases	<ol style="list-style-type: none"> 1. Conduct the inventory based on the ISO 14064-1 GHG Emissions Inventory Management System each year, in order to discover significant emission sources. 2. Establishing a management program to set the goal for carbon emissions and reduce emission of greenhouse gases.
	Increasing Volume/Decreasing Recycling Rate	<ol style="list-style-type: none"> 1. Develop the green design-oriented products, such as use of recyclable materials and reduction of the product volume. 2. Propose waste management plans, and formulate improvement of waste reuse rate.
	Ineffective Energy Conservation	<ol style="list-style-type: none"> 1. Inspecting energy usage of significant energy use equipment for any malfunction. 2. Replace sockets and light tubes with energy-saving ones; replace the dryers with heat recovery adsorption ones, in order to reduce power consumption. 3. Continue to invest in carbon reduction measures in the production process. 4. Formulate energy-saving measures and management programs.

	Violation of Environmental Protection Laws	<ol style="list-style-type: none"> 1. Identifying environmental protections laws and regulations regularly to ensure legal compliance. 2. Regularly convene occupational safety and health committee meeting for review on the operations.
Employee Care	Occupational Accidents	<ol style="list-style-type: none"> 1. Adopting the Regulations of Occupational Safety Management and the plan for occupational safety and health management in accordance with the Regulations of Occupational Safety and Health Management. When accidents occur at the workplace, immediately take necessary first-aid or rescue measures, conduct investigation analysis with labor representatives, and make a record. 2. ISO 45001 Occupational Health and Safety System has been introduced to the Zhonghe Headquarters, Banqiao Sanmin Plant, and Taoyuan Huaya Plant in Taiwan. This ensures effectiveness of the management system of the Company through third-party audits.
	Long Working Hours	To prevent overwork, the Company adopted the “Plan Preventing Abnormal Workload-triggered Disorders” for labor of high risk groups, who work rotating shifts, at night, or over an extended period of time, in accordance with the Occupational Safety and Health Act. Plans and safety measures are undertaken for legal compliance and to ensure occupational safety and physical and mental health of workers.
	Violation of Socioeconomic Rights and Compliance	<ol style="list-style-type: none"> 1. The Company ensures the legal compliance of all of its staff and operations through establishing a governance organization and implementing the internal control system. 2. The Company applies for patents on products invented and methods innovated to protect its rights and interest.
Business Performance	Information Security Incidents	<ol style="list-style-type: none"> 1. Implement the ISO 27001 Information Security Management System and promote relevant information security measures. 2. Conducting an information security risk evaluation on an annual basis and carrying out an improvement plan for high information security risk items. 3. Implement the information security incident notification and drills on an annual basis. 4. Set up a mechanism preventing spam and phishing emails to filter and block malicious and scam emails.
	Delayed Stakeholder Communication	The Company discloses its financial statements and its annual report on the Market Observation Post System (MOPS); convenes the shareholders’ meeting and the investor conference to disclose its business performance to investors; and has set up a dedicated email address for stakeholders, through which it actively communicates on and responds to issues of concern.

Climate-Related Information

Implementation of Climate-Related Information

Item	State of implementation
<p>1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short-, mid- and long-term).</p> <p>3. Describe the financial impact of extreme weather events and transformation actions.</p> <p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p> <p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be described.</p> <p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>1. The Sustainable Development Committee is the primary responsible unit for the governance of climate-related risks and opportunities. The Company has established the Sustainable Development Committee, of which, the Chairman is the convener and members shall meet annually. Topics of discussion in a meeting may include possible climate risks caused by the Company's operation, energy and resource efficiency, and environmental issues involving product life cycle, and these climate change topics together with the implementation thereof are reported to the Board of Directors on an annual basis.</p> <p>2. Actual and potential impacts of climate-related risks and opportunities on the business, strategy, and finances of the organization. The climate-related risks and opportunities are as follows:</p> <p>I. Transition Risks:</p> <ul style="list-style-type: none"> (1) Issues concerned by stakeholders. (2) Requirement for renewable energy. (3) Carbon tax/carbon fee. <p>II. Physical Risks:</p> <ul style="list-style-type: none"> (1) Extreme rainfall and drought. (2) Average temperature is rising. (3) Typhoons and floods. <p>III. Opportunities:</p> <ul style="list-style-type: none"> (1) Changes in customers' behaviors. (2) Process improvement and optimization. (3) Energy utilization and efficiency improvement.

<p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p> <p>9. GHG inventory and assurance status, as well as reduction goals, strategies and concrete action plans (to be specified in 1-1 and 1-2 separately).</p>	<p>3. Based on industry characteristics, the Company identified the following risks internally and proposed the corresponding action plan:</p> <p>I. Responses to Transition Risks:</p> <ul style="list-style-type: none"> (1) Real time focus on the latest laws, inspection of the Company's current degree of compliance, and formulation of corresponding measures for legal compliance; (2) Communicate with stakeholders proactively to understand investors' expectations and suggestions on NEXCOM's climate issues. (3) Increase the investment in R&D and marketing of low-carbon products. (4) Cooperate with the supply chain, and select suppliers providing raw materials deriving eco-friendly and low-carbon results as the first priority. (5) Evaluate and plan for diversified power sources to disperse the risk over power purchase and power consumption. <p>II. Responses to Physical Risks:</p> <ul style="list-style-type: none"> (1) Adopt automated production to reduce the need for manual operations. (2) Use digital tools to improve the efficiency of work from home. (3) Continue to replace and update the old process equipment and utility equipment. (4) Maintain real-time flexible scheduling in production areas. <p>III. Responses to Climate-related Opportunities:</p> <ul style="list-style-type: none"> (1) Participate in domestic and foreign sustainability evaluations to ensure the transparency of sustainability initiatives and upgrade the goodwill. (2) The new products of carbon inventory service and smart meters help increase the market scale and operating revenue. (3) Accelerate the process evolution and add green products or low-energy consumption products to the portfolio. (4) Implement office energy-saving measures, including adjustment of the opening and closing time of air conditioning. <p>4. Indicators and goals for the evaluation and management of climate-related risks and opportunities:</p> <p>I. Reduction of GHG emissions:</p> <ul style="list-style-type: none"> (1) Reduce CO2 emissions in 2030 to 55% in 2022. (2) Achieve carbon neutrality and net zero by 2050.
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	<p>(3) Replace T5 light fixture consuming higher energy with LED and T5 light fixtures to save the power by a total of 10,644 kWh annually.</p> <p>(4) Replace old heat recovery adsorption dryer with new dryer, reduce electricity consumption of air compressor, to save the power by a total of 31,574 KWh annually.</p> <p>II. Improvement of Products' Energy Efficiency: In line with government policy, NEXCOM stresses the design and R&D of lower-energy-consuming products for constant improvement of the energy efficiency of its products.</p> <p>III. Decrease in Hours of Operation Interruption: No effect posed on the operation therefor.</p>
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1-1 GHG inventory and assurance status for the most recent two years

1-1-1 GHG inventory information

Describe the GHG emissions (metric tons CO₂e), intensity (metric tons CO₂e/NTD million), and data coverage for the most recent two years.

(1) Carbon emissions: (Unit: Metric tons CO₂e/year)

Year	Category 1 (direct)	Category 2 (indirect - energy)	Category 3 (indirect - transportation)	Total
2023	272.3518	3876.6287	549.4184	4698.3989
2024 (Note 2)	213.7889	4348.6065	717.3427	5279.7381

Note 1: The table is prepared based on ISO 14064-1 category statistics.

(2) Intensity:

Year	CO ₂ e Total Emissions (metric tons CO ₂ e)	Turnover (Million)	GHG emission intensity
2023	4698.1901	5,765.50	0.81487991
2024 (Note)	5276.6515	5,421.07	0.97335978

(3) Data coverage:

Year	Description
2023	Parent company (including factories), Yilan & Kaohsiung Offices Subsidiaries and Sanchong & Taichung Offices
2024	Parent company (including factories), Yilan & Kaohsiung Offices Subsidiaries and Sanchong & Taichung Offices in Taiwan. Overseas subsidiaries (China, USA, Japan)

Note 1: Direct emissions (Scope 1, i.e. directly from emission sources owned or controlled by the Company), indirect energy emissions (Scope 2, i.e. indirect greenhouse gas emissions from imported electricity, heat or steam) and other indirect emissions (Scope 3, i.e. emissions generated from corporate activities that are not indirect emissions from energy sources but come from sources owned or controlled by other companies) .

Note 2: The scope of direct emissions and indirect emissions of energy shall be handled in accordance with the schedule specified in Paragraph 2 of Article 10 of these standards. Other indirect emissions information may be voluntarily disclosed.

Note 3: GHG inventory standards: Greenhouse Gas Protocol (GHG Protocol), or the ISO 14064-1 released by the International Organization for Standardization (ISO)

Note 4: The intensity of GHG emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NTD million) shall be stated.

1-1-2 GHG assurance information

Describe the status of assurance in the last 2 years up to the date of publication of the annual report, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.

Year	Scope of assurance	Assurance Body	Criteria of assurance	Opinions of assurance
2023	According categories of ISO 14064-1 Category 1 (direct emissions) Category 2 (indirect-energy) Category 3 (indirect-transportation)	GREAT International Certification Co., Ltd.	ISO 14064-1:2018	None
2024		ARES International Certification Co., Ltd.	ISO 14064-1:2018	

Note 1: The schedule specified in the regulations referred to in Paragraph 2 of Article 10 of these Guidelines shall apply. If the company fails to obtain a complete greenhouse gas assurance opinion as the publication date of this annual report, it shall indicate that “the complete assurance information will be disclosed in the sustainability report.” If the company does not prepare a sustainability report, it shall indicate that “the complete assurance information will be disclosed on the MOPS”, and shall disclose complete assurance information in the annual report of the next year.

Note 2: The institutions of assurance shall comply with the relevant requirements of TWSE and TPEX on institutions of assurance for sustainability reports.

Note 3: Please refer to the best practice principles on the website of TWSE Corporate Governance Center for the contents to be disclosed.

1-2 GGHG reduction goals, strategies and concrete action plans

Describe the greenhouse gas reduction base year and the data, reduction goal, strategy, and actual action plan and reduction goal achievement status.

Year	Base year and data	Reduction goals	Strategies and concrete action plan, and achievement of reduction goals
2023	With 2022 as the base year, and the data for 2023 was 4698.1901 metric tons of CO ₂ e/year.	The goal is to reduce the 2030 CO ₂ emissions to 55% of the emissions in 2022, and to achieve carbon neutrality by 2050, in order to achieve the net-zero goal.	The reduction measures and performance are as follows: 1. Zhonghe Headquarters - installation of automatic control switch for air conditioning chiller unit; 2. Zhonghe Headquarters - replacement of light tubes of circular light fixtures with LED lamps; 3. Sanchong Plant - replacement of T8 light tubes with LED lamps 4. Huaya Plant - Replacement of T5 light tubes with LED lamps The aforementioned four reduction measures have reduced a total of 74.4317 (metric tons CO ₂ e /year), a decrease of 1.66% from 4491.6170 (metric tons CO ₂ e/year) in 2022.
2024 (Note 4)	With 2024 as the base year, and the data for 2024 was 5279.7381 metric tons of CO ₂ e/year.	The goal is to reduce the 2030 CO ₂ emissions to 55% of the emissions in 2022, and to achieve carbon neutrality by 2050, in order to achieve the net-zero goal.	The reduction measures and performance are as follows: 1. Zhonghe Headquarters - Replacement of T5 light tubes at 13F replacement with LED lamps 2. Sanchong Plant - Replacement of heat recovery adsorption type of dryer with new dryer, reduction of electricity consumption of air compressor The aforementioned two reduction measures have reduced a total of 20.8559 (metric tons CO ₂ e /year), a decrease of 0.44% from 4698.1901 (metric tons CO ₂ e/year) in 2023.

Note 4: The 2024 total carbon emissions were based on the internal inspection results, while they are still pending external verification.

(VI) Ethical Corporate Management Practices, and Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Assessment Items	The State of Operation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and specify on internal charters and external documents such policy, measures, and the commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(II) Whether the company has established a mechanism for evaluating the risk of unethical conduct, by which it regularly analyzes and evaluates, within a business context, the business activities having a higher risk of unethical conduct and, based on the evaluation results, formulates a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies”?</p> <p>(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise it?</p>	V		<p>By referencing the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, the Company, with an approval from the Board of Directors, has established its “Ethical Corporate Management Best Practice Principles” and “NEXCOM Corporate Social and Environmental Responsibility Code of Conduct” to showcase its determination to fully implement ethical corporate management and fulfill its corporate social responsibility.</p> <p>Since incorporation, the Company has been focusing on own business and has never been involved in any political issues; it also internally recommends that colleagues not discuss political or religious issues at the workplace.</p> <p>The Company has established a set of internal control operating procedures to prevent the occurrence of any unethical conduct.</p>	No significant difference.
II. The implementation of ethical corporate management	V		The Company has been implementing its ethical corporate management in accordance with the	No significant difference.

Assessment Items	The State of Operation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
<p>(I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?</p> <p>(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy, plan to prevent unethical conduct, and the state of monitoring and implementation of such policy and plan?</p> <p>(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?</p> <p>(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?</p>			<p>“NEXCOM Corporate Social and Environmental Responsibility Code of Conduct”.</p> <p>The Company has established the Ethical Corporate Management Team in May 2023, which is responsible for the amendment, implementation, and interpretation of these Regulations, and reports to the Board of Directors periodically (once a year).</p> <p>Members of the Ethical Corporate Management Team: Responsible person of the Sustainable Management Implementation Office, CFO, head of human resource and audit officer.</p> <p>Establishment of ethical corporate management policy and related regulations</p> <ul style="list-style-type: none"> ● Ethical Corporate Management Best Practice Principles ● Code of Ethical Conducts ● Regulations for Reporting Violation of Ethical Management <p>The 2024 operation status of the Ethical Management Team has been reported to the Board of Directors on November 6, 2024.</p> <p>The main implementation items of the Ethical Management Team in 2023 were as follows:</p> <p>Ethical management reporting channel</p> <p>The “Regulations for Reporting Violation of Ethical Management” announced by the Ethical Management Team on August 21, 2023 are used as the basis for operations related to the reporting of internal and external personnel of the Company.</p>	

Assessment Items	The State of Operation		Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No Summary description	
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?		<p>The Company accepts anonymous reports, and the method and channel for reporting are as follows Email: honest@nexcom.com.tw (recipient refers to all members of the Ethical Management Team) Physical mailbox: "Ethical Management Mailbox" 9F., No. 920, Zhongzheng Rd., Zhonghe Dist., New Taipei City 23562</p> <p>The Company has established an effective accounting system and internal control system; its internal auditors conducts the annual audit plan to verify the compliance with its internal control system, thereby ensuring the implementation of ethical corporate management.</p> <p>"NEXCOM Corporate Social and Environmental Responsibility Code of Conduct" is included in the teaching materials for the basic training for new employees, and for the corporate culture training held quarterly. Issues regarding material corporate governance topics, fulfillment of social responsibility, and implementations of ethical corporate management are also discussed and resolved at the Management Commission meeting, and may be presented to the Board of Directors whenever necessary.</p> <p>When conducting a transaction, the Company will determine the counterparty's business ethical status through a set of appropriate credit investigation processes.</p> <p>Declaration of Ethical Management</p> <p>The Ethical Corporate Management Best Practice</p>	

Assessment Items	The State of Operation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			Principles of the Company has been approved by the Board of Directors on March 24, 2015. The “Ethical Corporate Management Best Practice Principles” and “Code of Ethical Conducts” were promoted in 2024. The signing status of the declaration of ethical management is as follows: Number of required signatories: 916 people Number of signatories obtained: 830 people Signing ratio: 90.61%	
<p>III. The operation of the Company’s whistleblowing system</p> <p>(I) Has the Company established a specific whistle-blowing and reward system, established a channel to facilitate reporting, and assigned appropriate dedicated personnel to handle the reported cases?</p> <p>(II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms?</p> <p>(III) Does Company take measures to protect whistleblowers from being improperly treated due to reporting?</p>	V		<p>Ethical management reporting channel</p> <p>The “Regulations for Reporting Violation of Ethical Management” announced by the Ethical Management Team on August 21, 2023 are used as the basis for operations related to the reporting of internal and external personnel of the Company.</p> <p>The Company accepts anonymous reports, and the method and channel for reporting are as follows</p> <p>Email: honest@nexcom.com.tw (recipient refers to all members of the Ethical Management Team)</p> <p>Physical mailbox: “Ethical Management Mailbox” 9F., No. 920, Zhongzheng Rd., Zhonghe Dist., New Taipei City 23562</p> <p>Since the establishment of the reporting channel, no reported case has been received.</p> <p>Acceptance Procedures</p> <p>(Article 5 of “Regulations for Reporting Violation of Ethical Management” of the Company)</p> <p>The reporter shall submit a report bearing his/her name or anonymously in accordance with Article 4</p>	No significant difference.

Assessment Items	The State of Operation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			of these Regulations, and shall provide sufficient information for verification, including the name, unit, job title, date of occurrence and content of the incident as detail as possible. Specific facts (not necessary) enclosed for investigation include: receipts, certificates, contracts, letters, audio recording, video file, and photos, etc.	
IV. Enhance Information Disclosure Does the Company disclose the contents and implementation results of its Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System?	V		The “Ethical Corporate Management Best Practice Principles”, “Code of Ethical Conducts” and “Regulations for Reporting Violation of Ethical Management” have been disclosed on the Company’s website. Related regulations	No significant difference.
V. If the Company has established its own ethical corporate management best practice principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please state the differences between its own principles and the state of implementation: No difference.				
VI. Other important information conducive to understanding the implementation of ethical corporate management (e.g., the Company’s review or revision of its own ethical corporate management best practice principles) (I) By complying with the Company Act, the Securities and Exchange Act, regulations governing TWSE/TPEX listed companies, and other laws and regulations governing business conduct, the Company has established a basis for implementing ethical corporate management. (II) By referencing the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, the Company established its own “Ethical Corporate Management Best Practice Principles” through an approval from the Board of Directors on March 24, 2015.				

(VIII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance:

Continuing education of directors: (including those managers attending courses on corporate governance)

Title	Name	Training hours	Date/hours of continuing education	Course organizer	Course name
Chairman	Lin, Mao-Chang	6	2024.08.07 "3-Hour continuing education course"	Taiwan Corporate Governance Association	Employee bonus plan and equity inheritance
Director	Lin, Jeng-Tay				
Independent Director	Wang, Yun-Yuao		2024.11.06 "3-Hour continuing education course"	Taiwan Corporate Governance Association	Recent development of ESG and precautions for directors and supervisors
Independent Director	Chen, Ching-Yin				
Independent Director	Chen, Li-Chun				
Chairman	Lin, Mao-Chang	3	2024.12.04 "3-Hour continuing education course"	Taiwan Corporate Governance Association	Securities laws and corporate governance
Director	Tu, Shu-Ling	12	2024.08.07 "3-Hour continuing education course"	Taiwan Corporate Governance Association	Employee bonus plan and equity inheritance
			2024.09.25 "3-Hour continuing education course"	Taipei Exchange (TPEX)	TPEX and emerging market listed companies' Insider equity educational seminar - 2nd session in Taipei
			2024.11.06 "3-Hour continuing education course"	Taiwan Corporate Governance Association	Recent development of ESG and precautions for directors and supervisors

				2024.12.04 “3-Hour continuing education course”	Taiwan Corporate Governance Association	Securities laws and corporate governance
President	Yang, Chien-Hsing	3 hours		2024.08.07 “3-Hour continuing education course”	Taiwan Corporate Governance Association	Employee bonus plan and equity inheritance
Assistant Vice President (Chief Corporate Governance Officer)	Chen, Yuan-Pin					
Vice President	Huang, Tsung-Hsi	3 hours		2024.11.06 “3-Hour continuing education course”	Taiwan Corporate Governance Association	Recent development of ESG and precautions for directors and supervisors
Assistant Vice President (Chief Corporate Governance Officer)	Chen, Yuan-Pin					

(VIII) Internal Control System Implementation Status and Required Disclosure:

1. Statement of internal control:

NEXCOM International Co., Ltd.
Statement of Internal Control System

Date: February 26, 2025

With respect to the internal control system for 2024, based on the self inspection result, we hereby represent as follows:

- I. The Company knows that establishing, implementing and maintaining an internal control system is the responsibility of the Company's Board of Directors and managerial officers, and the Company has established this system. Its purpose is to provide reasonable assurance of the achievement of objectives such as the effectiveness and efficiency of operations (including profitability, performance, and asset security, etc.), the reliability, timeliness, and transparency of reporting, as well as compliance with relevant rulings, laws and regulations, etc.
- II. Internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance of the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism. Once a defect is identified, the Company will take corrective actions.
- III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the criteria of the effectiveness of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria of internal control system adopted in the "Regulations" are based on the process of managerial control and divide internal control system into five components: 1. control environment, 2. risk evaluation, 3. control operations, 4. information and communication, and 5. monitoring operations. Each component consists of a number of items.
Please refer to the "Regulations" for these items.
- IV. The Company has adopted the aforementioned criteria of internal control system to evaluate the effectiveness of the design and implementation of its internal control system.
- V. Based on the results of the assessment in the preceding paragraph, the Company is of the opinion that, as of December 31, 2024, the internal control system (including the supervision and management of its subsidiaries), including the understanding the effectiveness of operations and the extent to which efficiency targets are achieved, reliable, timely, and transparent reporting, and compliance with applicable rules and applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing objectives.
- VI. This statement will become the main content of the Company's annual report and prospectus, and will be made public. Any illegal misrepresentation or non-disclosure in the public statement

above is subject to the legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was passed by the Board of Directors in their meeting held on February 26, 2025, with none of the 7 attending directors expressing dissenting opinions, and the remainder all affirming the content of this statement.

NEXCOM International Co., Ltd.

Chairman: Lin, Mao-Chang Signature/Seal

President: Yang, Chien-Hsing Signature/Seal

2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed:
Not applicable.

(IX) Penalties imposed against the Company and its internal personnel for regulatory violation, or penalties imposed by the Company against its employees for violation of internal control policy in the most recent year up till the publication date of this annual report; if the penalty result may have material impact on the shareholders' equity or stock price, it is necessary to describe the penalty content, areas of weakness and improvement status: None.

(X) Material resolutions made by the shareholders' meetings and the board meetings during the most recent financial year and up to the printing date of the annual report

1. Major Resolutions of Shareholders' Meeting:

Date of meeting	Important Resolution
2024.06.19 Annual General Meeting of Shareholders	<p>1. Business Report and Financial Statements for 2023 Resolution results: According to the voting result of this proposal, the votes cast for the proposal accounted for 99.00%; therefore, the proposal was passed as proposed. State of implementation: Implemented as resolved and has been published on the MOPS in accordance with the regulations.</p> <p>2. Earnings Distribution for 2023. Resolution results: According to the voting result of this proposal, the votes cast for the proposal accounted for 99.22%; therefore, the proposal was passed as proposed. Implementation Status: It was implemented according to the resolution. The distribution of cash dividend was NT\$169,471,766 (NT\$1.2 per share). October 1, 2024 was set as the ex-dividend date, and October 23, 2024 as the payment date.</p> <p>3. Amendments to the Company's "Procedures for Acquisition and Disposal of Assets". Resolution results: According to the voting result of this proposal, the votes cast for the proposal accounted for 99.18%; therefore, the proposal was passed as proposed. State of implementation: Implemented as resolved and has been published on the MOPS in accordance with the regulations.</p> <p>4. Proposal for cancellation of non-compete restrictions on directors and representatives thereof. Resolution results: According to the voting result of this proposal, the votes cast for the proposal accounted for 99.09%; therefore, the proposal was passed as proposed. State of implementation: Implemented as resolved and has been published on the MOPS in accordance with the regulations.</p>

2. Major Resolutions of the Board of Directors' Meeting: (Matters specified in Article 14-3 of the Securities and Exchange Act)

Date of Board Meeting	Details of resolution	Opinions of Independent Director	The Company's Action With Respect to Independent Director's Opinion	Resolution results
2024.02.26 Board of Directors	<ol style="list-style-type: none"> 1. Proposal for the 2023 "Statement of the Internal Control System". 2. Proposal for the 2023 operating budget. 3. Proposal for the 2023 business report. 4. Proposal for the distribution of 2023 remunerations of employees and directors. 5. Proposal for the 2023 financial statements. 6. Matters involving change of the Company's CPAs for the financial statements. 7. Evaluation on the independence and competency of the Company's external auditors. 8. Proposal for approval of the non-certification service provided by the external auditors' firm and its affiliates to the Company and its subsidiaries. 9. Uncollected significant funds overdue for 3 months or more were evaluated whether or not they were loaned to others. 10. Proposal for application for credit lines from financial institutions. 11. Proposal for making endorsement/guarantee for subsidiary EMBUX Technology Co., Ltd. (credit lines with financial institutions). 12. Proposal for amendment to the "Procedures for Acquisition or Disposal of Assets" of the Company. 13. Proposal for establishment of the "Rules Governing Financial and Business Matters Between the Company and Its Related Parties" of the Company. 14. Proposal for the appointment 	None	Not applicable	Passed without objection after the Chair consulted with all directors present at the meeting, and implemented as resolved.

Date of Board Meeting	Details of resolution	Opinions of Independent Director	The Company's Action With Respect to Independent Director's Opinion	Resolution results
	<p>of the Company's managerial officers.</p> <p>15. Proposal for distribution of performance bonus for managerial officers.</p> <p>16. Proposal for the review of remuneration of directors and managerial officers.</p> <p>17/ Proposal for re-election of Board of Directors.</p> <p>18. Proposal for matters in relation to the convention of the Company's 2024 Annual General Meeting.</p>			
2024.05.08 Board of Directors	<p>1. Proposal for 2024 Q1 financial statements.</p> <p>2. Earnings Distribution for 2023.</p> <p>3. Uncollected significant funds overdue for 3 months or more were evaluated whether or not they were loaned to others.</p> <p>4. Proposal for the appointment of the Company's managerial officers.</p> <p>5. Review of accepted proposals of shareholders and qualification of the candidates of nominated directors (including independent directors).</p> <p>6. Proposal for cancellation of non-compete restrictions on directors and representatives thereof.</p>	None	Not applicable	Passed without objection after the Chair consulted with all directors present at the meeting, and implemented as resolved.
2024.06.19 Board of Directors	<p>1. Proposal for new directors to elect the Chairman of the current term of office.</p> <p>2. Proposal for the appointment of the 6th term of Remuneration Committee members.</p> <p>3. Proposal for appointment of the 2nd term of Sustainable Development Committee members.</p>	None	Not applicable	Passed without objection after the Chair consulted with all directors present at the meeting, and implemented as resolved.
2024.08.07 Board of	1. Proposal for the Company's 2023 Sustainability Report	None	Not applicable	Passed without objection after the

Date of Board Meeting	Details of resolution	Opinions of Independent Director	The Company's Action With Respect to Independent Director's Opinion	Resolution results
Directors	and external verification. 2. Proposal for 2024 Q2 financial statements. 3. Proposal for application for credit lines from financial institutions. 4. Uncollected significant funds overdue for 3 months or more were evaluated whether or not they were loaned to others. 5. Proposal for the distribution of 2023 remuneration of directors.			Chair consulted with all directors present at the meeting, and implemented as resolved.
2024.11.06 Board of Directors	1. Proposal for establishment of the "Operation Procedures for Preparation and Verification of Sustainability Report" of the Company. 2. Proposal for establishment of the Company's "Rules Governing Sustainability Information". 3. Proposal for establishment of the internal control operation of "Operational Guidelines for Sustainable Information Management" of the Company. 4. Proposal for establishment of the Company's 2025 internal audit plan. 5. Proposal for 2024 Q3 financial statements. 6. Proposal for application for credit lines from financial institutions. 7. Uncollected significant funds overdue for 3 months or more were evaluated whether or not they were loaned to others. 8. Proposal for amendment to parts of the provisions of the "Rules of Procedure for Board of Directors' Meetings" of the Company. 9. Proposal for amendment to parts of the provisions of the "Audit Committee Charter" of	None	Not applicable	Passed without objection after the chair consulted with all directors present at the meeting, and implemented as resolved.

Date of Board Meeting	Details of resolution	Opinions of Independent Director	The Company's Action With Respect to Independent Director's Opinion	Resolution results
	the Company. 10. Adjustment of the attendance fee for the Board of Directors and all functional committees of the Company.			

(X) In the most recent year and up to the printing date of the annual report, if a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written statement, the main content thereof: None.

IV. Information on CPA professional fees

Amount unit: NTD thousand

Name of CPA firm	Name of CPA	<u>CPA's</u> audit period	Audit fees	Non-audit fees	Total	Remarks
PwC Taiwan	Wu, Jen-Chieh	2024.1.1 - 2024.12.31	2,281	950	3,231	The non-audit fees are mainly the fees for tax certification and transfer pricing services.
	Wang, Sung-Tse					

(I) Where the audit fee paid in the year of the replacement of CPA firm is less than the audit fee in the year before the replacement, the amount of audit fees before and after replacement, along with the reasons therefor, should be disclosed: None.

(II) Where the audit fee has decreased by 10% or more from the previous year, the amount, percentage, and reason for the decrease in the audit fee should be disclosed: None.

V. Information on change of CPA: None.

VI. Where the chairperson, president, or officers in charge of financial or accounting matters of the Company has worked in the firm of the CPA or its affiliated companies within the last year, the name, job title, and work duration of such a person shall be disclosed: None.

VII. Any equity transfer or change in equity pledge by a director, supervisor, manager, or shareholder with 10% stake or more during the most recent year or during the current year up to the date of publication of the annual report:

(I) Changes in equity

Unit: shares

Title	Name	2024		Up to April 27, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman	Lin, Mao-Chang	0	0	0	0
Director	Lin, Jeng-Tay	0	0	0	0
Director	Chen, Wen-Chuan (Note 1)	0	0	Not applicable	Not applicable
Director	Tu, Shu-Ling (Note 2)	0	0	0	0
Independent Director	Wang, Yun-Yuao	0	0	0	0
Independent Director	Chen, Ching-Yin	0	0	0	0
Independent Director	Chen, Hong-Ming (Note 1)	0	0	Not applicable	Not applicable
Independent Director	Tai, Cheng-Chieh (Note 1)	0	0	Not applicable	Not applicable
Independent Director	Chen, Li-Chun (Note 2)	0	0	0	0
Independent Director	Lin, Ling-Fang (Note 2)	0	0	0	0
President	Yang, Chien-Hsing	0	0	0	0
Vice President	Lin, Hung-Chou	0	0	(45,000)	0
Vice President	Huang, Tsung-Hsi	0	0	0	0
Vice President	Liu, Chun-Chun	0	0	(242,000)	0
Vice President	Li, Chun-I	0	0	0	0
Vice President	Chiu, Chun-Ming	0	0	(18,000)	0
Vice President	Shen, Chien-I	(1,000)	0	(9,000)	0
Vice President	Yeh, Shu-Chen	0	0	0	0
Vice President	Chen, Po-Hsu	0	0	0	0
Assistant Vice President	Tu, Shu-Ling	0	0	0	0
Assistant Vice President (Finance / Accounting Supervisor)	Chen, Yuan-Pin	0	0	0	0
Assistant Vice President	Chen, Chia-Li	0	0	(1,000)	0
Assistant Vice President	Tsai, Chun-Yang	0	0	0	0

Title	Name	2024		Up to April 27, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Assistant Vice President	Chang, Feng-Jung	0	0	0	0
Assistant Vice President	Ting, Wen-Ching	0	0	0	0
Assistant Vice President	Lin, Chih-Ta	0	0	0	0
Assistant Vice President	Liu, Ying-Tsun	0	0	0	0
Assistant Vice President	Lai, Hui-Ying	0	0	0	0
Assistant Vice President	Tsai, Chung-Yi	0	0	0	0
Assistant Vice President	Lai, Ming-Hsiang	0	0	0	0
Assistant Vice President	Lo, Shih-Yun	0	0	0	0
Assistant Vice President	Huang, Yuan-Hsin	0	0	0	0
Assistant Vice President	Chiu, Chen-I	0	0	0	0
Assistant Vice President	Wu, I-Ching (Note 3)	Not applicable	Not applicable	0	0

Note 1: Released from duty after re-election on June 19, 2024.

Note 2: Newly assumed the position after re-election on June 19, 2024.

Note 3: Newly assumption of position on March 1, 2024.

(II) Equity transfer: None.

(III) Equity pledge: None.

VIII. Information on the top ten shareholders who are a related party, spouse, or relative within the second degree of kinship of one another:

April 27, 2025

Unit: shares; %

	Name	Shares held by the owner		Shares held by spouse and minor children		Total shares held in the name of others		Names and relationships between the top ten shareholders including spouses, second degree of kinship of another under the Statement of Financial Accounting Standards No. 6.		Remarks
		Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Name	Relationship	
1	Tai-Ying Investment Co., Ltd.	9,687,129	6.86%	0	0.00%	0	0.00%	None	None	
	Representative: He, Chun-Ying	5,918	0.00%	808,656	0.57%	0	0.00%	Lin, Jeng-Tay	Spouse	
2	Lin, Mao-Chang	7,457,657	5.28%	6,968,755	4.93%	0	0.00%	Tu, Shu-Ling Lin, Hsiu	Spouse Children	
3	Tu, Shu-Ling	6,968,755	4.93%	7,457,657	5.28%	0	0.00%	Lin, Mao-Chang Lin, Hsiu Tu, Kun-Hua	Spouse Children Sister and brother	
4	Lin, Meng-Ying	6,888,045	4.88%	0	0.00%	0	0.00%	None	None	
5	Joe Perng International Co., Ltd.	3,290,164	2.33%	0	0.00%	0	0.00%	None	None	
	Representative: Peng, Shun-Mei	912,421	0.65%	0	0.00%	0	0.00%	None	None	
6	Hao-Jue Investment Co., Ltd.	3,287,921	2.33%	0	0.00%	0	0.00%	None	None	
	Representative: Tu, Kun-Hua	364,294	0.26%	0	0.00%	0	0.00%	Tu Shu-Ling	Sister and brother	
7	Han-Fu Investment Co., Ltd.	3,244,787	2.30%	0	0.00%	0	0.00%	None	None	
	Representative: Peng, Shun-Mei	912,421	0.65%	0	0.00%	0	0.00%	None	None	
8	Han-Chang Investment Co., Ltd.	3,120,012	2.21%	0	0.00%	0	0.00%	None	None	
	Representative: Lin, Hsiu	913,943	0.65%	0	0.00%	0	0.00%	Lin, Mao-Chang Tu, Shu-Ling	Parents	
9	Tai Wang Investment Co., Ltd.	2,818,964	2.00%	0	0.00%	0	0.00%	None	None	
	Representative: Lin, Jeng-Tay	808,656	0.57%	5,918	0.00%	0	0.00%	He, Chun-Ying Lin, Meng-Ying	Spouse Siblings	

	Name	Shares held by the owner		Shares held by spouse and minor children		Total shares held in the name of others		Names and relationships between the top ten shareholders including spouses, second degree of kinship of another under the Statement of Financial Accounting Standards No. 6.		Remarks
		Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Name	Relationship	
10	TaoHsin Education Foundation	2,758,473	1.95%	0	0.00%	0	0.00%	None	None	
	Representative: Tu, Shu-Ling	6,968,755	4.93%	7,457,657	5.28%	0	0.00%	Lin, Mao-Chang Lin, Hsiu Tu, Kun-Hua	Spouse Children Sister and brother	

IX. The total number of shares and the consolidated equity stake percentage held in any single investee enterprise by the Company, its directors, supervisors, manages, or any companies controlled either directly or indirectly by the Company:

December 31, 2024
Unit: thousand shares; %

Investees (Note)	Invested by the Company		Investment by directors, supervisors, manages, and entities directly or indirectly controlled by the Company		Total investments	
	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding ratio
Nexcom Europe Ltd.	580	100.00%	0	0.00%	580	100.00%
Nex Computers, Inc.	5,000	100.00%	0	0.00%	5,000	100.00%
Nexcom Japan Co., Ltd.	1	100.00%	0	0.00%	1	100.00%
Nexcom International Co., Ltd. (SAMOA)	6,386	100.00%	0	0.00%	6,386	100.00%
NEXCOBOT Inc.	200	100.00%	0	0.00%	200	100.00%
Green Base Technology Corp.	15,155	75.73%	887	4.43%	16,042	80.16%
NexAIOT Co., Ltd.	18,995	82.73%	1,279	5.57%	20,274	88.30%
NexCOBOT Taiwan CO.,Ltd.	0	0.00%	6,000	100.00%	6,000	100.00%
All IoT Cloud Corp.	1,000	100.00%	0	0.00%	1,000	100.00%
EMBUX Technology Co., Ltd	7,290	100.00%	0	0.00%	7,290	100.00%
TMR Technologies Co.,Ltd.	3,782	82.08%	460	2.30%	4,242	92.08%
Nexcom Shanghai Co., Ltd.	-	0.00%	-	100.00%	-	100.00%
NEXCOM United System Service Corp.	-	0.00%	-	100.00%	-	100.00%
NEXCOM Surveillance Technology Corp.	-	0.00%	-	100.00%	-	100.00%
NEXGOL Co.,Ltd	-	0.00%	-	80.00%	-	80.00%
Beijing Nexgemo Technology Co.,ltd.	-	0.00%	-	45.00%	-	45.00%

Chongqing NEXRAY Technology Co., Ltd.	-	0.00%	-	53.24%	-	53.24%
Diviotec Inc.	0	0.00%	2,000	100.00%	2,000	100.00%

Note: Long-term investments of the Company accounted for using the equity method.

Three. Financing Status

I. Capital and shares

(I) Source of share capital

1. Capital history

April 27, 2025
Unit: shares; NT\$

Approval date (MM/DD/YY)	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Use of assets other than cash for the share amount	Code of official letter that approved such capital change
November 14, 1992	10	1,000,000	10,000,000	1,000,000	10,000,000	Capital amount upon incorporation: NT\$10,000,000	None	Taipei City Jiang Shan Zi No. 00328151
February 2, 1994	10	2,000,000	20,000,000	2,000,000	20,000,000	Follow-on offering: NT\$10,000,000	None	Taipei City Jiang Shan Zi No. 00328151
September 25, 1998	10 10	8,000,000	80,000,000	8,000,000	80,000,000	Follow-on offering: NT\$18,000,000 Recapitalization of earnings: NT\$42,000,000	None	(87) Jian San Bien No. 233503
August 23, 1999	100 10	13,600,000	136,000,000	13,600,000	136,000,000	Follow-on offering: NT\$4,000,000 Recapitalization of earnings: NT\$52,000,000	None	Jing (88) Shan No. 130699
April 28, 2000	10 10	52,000,000	520,000,000	23,200,000	232,000,000	Recapitalization of earnings: NT\$79,680,000 Recapitalization of capital surplus: NT\$16,320,000	None	Jing (89) Shan No. 113235
August 10, 2000	20	52,000,000	520,000,000	30,000,000	300,000,000	Follow-on offering: NT\$68,000,000	None	Jing (89) Shan No. 128601
July 24, 2001	10	52,000,000	520,000,000	37,250,000	372,500,000	Recapitalization of earnings: NT\$72,500,000	None	Jing (90) Shan No. 09001284570
August 12, 2005	10	52,000,000	520,000,000	39,875,000	398,750,000	Recapitalization of earnings: NT\$26,250,000	None	Jin Guan Zheng Yi Zi No. 0940133185
July 26, 2006	10	52,000,000	520,000,000	44,245,000	442,450,000	Recapitalization of earnings: NT\$38,505,000 Recapitalization of employee bonus: NT\$5,195,000	None	Jin Guan Zheng Yi Zi No. 0950132743
March 29, 2007	16.4	52,000,000	520,000,000	44,979,000	449,790,000	Exercise of employee stock options: NT\$7,340,000	None	Jing Shu Zhong Zi No. 09631852680
July 4, 2007	32	70,000,000	700,000,000	50,977,000	509,770,000	Follow-on offering: NT\$59,980,000	None	Jin Guan Zheng Yi Zi No. 0960020441

July 23, 2007	10	70,000,000	700,000,000	59,523,550	595,235,500	Recapitalization of earnings: NT\$76,465,500 Recapitalization of employee bonus: NT\$9,000,000	None	Jin Guan Zheng Yi Zi No. 0960038614
July 29, 2008	10	100,000,000	1,000,000,000	73,509,924	735,099,240	Recapitalization of earnings: NT\$119,047,100; recapitalization of employee bonus: NT\$20,816,640	None	Jin Guan Zheng Yi Zi No. 0970038195
July 21, 2009	10	100,000,000	1,000,000,000	80,860,916	808,609,160	Recapitalization of earnings: NT\$73,509,920	None	Jin Guan Zheng Yi Zi No. 0980036606
May 25, 2010	10	100,000,000	1,000,000,000	82,947,263	829,472,630	Conversion of convertible corporate bonds into common shares: NT\$20,863,470	None	Jing Shu Zhong Zi No. 09901107030
September 9, 2010	10	120,000,000	1,200,000,000	87,094,626	870,946,260	Recapitalization of earnings: NT\$41,473,630	None	Jing Shu Zhong Zi No. 09901204470
August 17, 2011	10	120,000,000	1,200,000,000	87,404,626	874,046,260	Exercise of employee stock options: NT\$3,100,000	None	Jing Shu Zhong Zi No. 10001097850
August 17, 2011	10	120,000,000	1,200,000,000	87,422,626	874,226,260	Exercise of employee stock options: NT\$180,000	None	Jing Shu Zhong Zi No. 10001187310
September 14, 2011	10	120,000,000	1,200,000,000	96,163,089	961,630,890	Recapitalization of earnings: NT\$87,404,630	None	Jin Guan Zheng Fa Zi No. 1000033280
November 8, 2011	10	120,000,000	1,200,000,000	96,191,089	961,910,890	Exercise of employee stock options: NT\$280,000	None	Jing Shu Zhong Zi No. 10001256350
February 4, 2012	10	120,000,000	1,200,000,000	96,203,089	962,030,890	Exercise of employee stock options: NT\$120,000	None	Jing Shu Zhong Zi No. 10101016940
May 14, 2012	10	120,000,000	1,200,000,000	96,481,089	964,810,890	Exercise of employee stock options: NT\$2,780,000	None	Jing Shu Zhong Zi No. 10101086190
August 13, 2012	10	120,000,000	1,200,000,000	96,583,089	965,830,890	Exercise of employee stock options: NT\$1,020,000	None	Jing Shu Zhong Zi No. 10101163590
September 10, 2012	10	120,000,000	1,200,000,000	111,055,253	1,110,552,530	Recapitalization of earnings: NT\$144,721,640	None	Jing Shu Zhong Zi No. 10101187820
November 8, 2012	10	120,000,000	1,200,000,000	111,073,253	1,110,732,530	Exercise of employee stock options: NT\$180,000	None	Jing Shu Zhong Zi No. 10101231040
February 18, 2013	10	120,000,000	1,200,000,000	111,113,253	1,111,132,530	Exercise of employee stock options: NT\$400,000	None	Jing Shu Zhong Zi No. 10201029710
May 15, 2013	10	120,000,000	1,200,000,000	111,219,253	1,112,192,530	Exercise of employee stock options: NT\$1,060,000	None	Jing Shu Zhong Zi No. 10201089710
August 20, 2013	10	120,000,000	1,200,000,000	111,331,253	1,113,312,530	Exercise of employee stock options: NT\$1,120,000	None	Jing Shu Zhong Zi No. 10201169940
September 25, 2013	10	180,000,000	1,800,000,000	128,007,841	1,280,078,410	Recapitalization of earnings: NT\$166,765,880	None	Jing Shu Zhong Zi No. 10201195080
November 21, 2013	10	180,000,000	1,800,000,000	128,032,841	1,280,328,410	Exercise of employee stock options: NT\$250,000	None	Jing Shu Zhong Zi No. 10201235670
February 10, 2014	10	180,000,000	1,800,000,000	128,325,841	1,283,258,410	Exercise of employee stock options: NT\$2,930,000	None	Jing Shu Shang Zi No. 10301020490

May 16, 2014	10	180,000,000	800,000,000	128,716,841	1,287,168,410	Exercise of employee stock options: NT\$3,910,000	None	Jing Shu Shang Zi No. 10301090590
August 18, 2014	10	180,000,000	800,000,000	129,170,841	1,291,708,410	Exercise of employee stock options: NT\$4,540,000	None	Jing Shu Shang Zi No. 10301090590
September 29, 2014	10	180,000,000	800,000,000	136,892,472	1,368,924,720	Recapitalization of earnings: NT\$77,216,310	None	Jing Shu Zhong Zi No. 10301200550
November 17, 2014	10	180,000,000	800,000,000	138,045,472	1,380,454,720	Exercise of employee stock options: NT\$11,530,000	None	Jing Shu Shang Zi No. 10301237770
February 17, 2015	10	180,000,000	800,000,000	139,046,472	1,390,464,720	Exercise of employee stock options: NT\$10,010,000	None	Jing Shu Shang Zi No. 10401028240
June 15, 2015	10	180,000,000	800,000,000	139,821,472	1,398,214,720	Exercise of employee stock options: NT\$7,750,000	None	Jing Shu Zhong Zi No. 10401112710
August 19, 2015	10	180,000,000	800,000,000	139,852,472	1,398,524,720	Exercise of employee stock options: NT\$310,000	None	Jing Shu Zhong Zi No. 10401172070
November 25, 2015	10	180,000,000	800,000,000	140,125,472	1,401,254,720	Exercise of employee stock options: NT\$2,730,000	None	Jing Shu Zhong Zi No. 10401241270
March 4, 2016	10	180,000,000	800,000,000	140,262,472	1,402,624,720	Exercise of employee stock options: NT\$1,370,000	None	Jing Shu Zhong Zi No. 10501040790
May 17, 2016	10	180,000,000	800,000,000	140,328,472	1,403,284,720	Exercise of employee stock options: NT\$660,000	None	Jing Shu Zhong Zi No. 10501100140
August 16, 2016	10	180,000,000	800,000,000	140,450,472	1,404,504,720	Exercise of employee stock options: NT\$1,220,000	None	Jing Shu Zhong Zi No. 10501197650
November 10, 2016	10	180,000,000	800,000,000	140,771,472	1,407,714,720	Exercise of employee stock options: NT\$3,210,000	None	Jing Shu Zhong Zi No. 10501263620
March 1, 2017	10	180,000,000	800,000,000	140,846,472	1,408,464,720	Exercise of employee stock options: NT\$750,000	None	Jing Shu Zhong Zi No. 10601026960
May 16, 2017	10	180,000,000	800,000,000	140,919,472	1,409,194,720	Exercise of employee stock options: NT\$730,000	None	Jing Shu Zhong Zi No. 10601061640
August 10, 2017	10	180,000,000	800,000,000	141,008,472	1,410,084,720	Exercise of employee stock options: NT\$890,000	None	Jing Shu Zhong Zi No. 10601114490
November 21, 2017	10	180,000,000	800,000,000	141,226,472	1,412,264,720	Exercise of employee stock options: NT\$2,180,000	None	Jing Shu Zhong Zi No. 10601157510

2. Type of shares

April 27, 2025; Unit: shares

Type of shares	Authorized share capital			Remarks
	Shares issued and outstanding	Unissued shares	Total	
Registered common shares	141,226,472	38,773,528	180,000,000	Registered shares traded OTC

(II) List of major shareholders

April 27, 2025; Unit: shares

Name of major shareholders	Shares	Number of shares held	Shareholding ratio
Tai-Ying Investment Co., Ltd.		9,687,129	6.86%
Lin Mao-Chang		7,457,657	5.28%
Tu Shu-Ling		6,968,755	4.93%
Lin Meng-Ying		6,888,045	4.88%
Joe Perng International Co., Ltd.		3,290,164	2.33%
Hao-Jue Investment Co., Ltd.		3,287,921	2.33%
Han-Fu Investment Co., Ltd.		3,244,787	2.30%
Han-Chang Investment Co., Ltd.		3,120,012	2.21%
Tai Wang Investment Co., Ltd.		2,818,964	2.00%
TaoHsin Education Foundation		2,758,473	1.95%

The average market price of each year is calculated according to the closing trading value and trading volume of each year.

Note 2: Please fill in the information based on the number of shares issued at the end of the year and according to the board of directors or shareholders meeting resolution status for the following year.

Note 3: If retrospective adjustment is required for situations such as gratuitous allotment, the earnings per share before and after adjustment must be listed.

Note 4: If equity securities are issued with terms that allow dividends to be accrued and accumulated until the year the Company makes a profit, the amount of cumulative undistributed dividends up until the current year is disclosed separately.

Note 5: Price to earning ratio = average closing price per share for the year/earnings per share.

Note 6: Price to dividends ratio = average closing price per share for the year/cash dividends per share.

Note 7: Cash dividend yield = cash dividends per share/average closing price per share for the year

Note 8: Net worth per share and earnings per share should be presented with the most recent quarterly information audited (reviewed) by CPAs as of the publication of the annual report; the rest of the columns should be presented with the current year information as of the publication of the annual report.

Note 9: It is yet to be resolved by the 2025 general shareholders' meeting.

(III) Dividend policy and implementation status of the Company

1. The dividend policy specified on Article 20-1 of the Articles of Incorporation

For a profitable fiscal year (after allocation for employee compensation and Director remuneration as per Article 20), the Company shall first allocate for tax payment and compensate losses from previous period(s). Next, the Company shall allocate 10% of the remaining earnings for legal reserve. However, in the event that the legal reserve has matched the paid-in capital of the Company, no further allocation is necessary. The remaining earnings shall be allocated for or reverse from special reserve in accordance to the law and regulations. For any remaining amount, along with the accumulated undistributed earnings, The Board of Directors shall make the dividend distribution proposal and submit to the Shareholders' Meeting for approval by resolution.

Considering the business environment, the growth phase it is in, future capital needs, and long-term financial planning, the Company distributes no greater than 90% of the annual distributable earnings as shareholder dividends, and no less than 5% of such shareholder dividends as cash dividends. Nevertheless, in the event that the total distributable dividend has not reached NT\$0.5 per share, the restriction of the aforementioned proportion does not apply.

2. Proposed dividend distribution for the current year

The Company's proposal for the 2024 earnings distribution was approved by the Board meeting held on May 7, 2025 for cash dividends of NT\$0.6 per share, totaling NT\$84,736 thousand. The earnings distribution is yet to be resolved by the 2025 general shareholders' meeting.

(IV) Impact of the distribution of bonus shares proposed in the present shareholders' meeting on the business performance of the Company and earning per share:

The 2024 earnings distribution was carried out in the form of cash dividends, posing no impact on the Company's operating performance and earnings per share.

(V) Remunerations of employees, directors and supervisors

1. Percentage or scope of remuneration of employees, directors, and supervisors stipulated in the Articles of Incorporation:

For each profitable fiscal year (pre-tax profits before allocation of remunerations of employees and directors), the Company shall allocate no less than 1% of profit as remuneration of employees and no more than 1% of profit as remuneration of directors. Nevertheless, the Company shall have reserved a sufficient amount to offset its accumulated losses.

The remuneration of employees mentioned in the preceding paragraph may be distributed in

cash or in share to employees of the Company, and to employees of subordinate companies who meet certain criteria. The remuneration of directors shall be distributed in cash; the distribution to a single director in a given year shall not exceed NT\$30 million.

The remunerations mentioned in the preceding two paragraphs may be made only after an approval has been obtained by a majority vote at a Board meeting attended by two-thirds of total Board members, and shall be reported to the shareholders' meeting.

2. The basis for estimating the amount of employee, director, and supervisor remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: Any discrepancy is accounted for as a change in accounting estimates and is recognized in profit or loss for the current period.

3. Distribution of remuneration approved at the board meeting

Unit: NT\$

Item	Amount of remuneration passed by the Board of Directors	
	Cash	Share
Employee remuneration	467,838	0
Director/supervisor remuneration	233,919	0

The table above enumerates the employee remuneration and director/supervisor remuneration - all paid in cash - passed by the Company's Board of Directors; the amount distributed agrees with the estimated amount stated on the consolidated financial statements for 2023.

4. Earning distributions report and results at the shareholders' meeting:

The said earnings distribution proposal will be reported at the shareholders' meeting this year.

5. The actual distribution of employee and director remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and share price, of the shares distributed); the discrepancy between the actual distribution and the recognized employee or director remuneration, if any, the discrepancy, cause, and how it is treated:

The actual remuneration distributed to employees and directors in 2023, amounting to NT\$3,276,327 and NT\$1,609,121, respectively, is identical with that recognized in the financial statements of the same year.

(VI) Repurchase of shares by the Company: The Company has not repurchased any of its shares in the most recent year and in the current year up to the printing date of this annual report.

II. Corporate bonds: None.

III. Preferred shares: None.

IV. Global depository receipts: None.

V. Issuance of Employee Stock Options and New Restricted Employee Shares: None.

(I) Employee stock warrants: N/A.

(II) Names and Acquisition and Subscription Status of Managerial Officers Who Have Acquired Employee Share Subscription Options and the Top Ten Employees (Ranked by the Number of Subscribable Shares) Who Have Acquired Share Subscription Options: N/A.

(III) New restricted employee shares: None.

VI. Issuance of new shares in connection with mergers or acquisitions: None.

VII. Capital allocation plans:

The Company does not have any plan that has yet to be completed, nor any plan that has been completed within the previous 3 years but has yet to yield any benefits.

Four. Operation Overview

I. Business contents

(I) Business scope

1. Main contents of the business

- (1) Computer and Peripheral Equipment Manufacturing., Trading, and Installation
- (2) Communication Equipment and Apparatus Manufacturing, Trading, and Installation
- (3) Information Software and Data Processing Services
- (4) Embedded Computer Customized Design and Manufacturing Services

2. Revenue breakdown:

Unit: NT\$ thousand

Product / Year	2023		2024	
	Amount	Revenue percentage (%)	Amount	Revenue percentage (%)
Network communication	2,164,183	37.54	2,415,321	44.55
IoT automation	1,970,412	34.18	1,464,185	27.01
Smart monitoring	709,312	12.30	510,280	9.41
On-board computer	509,583	8.84	599,253	11.05
AI system	385,487	6.69	416,825	7.69
Others	26,532	0.46	15,201	0.29
Total	5,765,509	100.00	5,421,065	100.00

3. Main products and services: Smart medical and healthcare (MHI), Internet of Things, touch-screen billboards, Mobile Computing Solutions (MCS), Network and Communication Solutions (NCS), multimedia computers and smart retail.

4. Products and services planned to be developed:

- (1) A new generation of embedded computers and industrial computers.
- (2) A complete series of energy-saving and fanless embedded computer systems for specific applications in the mass transportation industry, medical industry, industrial industry, energy industry, and multimedia industry.
- (3) A full range, from entry-level to high-end, of network communications security monitoring platforms and end user wireless devices.
- (4) Industrial-grade mobile computing platforms such as rugged handheld computers, tablet computers, and Mobile Computing Solutions (MCS).
- (5) Related industries of the Industrial Internet of Things, such as cloud edge computing

and smart city solutions.

(6) Customized outsourcing design and production projects and OEM services.

(II) Industry overview

1. The industry's current state and development

(1) Cyber-security system

With the rapid development of the 5G network and IoT applications, cyber-security will be another important topic.

The ability to filter and block the intrusion by hackers and the threats from computer viruses among the immense data flows on the network is key to the survival of an enterprise and even a country.

Such a special purpose requires of cyber-security equipment to possess reliability and performance that is higher than general network equipment; this will be the niche for the Company. For the time being, the information security vendors are developing toward cloud-based functions, such as firewall/VPN, anti-virus, spam filtering, intrusion detection/intrusion prevention, contents filtering and other functions, through a security service edge (SASE) to connect the internet and in response to the Network virtualization (SD-WAN) to reduce maintenance costs for end enterprise customers.

The Company is currently engaged in production of the network security hardware platform, which is launched by the major chip manufacturers at the same time. It supports ultra-large bandwidth, high-speed computing and flexibility, and can provide multiple applications. It is convenient for customers to deploy different micro-services and establish a zero-trust network to ensure the security of corporate information. Meanwhile, in response to the rise of IoT applications, the demands for industrial fire walls are derived to protect the smart factory data and timeliness and safety of the output data.

(2) 5G network equipment

In response to the advent of 5th generation wireless communications, open architectures will revolutionize the applications in the markets including industrial, automotive, medical, and even the national defense industries, bringing about at least three major trends: First, Enhanced Mobile Broadband, eMBB, which is used to enhance innovative applications such as virtual augmentation and virtual reality. Second, Massive Machine Type Communication (mMTC), which has to do with the connectivity of the ubiquitous IoT sensors. Third, ultra-reliable and low-latency communication that facilitates the development of autonomous vehicles and remote surgery. Therefore, compared with 4G network equipment, 5G network equipment will be closer to the users while achieving optimized network applications such as low latency, high bandwidth, and multi-point connection.

The Company will provide the core hardware required for 5G networks, including Edge Computing, 5G Network Slicing, Software-Defined Networking, Dual 5G-supported Universal Customer Premise Equipment (uCPE), Multi-Protocol Label Switching, OT Security Gateways, Audio Video Streaming Equipment, etc., and the integration and applications of optimized 5G networks by integrating AI's computing capability.

(3) Industrial computer

Industrial computers are ubiquitous in industrial IoT and AI applications. Aside from being present in the embedded computer market, industrial computers are also integrated into a hardware-software integrated barebone system requisite for the Gateway and Edge AI cloud connection solutions, a new blue ocean market. In response to the global trend of Industry 4.0 and driven by the opportunities that come with smart manufacturing, smart machinery, and digital transformation of enterprises, the subsidiaries, NexAIOT Co., Ltd. and NexCOBOT Taiwan CO., Ltd., adopted an R&D strategy focusing on hardware-software integration to benchmark against smart manufacturing, smart machinery, and robot control, thereby growing the opportunities that will come with a new pattern of Industry 4.0.

Currently, industrial computer manufacturers are actively developing new products and providing IoT services to tap into the vertical market for Industry 4.0 applications. Those performed better, including Advantech, Delta, and NEXCOM, all successfully raised their market share by providing software-value-added solutions in their respective niche markets. Notwithstanding, NEXCOM Group's Industry 4.0, starting from the smart manufacturing and robot control, has accumulated the industrial experience and achievements for many years. Now, in line with the ESG trend, the Group moves toward the emerging industries, such as green manufacturing and green building, proactively, and generates remarkable operating revenue performance and room for growth.

(4) Multi-media digital billboards and smart retail system

To embark on the trend of smart retail and unmanned stores, the introduction of multimedia digital billboards along with software for AI face recognition and automatic payment will bring another wave of opportunities. Industrial computer manufactures need to form an alliance with TV screen suppliers and AIoT software suppliers to develop cloud-based smart service solutions, thereby tapping into the immense new retail market.

(5) In-vehicle networking and railway transportation AI computers

In-vehicle networking and in-vehicle AI computers have been widely used in logistics, engineering services, mass transportation, emergency medical care, patrol, mining, construction, agriculture and other fields to improve vehicle efficiency, driving safety, and transportation efficiency.

Currently, AI technologies have been incorporated into railway transportation (i.e., trains and light rail trains) to improve passenger safety. Such technologies include distant railway obstacle detection, real-time alert and brake mechanism, and passenger luggage detection. Such special requirement of AI for railway transportation requires a specially-constructed computer that has higher computing power and more accurate AI-driven recognition capability. As such, this will be the best time for us to expand new applications for railway transportation. In addition to the automotive applications, AI is gradually becoming more popular in some outdoor applications, such as the fixed-spot traffic volume monitoring and traffic violation identification, etc. To meet these special needs, we have designed AI products to be equipped with IP65/67 level of dustproof and waterproof capability, such that the automotive AI products can be applied to greater fields of traffic related fields.

2. The relations among the upstream, midstream, and downstream industries:

Below is a summary of the current state of the industrial computer industry, broken down into the upstream, midstream, and downstream:

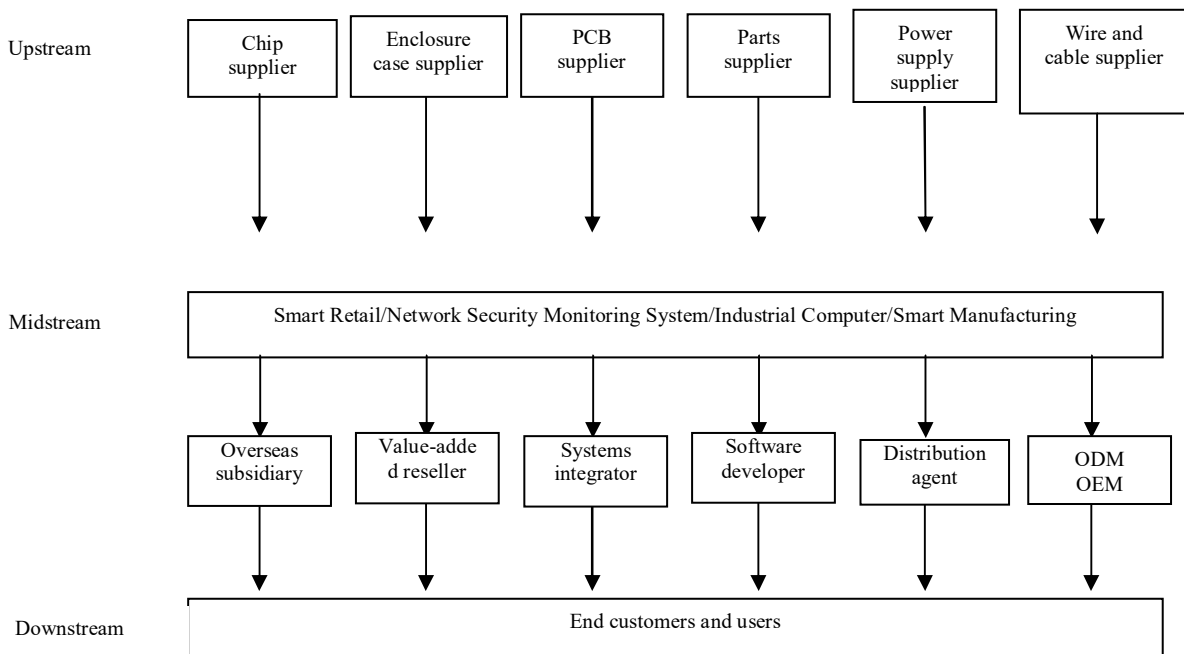
Upstream: Including chipsets, memories, passive components, printed circuit boards, power supplies, and other components; except for key parts and components, other parts and components can be obtained locally. Because Intel has a wide range of product lines and its products have higher stability, industrial computer manufacturers largely use Intel's chipsets. However, in the past few years, there has been a substantial presence of AMD SoCs and ARM SoCs in the embedded application market. As so, whether the market ecology will be changed is worth observing. Orders placed by industrial computer customers usually feature small quantity, diverse specifications, and high customization. As so, the purchase of raw materials is not likely to achieve the economies of scale, reducing buyers' ability to bargain with suppliers.

Midstream: Including I/O devices, single-board computers, barebones products, industrial computer products, system products, and peripheral equipment. Where there is a need for automated monitoring, there is the target market for manufacturers. As such, manufacturers do not have a zero-sum relation with each other, but seek and develop their own niche markets. Since their growth mainly comes from developing new applications and new customers, it's common that they compete while supplying goods to each other. The competition pattern in recent years has transitioned to vertical integration of the supply chain and the value chain, strategic alliance with peers, cross-shareholding and investment, and even M&A, all worth observing.

Downstream: Industrial computers are sold to end users mainly through systems integrators, distributors, and value-added resellers. Because the industrial computer industry is not a standardized industry but features high degree of systems integration, wide range of applications, and diverse portfolio of customers in industries, industry computers are sold to end users worldwide.

mainly through systems integrators and distributors who have profession engineering background. However, in recent years, those end users have directly placed OEM orders with industrial computer manufacturers. This prompts the industry computer manufactures to build own systems integration capability - they even transition to be a solutions provider who provide one-stop manufacturing logistics, supply chain management capability, and customer services. Such a change will have a long-lasting effect on the ecology of the industrial computer industry.

The structure of the upstream, midstream, and downstream is shown in the following diagram:



3. Product development trends and market competition

(1) Product development trends

Under a broad definition, the scope of industrial computers and embedded computers means the applications other than the use of personal computers and servers at home or offices. With the expansion of application fields, in addition to traditional applications such as industrial automation, communication, network, commercial use (POS, KIOSK, PANL, PC, ATM), and equipment (panels, semiconductors), the application of industrial computers and embedded computers further covers medical care, transportation (in-vehicle computers, GPS, airport billboards for navigation purpose, mass transit system control), entertainment (gambling, lottery machine, gaming), government (national defense system, voting system) and other captive industries. As such, customized products will feature an even wider difference than standardized products based on the various application fields. This enables customized products to feature practical application functions that satisfy end users' needs. In the face of such revolution, the product portfolio shall include products covering the vertical supply chain to set different technology entry barriers, product customization complexity need to be more complexed, and

products need to be more vertically integrated, so as to avert imitation by competitors. This is the direction toward which industrial computer manufacturers are heading, and they need to establish different expertise and characteristics.

In recent years, due to the 5G+AIoT trend, the demand for industrial computers has increased significantly. 5G enterprise private network, Edge AI, smart medical care, and smart image monitoring have driven the market growth momentum. The iAT2000 intelligent monitoring system and data center, NexDATA, and the new application industrial unmanned vehicle Nexmov researched and developed by NexAIOT Co., Ltd., and NexCOBOT robot functional safety solution have been widely adopted by domestic and foreign manufacturers, expected to drive another wave of growth momentum.

(2) Market competition

Description of the competition situation and relation among industrial computer manufacturers:

The Company mainly competes with Advantech and ENNOCONN for the market for industrial computers and embedded computers, and with ENNOCONN and Lanner for the market for network products. As for digital billboards, there are numerous manufacturers but no leader in domestic market. As for project-based products, competitors vary because they compete with each other in their professional fields. In recent years, the subsidiary, NexAIOT has not only deeply engaged in software-hardware integration for industrial IoT solutions but also scaled up to become a solutions provider, thereby widening the gap with competitors.

a. Industrial computer products

(a) At least three months ahead of peers in terms of technology specifications

Being a strategic partner of Intel under its Leader Account R&D program, the Company cooperates with Intel on CPUs and chipsets, which are allowed to go to market at the same time as Intel's products, thereby ensuring the innovative technological advantages of the Company's products.

(b) Higher requirement for product quality reliability than peers'

The Company's product design values the quality of components and parts, and also strict ex-factory verification procedures. Therefore, the products, such as heavy industrial and military-grade products, may operate in a critical environment under temperatures ranging from -40 degrees Celsius to 85 degrees Celsius.

(c) Focus on R&D of niche products, and segment the niche market with customization differentiation

The Company adopts an R&D strategy that focuses on differentiation and customization for its products to be sold on the vertical market, which products include industrial SBCs, fanless computers, medical equipment, computer terminals for the retail

industry, and computers for in-vehicle applications and transportation equipment. Doing so averts a red sea competition with industry peers and thereby creates a unique industrial advantage for the Company.

b. Digital billboard

The Company expects its R&D of digital billboards to provide customers with a one-stop shopping service, which covers services ranging from PCB, system products, and retail industry total solutions that integrate software applications. This is a relatively complete niche that NEXCOM has over those industry peers who only produce and sell hardware platforms.

c. In-vehicle networking computers

The Company expects its R&D of computers for in-vehicle information and communication applications to provide more sophisticated and dedicated platforms for different in-vehicle networking computer applications. That means an optimized design for specific applications ranging from PCBs, systems, to integration of peripheral products. This is the relatively professional attribute NEXCOM has over those industry peers who only produce general-purpose hardware platforms.

d. Network Communication Products

In response to customers' need for integration of product functions, the design of cyber-security products gradually transitions to an integration of the switch function and the storage function. In addition, for market's demand on product bandwidth, corresponding products are being developed to meet the growing demand for bandwidth, from 40G to 200G, and even to satisfying the emerging demand for real-time network TSN and AI edge computing. In the face of the requirements for higher bandwidth and integration of more application functions, a product's suitability and stability are determined by a company's ability to integrate hardware with software.

In addition to playing the role as a network security hardware supplier, the Company also has deployed related wireless broadband communication products, including enterprise-grade and industrial-grade product lines, in order to be in line with the business opportunities associated with the trend of 5G open architecture and 5G private networks of increasing popularity.

The network communication business group has taken the initiative to develop telecommunication-related equipment, including universal user end devices, disaggregated cell site gateways, and other edge computing equipment, and by combining with other

application packages provided by other partnering software developers, it provides customers professional and comprehensive solutions and service strategy and leads the industry by early launches. In addition, through the exposure of industrial exhibitions in overseas regions (such as Mobile World Congress), and joint marketing with key strategic partners, in order to improve NEXCOM's market visibility and product inquiry.

e. Smart Manufacturing and Industrial Robot Controller

The subsidiary, NexAIOT, and NexCOBOT have devised their blueprints for Industry 4.0 and successfully developed industrial IoT solutions. For instance, the iAT2000, the cloud-based smart automatic monitoring system, can bridge the OT, IT, and CT of various factories, monitor important systems such as production lines, machinery, and equipment, and integrate machine tool IoT with big data and transmit the results to a data middle platform, thereby realizing data visualization anytime, anywhere with its application performance monitoring. Thanks to demands from smart manufacturing projects and green building mechanical and electrical projects, both the customer base and revenue have been remarkably expanding and extending to Greater China and Southeast Asia. NexCOBOT has even led the industry to launch Intel-powered functional-safety-capable solutions that assist robot builders in accelerating their certification process for international standards of robot safety, and also already won the ODM orders from various cross-strait manufacturers.

(III) Technology and R&D Overview

1. The R&D expenses stated on the financial statements for 2024 and 2023 accounted for 10.82% and 10.15%, respectively, of the operating revenue. Estimated R&D expenses for 2024 is NT\$590,000 thousand.
2. Technology and products successfully developed in 2024 include the following:
 - (1) AI enabled 5G smart enterprise wireless network gateway
 - (2) Integrated AI 5G/Cyber security application platform and AI accelerator
 - (3) Power plant-level AI cyber security gateway
 - (4) Development of Nvidia high-end Jetson AGX Orin GMSL2 camera model, applicable for real-time hazard identification and warning alerts in vehicle-mounted systems
 - (5) Tool gravity compensation parameter identification technology
 - (6) FuSa robot functional safety (RSAP: Robot Safety Application) technology development
 - (7) Introduction of Isaac Sim technology, integrating GRC controllers to achieve Digital Twin applications

- (8) Introduction and development of DDS technology, completing ECM product remote operation applications and integration with market DDS products
- (9) Introduction of LDRA software verification technology, used to obtain FuSa product software safety certification
- (10) Implemented CMAKE and VSCODE technology for software product development on Linux operating systems
- (11) Implemented Sentinel License Protection software
- (12) Implemented Angular Web front-end technology for developing cross-platform human-machine interface software
- (13) Completed delivery of Delta FuSa project DRSC2016 version B
- (14) Completed delivery of Estun FuSa project RSC version A
- (15) Developed eSAF Frontier V500 and V1000 multi-ports products for network isolation, network visualization, and real-time network monitoring to protect critical assets.
- (16) Developed eSAF Platform Manager P2000 with high performance capability to connect up to 30 Frontier X/V series devices, featuring AI/ML functionality for detecting abnormal network traffic and performing Large Language Model (LLM) inference.
- (17) NEXCOM's subsidiary TMR Technologies Co., Ltd. has successfully obtained the cyber security capability registration certificate from the Ministry of Digital Affairs.

(IV) Long-term and short-term business development plans

1. Short-term business development plans

- (1) The subsidiary, NexAIOT, is focusing on the new market of Industry 4.0 solutions and expanding its business scale into two major areas, namely green manufacturing, and mechatronics of green buildings.
- (2) Continue to strengthen the strategic alliance with subsidiaries and important partners in Mainland China and important partners; deeply cultivate the local market and support major customers in the technical services and projects.
- (3) Proactively develop emerging markets in Southeast Asia, set up a representative office in Malaysia, and expand the business of agents and system integrators in various countries.
- (4) Develop new products related to AI-IPC to launch into the AI application field.
- (5) Engage in strategic alliances with well-known IT software vendors to provide customers with complete solutions and consulting planning services for green manufacturing.
- (6) Establish a complete supply chain covering ESG upstream and downstream dealers, strengthen the procurement capacity for key components, and meet the requirements of the global net zero carbon emission schedule.

- (7) Develop key customers in the vertical markets for different applications; swiftly tap into specific professional fields, such as automotive applications, medical applications, industrial automation, production line automation, industrial firewalls, and cloud-based smart services.
- (8) The subsidiary, NexCOBOT, specializes in software and hardware integrated controllers for robots and proposal controls, and strives for the ODM project from global industrial robot manufacturer based on the new laws governing functional safety.

2. Long-term business development plans

- (1) Develop the six key industries based on the Company's niche capabilities, which key industries include: Industry 4.0, robots, in-vehicle IoT, smart medical care, and industrial network security/development solutions, so as to seize the immense opportunities that come with the advent of IoT.
- (2) Support NEXCOM Group's subsidiaries in transforming into an industrial solution operation model with software and hardware integration, in order to benchmark vertical markets in AIoT-related areas, such as green manufacturing and green building, robotic safety control, smart medical care, smart image security, and 5G Autonomous Mobile Robot (AMR).
- (3) Gradually improve the capabilities of overseas subsidiaries respecting marketing, technical support, and product assembly and sales, so that they can become a regional business support center that serves and develops customers locally.
- (4) Actively develop the regional markets worldwide to offset the impact of regional economic volatility.
- (5) Consolidate the market with a strategy that focuses on vertical integration with the supply chain and horizontal alliances with industry peers; partner with important partners in important fields to complement each other with own advantages, and to broaden the business possibility.
- (6) Deeply cultivate the vertical market for specific applications, establish the system integrators' ability to execute projects, and rank within the 3rd place among industry peers.

II. Market and production and sales overview

(I) Market analysis

1. Sales region of main products

Unit: NT\$ thousand

Sales region \ Year	2023		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Asia	1,583,433	27.46	1,196,519	22.07
Europe	2,053,241	35.61	2,073,972	38.26
Americas	1,436,955	24.92	1,271,187	23.45
Others	43,634	0.76	45,278	0.83
Subtotal of exports	5,117,263	88.75	4,586,956	84.61
Domestic sales	648,385	11.25	834,109	15.39
Total	5,765,648	100.00	5,421,065	100.00

2. Market share; future market supply and demand and growth

Since its incorporation in November 1992, NEXCOM has become an industry leader in the fields of industrial computer applications, embedded computer applications, and cyber-security platforms. Marketing its products globally under the NEXCOM brand name, the Company has taken a substantial market share in the local markets worldwide, given that it has leveraged the globalization advantages, operated in a localized manner, and provided customers with comprehensive services ranging from design and manufacturing of hardware to provision of solutions.

In recent years, the industrial applications of IPC are not limited to the manufacturers of industrial computer hardware, but have been widely extended in various intelligent related fields. In addition to continuing to consolidate the leading position in industrial computers, NEXCOM, via its associates, also applies the software and hardware integrated solution products to digital transformation related projects, such as AIoT-related areas including green manufacturing and green building, smart medical care, smart image security, and 5G Autonomous Mobile Robot (AMR). All of them are products and services provided by the Company.

3. Competitive niche

The Company possesses order-winning criteria in the market, given that it has been pioneered in technology, product confidence, and product computability, and that its technological support and after-sales services have been rapid and effective. In addition, the IoT project execution services have also formed the market competitive advantage. The Company's

competitive niches are stated as follows:

(1) A strong R&D team; excellent R&D innovation capability

With more than 30 years of dedicated experience in R&D of industrial computers and embedded computers, NEXCOM's R&D team is fully capable of providing solutions to different industries with its cutting edge technologies. Our R&D personnel consist of three main teams: product design, product testing/support, and project management; they have been committed to developing and innovating products to meet the needs of different customers. NEXCOM's R&D team upholds the ideal to develop products that are highly valuable, cost-competitive, and capable of instantly satisfying the needs of local markets, in the hope to offer One-Stop Design Service.

(2) The capability to propose solutions by integrating hardware, software, and firmware

Aside from having an outstanding hardware R&D capability in the industry, the Company also possesses a firmware development capability -which is rarely seen among industry peers - e.g., automatic maintenance and modification of BIOS; software development capability; capability in developing other applied software, drivers, and utility programs; remote/online system monitoring; and Nexcare, a solution that provides debug and self healing services. In addition, a dedicated software team has been established for the SoC platforms, providing services such as platform transplantation, system testing and verification, application software development, and system debugging. The Company is ahead of the industry in terms of applications with respect to IoT, robots, and Industry 4.0, and has gradually expanded the distance from its peers.

(3) Comprehensive international marketing network

To attend to the market change, respond to customer needs immediately, shorten the delivery time, and provide comprehensive after-sales services and technical services, the Company has successively established subsidiaries in the United States, Japan, and mainland China, planned a global logistics support system, built a comprehensive marketing network, and in doing so improved customers' satisfaction. The Company has also set up assembly lines and testing lines in the United States and mainland China, to satisfy the needs arising from the BTO orders placed by customers; it has also established a global delivery system to satisfy customers' needs. Subsidiaries in the United States and mainland China have all passed the ISO 9001 certification; they have on-site maintenance capabilities that can meet the needs of local customers and improve operational efficiency.

(4) Products with high quality and reliability

In terms of industrial solutions, NEXCOM derives its core competitive advantages mainly through its taking a position to provides high-quality and reliable products. Its products are widely adopted by worldly renowned and certified brands, such as GE, Panasonic, Siemens, NTT DoCoMo, NEC, Data Response, and UPS.

4. Favorable and unfavorable factors of development prospect and countermeasures:

(1) Favorable factors:

- A. Because Taiwan has established an information industry supply chain that is the most powerful and comprehensive in the world, any products that are based on PC technologies can be found in Taiwan at the highest speed and lowest cost.
- B. Nowadays, most buyers in the industrial automation industry are willing to accept industrial control solutions and automation solutions that are based on PC technologies. As such, IPC has become the best choice for “Applied & Embedded Computing”, and so its growth is expectable.
- C. Since this is the area of Mission Critical Computing & Non-Stop Operations, any products or services that are defect in terms of quality or design will all be rejected. As such, with excellent products and services, manufacturers can easily win customers’ recognition. This is the only way to cultivate customers.
- D. The Company possesses order-winning criteria in the market, given that it has been pioneered in product technology, product confidence, product reliability, and product computability, that its technological support and after-sales services have been rapid and effective, and that it has been enhancing its core competitive advantages.
- E. The various leading manufacturers in the market respecting each independent field gradually release OEM orders for their hardware platforms so that they can concentrate on providing solutions. This is conducive to the Company’s growth in the future.
- F. The demand for robots and Industry 4.0 is increasing day by day, and the proportion of operating revenue from projects continues to grow and some results are achieved.

(2) Unfavorable factors and countermeasures:

- A. The PC industry is extremely volatile, the life cycle of which is usually less than 1 to 2 years. Despite the commitment of large brands such as Intel to supply goods in the long-term, it’s still common that some parts and components usually run out-of-stock, causing difficulties to manufacturers and customers.

Responsive strategy

At the phase of designing a product, an assessment of the Life Cycle of all parts and components shall be conducted; only parts and components that are readily available in the long term will be used. A primary system and a secondary system of suppliers who provide substitute parts and components shall also be established. In the case where a parts or component might run out-of-stock, stocking up of such parts and components shall be conducted, and a notice shall be delivered to customers in advance requesting Approval for engineering change and providing the option of Last Buy.

- B. The visibility of the NEXCOM brand is not sufficient because it is still new to the market. An additional period of time for brand management and promotion is required before the NEXCOM brand can be accepted and trusted by large customers and users who are relatively conservative.

Responsive strategy

- a. Cooperate with strategic partners; hold the NEXCOM Tech Day, Joint Marketing, and other events to strengthen brand visibility.
 - b. Strengthen new online sales channels on the website to increase industry exposure and scale of direct sales online.
 - c. Strengthen strategic alliances with leaders of each industry in the field of machine tool IoT to gain international renown and customer recognition.
 - d. Increase media coverage; provide reporting materials; provide in-depth description in writing of the issues that concern the market; improve media exposure density.
- C. Form alliances with competitors vertically and horizontally to expand the advantages that come with economies of scale.

Responsive strategy

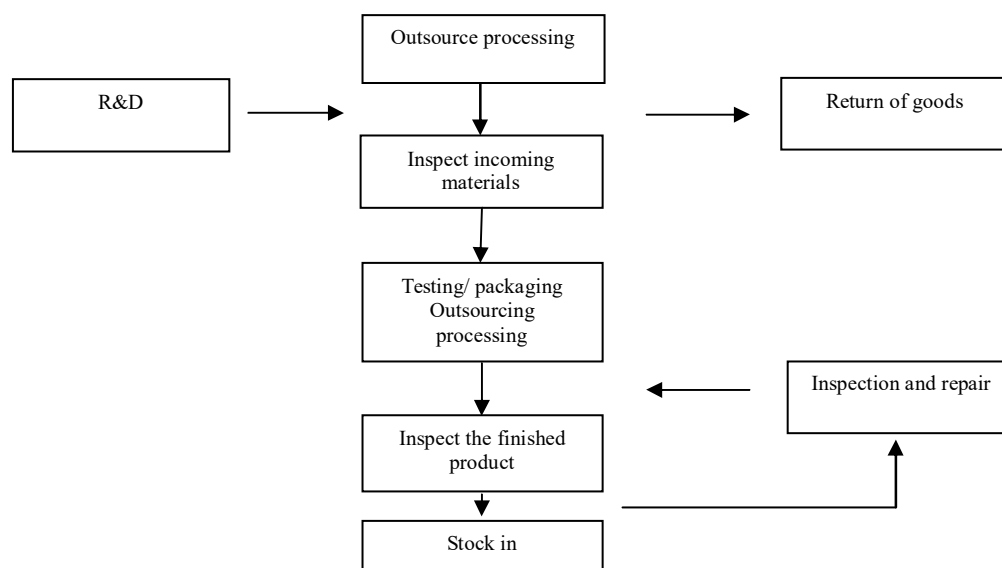
For the Domain Market and the Served Industry Segment: Integrate vertically; enhance solutions and strategic alliances; seek market complementation and sales performance synergy; deeply cultivate the market to establish competitive advantages and entry barriers; deepen the development of niche markets; avoid taking a red ocean strategy that is based on economies of scale to compete with industry peers; develop niche products characteristics of NEXCOM and therefore a blue ocean market strategy.

(II) Important purpose and manufacturing process of main products

1. Application of main products

Product item	Major application and function
Single-board computer (SoC)	SoC is a piece of a single-pattern PCB which integrates computing functions with I/O ports. It is sized 3.5" or 5.25", based on a Mini-ITX or a PICMG architecture, and expanded by using the various Backplanes. As such, SoC is the important standard for the industrial computer industry. It is mainly used in the embedded computers used for Industrial Control and Computer Telephone Integration (CTI).
System products	System products are a combination of SoCs, enclosure cases, power supplies, heat dissipation modules, and data storage modules. They fall into three categories: embedded system products; high-density blade servers; and network security monitoring system products - all are characterized by a high customization requirement. Their main applications include (1) industrial information system equipment that requires compact and miniaturized computing devices, such as automated teller machines, tool machines, medical equipment, and Mobile Computing Solutions (MCS); and (2) cluster supercomputing platforms and Internet security system equipment required for academic purpose, national defense, and engineering design.
Industrial IoT	Industrial IoT products are products developed by applying developed software to existing industrial computer hardware platforms to add value to such products. Such products include: nDAS controller, HMI, IoT gateway, AI edge, robot controller, RPA server, Autonomous Mobile Robot (AMR), data center, and enterprise situation room. Value-added services are provided on a project by project basis to satisfy manufacturers' industrial needs for launch of smart manufacturing and digital transformation.

2. Production process



(III) Supply of main raw materials

Currently the Company purchases raw materials from a domestic renowned supplier who has a stable and long-term business relationship with the Company. The supplier has sufficient raw materials in stock. As such, the raw materials that the Company needs are always readily available.

Name of main raw materials	Major suppliers
CPU	Synnex, WT MICROELECTRONICS, and Fuwei
Chip sets	Synnex, SERTEK, WT MICROELECTRONICS, PROFESSIONAL COMPUTER TECHNOLOGY, and Sun Unique
PCB	ALLIED CIRCUIT, HannStar Board Corporation, First Hi-tec Enterprise, and WORLDTECK OPTRONIC
Chassis	GIGA SOLUTION TECH, SHYONG SHUENN CO., LTD., PANADVANCE, CHENG FWA INDUSTRIAL, and CHANYU PLASTIC

(IV) The names of suppliers and customers who have accounted for more than 10% of the total purchases (sales) in any of the most recent 2 years, their purchases (sales) amount and proportion.

1. The names of suppliers who have accounted for more than 10% of the total purchases in any of the most recent 2 years, the purchases amount and proportion, and reasons for any change:

Unit: NT\$ thousand

Item	2023				2024				Up to March 31, 2025		
	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the issuer	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the issuer	Name	Amount	Ratio to net purchase in current year to the end of the previous quarter (%)
1	Supplier A	375,924	13	None	Supplier A	560,300	17	None	Supplier A	158,771	18
2	Others	2,540,500	87	None	Others	2,714,298	83	None	Others	712,994	82
3	Net purchases	2,916,424	100		Net purchases	3,274,598	100		Net purchases	871,765	100

Analysis of change: Major suppliers of the Group for the most recent two years remained largely the same. The Group, in order to diversify purchase risks without reducing its products' quality, usually purchases from suppliers who offer lower prices and better payment terms. As such, only Supplier A accounts for more than 10% of the Group's annual total purchase amount.

2. The names of customers who have accounted for more than 10% of the total sales amount in any of the most recent 2 years, the purchases amount and proportion, and reasons for any change:

Unit: NT\$ thousand

Item	2023				2024				Up to March 31, 2025		
	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the issuer	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the issuer	Name	Amount	Ratio to net sales in current year to the end of the previous quarter (%)

1	Customer S	610,298	11	None	Customer S	1,240,971	23	None	Customer S	391,515	24	None
2	Others	5,155,211	89	None	Others	4,180,094	77	None	Others	1,258,341	76	None
3	Net sales	5,765,509	100		Net sales	5,421,065	100		Net sales	1,649,756	100	

Analysis of change: The Group's major customers for the most recent two years remained largely the same. To diversify the risk of concentration of sales,

the Group annual develops new customers while maintaining business relationship with existing customers. As such, only customer S

accounts for more than 10% of the Group's annual sales amount.

III. Employee information in most recent 2 years and the current year as of the publication date of the annual report

Year		2023	2024	Up to March 31, 2025
Number of employee	Indirect personnel	951	936	940
	Direct personnel	309	302	308
	Total	1,260	1,238	1,248
Average age		41.60	42.27	42.37
Average years of service		5.92	6.54	6.61
Education profile	Doctoral Degree	0.48%	0.57%	0.56%
	Master Degree	19.05%	19.47%	18.99%
	Junior College	61.90%	61.39%	61.22%
	Senior High School	6.83%	5.90%	5.85%
	Below high school	11.75%	12.68%	13.38%

IV. Information on environmental protection expenditures

The first half of the Company's product production process features automated machinery plugging in SMDs, while the second half of the process features personnel plugging in SMDs manually. Later operations such as testing, inspection, and packaging require relatively intense manpower. As such, the Company did not incur any environmental pollution.

1. According to laws and regulations if it is required to apply for a permit for installing anti-pollution facilities, or permit of pollution drainage, or to pay anti-pollution fees, or to organize and set up an exclusively responsible unit/office for environmental issues, the description of the status of such applications, payment or establishment shall be made: Waste Filing and Control Number: (F01B0092)
2. Setting forth the company's investment in the major anti-pollution facilities, the use purpose of such facilities and the possible effects to be produced: None.
3. Describing the process undertaken by the company on environmental pollution improvement for the most recent fiscal years and up to the prospectus publication date. If there had been any pollution dispute, its handling process shall also be described: None.
4. Describing any losses suffered by the company in the most recent fiscal years and up to the prospectus publication date due to environmental pollution incidents (including any compensation

paid), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

5. Explaining the current condition of pollution and the impact of its improvement on the profits, competitive position, and capital expenditures of the company, as well as the projected major environment-related capital expenses to be made for the coming 2 fiscal years.

V. Labor relations

(I) Employee benefit measures, continuing education, training, retirement system, and the implementation:

1. Employee benefit measures and the implementation

“Medical Insurance”: Labor Insurance, National Health Insurance, group insurance, business travel insurance and comprehensive protection.

“Health checkup”: Regular health checkup to ensure the employees’ health.

“On-site services”: Healthcare professionals by contract provide on-site health services and health care, health consultation and health promotion services.

“Massage Station”: Visually impaired masseuse are hired to provide massage services, such as shoulder relaxing and neck massage services.

“Healthy Food”: The canteen for employees is set up to provide group meal service, and meal allowances are provided.

[Educational trainings]: Provide employees with internal/external educational training opportunities.

“Club subsidies”: Employees are encouraged to organize their own clubs, and financial subsidies are provided.

“Organization of Events”: Employees’ travels, film appreciation, year-end banquets, and recognition for outstanding team members organized in order to regulate the physical and mental well-being of employees.

“Bonus and Welfare”: Festival bonus, year-end bonus and performance bonus to help improve the employees’ life.

[Welfare allowance]: Allowances for travels, birthday/ festival/ birth/ marriage/ funeral/ hospitalization .

“Maternity protection”: Set up breastfeeding room and nursery facilities.

“NEX Cafe”: The café subordinated to the Company to serve coffee.

[Health and Vitality Center]: The Center comprises a gym and an aerobic room to provide employees with more exercise spaces.

“Other benefits”: By cooperating with other vendors, the Company provides employees with more preferential treatments in daily life, such as food, clothing, housing and transportation.

2. Training system and continuing education system for employees

The Company arranges annual training plans according to its policy to improve their awareness of quality, teach them work skills, cultivate different talents to improve their skills and competency, thereby achieving the goal of quality improvement.

The achievement of educational trainings for 2024 is listed as follows:

Item	Number of class	Total number of participants	Total hours	Total expense (NT\$)
New recruit training	26	149	1,016.5	0
Occupational competency training	589	8,755	10,433.38	153,924
Executive skills training	4	69	300	51,100
General education training	22	2,025	2,092	0
Total	641	10,998	13,841.88	205,024

3. Retirement system and its implementation

- (1) As required by the “Labor Standards Act”, the Company has established its own defined benefit pension plan, which is applicable to the service years of all regular employees before the promulgation of the “Labor Pension Act” on July 1, 2005, and to the service years of employees who elected to apply the Labor Standards Act after such date. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 4% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent Supervisory Committee of Labor Retirement Reserve Fund (the “Fund”).

Before the end of each year, the Company assesses the balance in the aforementioned Fund. If the balance in the Fund is inadequate to pay the retirement benefits of employees who are eligible for retirement in the following year by the aforementioned method, the Company is required to fund the deficit in one appropriation before the end of next March.

The pension income recognized for 2023 and 2024 in the manner prescribed above was NT\$0 thousand and NT\$0 thousand, respectively.

- (2) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the “Labor Pension Act”, covering all regular employees with R.O.C. nationality. Under the “Labor Pension Act”, the Company and its subsidiary contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. Pension shall be calculated as the amount in the employee’s retirement account plus any accumulated gains and is paid monthly or in lump sum upon retirement of an employee. The Group’s overseas subsidiaries abide by local regulations to contribute an amount of pension equal to a certain percentage of an employee’s salary every month. Pension of each employee is managed by the government. Other than the monthly contributions, the Group has no further obligations.

The pension expenses recognized for 2023 and 2024 in the manner prescribed above was NT\$54,373 thousand and NT\$47,917 thousand, respectively.

4. Labor-management agreements and measures for preserving employees’ rights and interests

The Company’s labor-management relation is based on a principle of harmony. By formulating a comprehensive set of regulations respecting incentives, communication, training, benefits, and retirement, the Company aligns employees’ interest with that of the Company.

5. Working environment and employee safety protection measures

Considering the importance of the working environment and employee safety protection measures, the Company identifies and analyzes material environmental aspects and hazards against ISO14001 and ISO 45001 (certificate is valid between January 9, 2023 and January 8, 2026). By managing goals and projects, the Company improves the deficiencies in prioritized areas while controlling those with lower risks through operating control. After good operation, the identified deficiencies are all controlled and improved. Below is the Company material goals and management projects:

No.	Project name	ESH goal	Current state	State of implementation
1	Product buffer packaging material plastic reduction plan	The buffer packaging materials for product boxing are redesigned to replace EPE plastic with corrugated papers, and the recycling and reuse rate is increased to 100%.	The buffer packaging material for the product NSA 1170 is EPE (foam cotton). The use of EPE is reduced by changing to the use of paper materials (corrugated papers) to increase the packaging material recycle and reuse, in order to reduce the impact of raw materials on the environment.	<ol style="list-style-type: none"> 1. Performed design and analysis of full paper folding and packaging materials for product NSA 1170. 2. Performed prototyping and reliability test. 3. After various tests, the series of model has met the requirements and has been introduced.
2	Energy and electricity saving plan	Replaced old heat recovery adsorption dryer with new dryer in Sanmin Plant, and reduced electricity consumption of air compressor by 20%.	SMT heat recovery adsorption dryer has been used for many years and is unable to achieve cooling effect on the compressed air, resulting in an increase of power consumption.	<ol style="list-style-type: none"> 1. Conducted energy-saving equipment evaluation and purchased energy-saving integrated heat recovery adsorption dryer 2. After the installation, the power consumption reduced by 70.4% upon calculation.
		Reduced the electricity consumption of the office lighting at 13F of Zhonghe Headquarters by 30%.	The T5 lamps used at the 13th floor of Zhonghe Headquarters have shown light decay after 10 years of use. In addition, T5 light tubes have a high damage rate, with obvious light decay, such that they may affect the human eyes.	<ol style="list-style-type: none"> 1. The light tubes on 13th floor were replaced, and the original T5 lighting tubes were replaced with LED panel lights. A total of 140 lamps were replaced. 2. After the replacement, the electricity consumption reduction has been calculated to reach 59.0%.
3	Safety Protection Program	Replaced all internal extension cords with new ones to reduce the risk of use by 100%	The current internal extension cords have different useful lifetime and loads, to achieve electricity consumption safety, the specifications of all internal extension cords are replaced with new ones uniformly.	<ol style="list-style-type: none"> 1. Quantity of extension cords to be replaced are checked and counted. 2. Purchase extension cords with qualified specification uniformly. 3. Regularly inspect the use safety.
4	Improvement plan for indoor temperature	Reduced the indoor temperature of the board workshop and repair section by 10%, and improved the air convection to achieve cooling.	Due to the lack of air flow at the board workshop repair section at a great distance from the air outlet, and also due to the great amount of heat generated	<ol style="list-style-type: none"> 1. Conducted evaluation on the installation of air conditioner. 2. Conducted engineering acceptance and room temperature confirmation. 3. Regularly inspect

			during the board testing, it has been evaluated to further install four new split-type air conditioners to reduce the environmental temperature.	temperature control.
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Subsequent activities for promoting environment and occupational safety and health

Introduce the temperature sensing function to the burn-in room

The Company actively protects operators and equipment to reduce occupational incidents and reduce production costs. Aside from improving the working environment and operation management, temperature sensors and alarm lamps are also installed, so as to ensure the operational safety of factory employees and the safety of factory assets.

Energy-saving (lighting) equipment replacement and update planning

The Company will replace the traditional lighting equipment with high-efficiency and energy-saving lighting fixtures to effectively reduce the consumption and waste of energy and, therefore, helps reduce GHG emissions and mitigate the impact on environment. Energy-saving lamps usually have longer service life so as to reduce the cost of replacement. In addition, energy-saving light fixtures usually have better lighting effects and color presentation thereby improving the lighting quality and enhancing workers' sense of comfort and work efficiency.

Occupational accidents prevention plan

To achieve the goal of zero-accident, the Company annually devises an occupational accident prevention plan based on past occupational accident record and the risk level of each operation. All business units involved shall implement the plan according to the timeline and content specified therein. The plan is updated through an internal audit system which identifies any deficiencies. Through the PDCA cycle, the Company expects to reduce the hazard risks facing each business unit year on year, thereby achieving the ultimate goal of zero-accidents.

Implementation of automated check

Employees' physical safety may be at risk due to unsafe operation, equipment, or management when they operate in a working environment or engage in production processes, operation, or any job. As so, the Company actively promote automated inspection, hoping to spot any potential risk factor and achieve effective control. Items subject to automated inspection include ventilation equipment, raw material usage, operating environment, personal protective equipment, operating machinery, and motor vehicles, and so on.

Protection and restriction for organic solvents and chemicals

Organic solvents and chemicals are generally used in the manufacturing process or laboratory tests, so facilitating operators' understanding of organic solvents and chemicals through general safety and health education and training helps avert the occurrence of accidents.

Labels affixed on the outside of organic solvent or chemical containers or bottles include information concerning warning messages, signs, and manufacturer information. The Safety Data Sheets (SDS) shall be made available adjacent to organic solvents or chemicals for users' reference preventing occupational accidents due to inappropriate application.

Education and training on electric shock hazard

It's common that extension cords and push-button switches are used in the production process. As so, facilitating operators' understanding of such extension cords and push-button switches through general safety and health education and training helps avert the occurrence of electrification. A high-voltage image and an electrical safety sign are attached adjacent to 220v outlets. In addition, an external cover in a conspicuous color (red) is installed to prevent the occurrence of occupational accidents.

Internal environment evaluation and inspection

In conformity with the plans for Maternal Health Protection, Prevention of Unlawful Infringement in the Performance of Duties, and Prevention of Ergonomic Hazards, evaluations and inspections, hazard identification, risk assessments and checks of proper work assignments, and design with respect to internal workplace and adjacent environment are implemented to discover and prevent any potential risk factor in the work environment in advance.

Workplace illegal infringement prevention

The Company has issued the workplace unlawful infringement statement, declaring its zero tolerance against workplace unlawful infringements of any managing executives, facilitated managers' code of conduct and education and training, and provided reporting channels and subsequent handling procedures.

Maternal health protection

On-site medical personnel take care of and interview pregnant employees and give advice regarding proper work assignment to prepare good body and mental health of female workers during their pregnancy, after birth, and breastfeeding period so as to enable maternal health protection.

Ergonomic hazards prevention

Ergonomic hazard factors in the office and laboratory are neglected most of the time. Therefore, the Nordic Musculoskeletal Questionnaire (NMQ) is used to measure the pain scale on body parts of individuals, particularly of high-risk positions, and subsequent review and improvement will be made based on the correlation between position and jobs found.

Abnormal work load prevention

Categorization of risk levels through questionnaires measuring abnormality in employees' body and mental state, plus the 10-year cardiovascular disease statistics, allows medical personnel to discover employees of high risk and mitigate such risk of diseases by providing health education and assistance.

Implementation of annual health examination

Health examination is able to facilitate a good understanding about employees' actual health and help to find the correlation between source of abnormality and jobs, particularly for cardiovascular disease triggers. The health condition of employees of mid-to-high risk shall be followed up on by on-site medical personnel to ensure good employee health management.

Middle-aged and elderly employee workplace safety

In order to encourage generation collaboration and succession, the Company has built a friendly operational environment for middle-aged and elderly employees. In addition to the prevention of potential risk factors, unlawful infringement, ergonomic hazards, and abnormal-workload-triggered diseases, risk assessments on the workplace and personal health combined with health management and abnormality follow-ups are carried out for middle-aged and elderly employees of mid-to-high risk. The competency index is used to evaluate the safety and suitability of tasks, and with the on-site medical personnel's assistance, it makes sure that middle-aged and elderly workers are safe both physically and mentally.

Regular working environment monitoring

To ensure the safety of the laboratory and production line working environment: Potential safety and health hazards and risks exist at the laboratory and production lines, and the operations of welding, organic solvent, SMT, and cutting machine operations are all subject to possible hazards. To reduce the risk of occupational injuries and diseases, the labor working environment monitoring is implemented once every six months. The physical or chemical hazards in the working environment are tracked to ensure that the operating environment meets the statutory and acceptable concentration standards, in order to reduce the threat of hazard factors and provide sufficient protection. Employees exposed to possible environmental operations with existing risks are required to wear qualified protective gears, in order to ensure the safety and health of employees. The results of the operating environment monitoring in 2024 have met the statutory standards.

6. Work Rules

The Company has established the "Work Rules" to explicitly specify the rights and obligations of both employer and employees, in order to improve the modern management system, and to promote

the cooperation between employer and employees while seeking business development. The main content of the Work Rules is as follows:

(1) General Provisions (2) Appointment (3) Service (4) Wages and Bonuses (5) Working Hours, Break, and Vacation (6) Leave (7) Performance Evaluation (8) Rewards (9) Discipline (10) Job Transfer (11) Education and Training (12) Welfare (13) Occupational Accident Compensation (14) Retirement (15) Opinion Communication (16) Complaint and Punishment of Sexual Harassment (17) Supplementary Provisions.

(II) Losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes, if any, and disclosure of the incurred and estimated expenditures as well as response measures:

1. The Company did not have any dispute with labors in the most recent year and the current year up to the publication date of this annual report.
2. The Company provides multiple channels for communication and coordination by both the labor and the management and strives to maintain a harmonious labor-management relationship.

VI. Cyber Security Management:

I. Cyber Security Risk Management

(I) Cyber Security Management:

The Company's Information Division has officially passed the ISO/IEC 27001:2013 international standard certification in Q2 of 2023.

Meanwhile, the review on certification renewal has been completed in 2024, and the conversion to ISO/IEC 27001:2022 is expected to be performed in May 2025.

The contents include:

1. Regular internal reviews: Ensure the effectiveness and compliance of the information security management system; establish and implement information security management procedures.
2. Management review: The senior management should evaluate the operation of the information security management system and ensure its continuing applicability.
3. Resolution of nonconformities: Ensure that the nonconformities found by the Company may be resolved in a timely manner, and take appropriate actions to prevent recurrence.
4. Preparation for the review on certificate renewal: Prepare necessary documents and records to respond to the review on certificate renewal.

(II) Cyber security management

● Purpose

Maintain information assets of NEXCOM International Co., Ltd. (hereinafter, “NEXCOM”) and its subsidiaries; enhance information security management; ensure confidentiality, completeness, and availability of information assets thereof to strengthen the information environment for continuous information business operation. Comply with relevant laws and regulations to avoid any internal and external, intentional or unintentional threats, and take them as the guidelines for the implementation of information security measures, specific policies, and related rules.

● Application scope

All of NEXCOM’s and its subsidiaries’ employees, contracted suppliers, and personnel thereof.

● Definitions

- I. Information Assets: The personnel, documents, information, hardware, and software keeping the normal operation of NEXCOM’s information business.
- II. Information Environment for Business Continuity: The computer operating environment maintaining the continuity of all of NEXCOM’s businesses.

● Vision and Goals

I. Vision for the Information Security Policy:

Enhance personnel’s awareness, prevent data leakage, and ensure service availability

II. Based on the vision for the information security policy and to maintain confidentiality, completeness, and availability of NEXCOM’s Information assets, the information goals are devised as follows:

- (I) Organize information security education and training, facilitate employees’ awareness of information security, and boost their understanding regarding related responsibilities.
- (II) Ensure confidentiality of business data, avert unauthorized access or modification, and enable data access control.
- (III) Affirm consistent availability of the core system provided by the organization.

III. Annual to-do list, required resources, responsible personnel estimated time to complete, evaluation approach and result with respect to the information security goals above shall be proposed, and relevant monitoring and measurement procedures shall be handled in accordance with the “Monitoring and Measurement Control Procedure Handbook”.

IV. The Information Security Execution Team shall report the implementation results of effectiveness measurement on information security goals in a management review meeting.

● Responsibilities

- I. NeXCOM's management shall establish and review such a policy.
- II. The Information Security Execution Team shall implement this policy through the management program and standard operating procedures.
- III. All personnel and suppliers shall comply with relevant security management procedures to maintain the information security policy.
- IV. All personnel and suppliers shall report any information security incident and identified vulnerability.
- V. Any unit obtaining NEXCOM's confidential information or personal data due to business needs shall be responsible for keeping information secret and use it properly in compliance with relevant national laws and NEXCOM's information security protocols.
- VI. In the event of a data leakage or information security incident due to negligence of a unit, this unit shall be held legally liable.
- VII. The Company will take civil, criminal, or administrative action against personnel whose behaviors risk information security depending on severity of such behaviors, or take punitive actions according to NEXCOM's rules.

● Review

This policy shall be reviewed in a management review meeting on an annual basis to update on the latest legal, technological, and business development, ensuring NEXCOM's continuity and practical skills in information security.

● Implementation

This Policy shall take effect after the review of the "Information Security Management Committee" and the approval of the managing representative. Subsequent amendments thereto shall be effected in the same manner.

(III) Specific management plans and resources invested in cyber security management

1. Specific management procedures promulgated are as follows:

No.	Document number	Type	Name
1	ISMS-1-001	Level 1 Policy	Information Security Policy
2	ISMS-1-002	Level 1 Policy	Statement of Applicability
3	ISMS-2-001	Level 2 Procedures	Overview Identification Procedures
4	ISMS-2-002	Level 2 Procedures	Monitoring and Measurement Management Procedures
5	ISMS-2-003	Level 2 Procedures	Information Security Organizational Procedures
6	ISMS-2-004	Level 2 Procedures	Information Asset Management Procedures

7	ISMS-2-005	Level 2 Procedures	Risk Assessment Management Procedures
8	ISMS-2-006	Level 2 Procedures	Personnel Security Management Procedures
9	ISMS-2-007	Level 2 Procedures	Document Management Procedures
10	ISMS-2-008	Level 2 Procedures	Internal Audit Management Procedures
11	ISMS-2-009	Level 2 Procedures	Correction and Improvement Management Procedures
12	ISMS-2-010	Level 2 Procedures	Access Control Management Procedures
13	ISMS-2-011	Level 2 Procedures	Physical and Environmental Safety Management Procedures
14	ISMS-2-012	Level 2 Procedures	Operation and Communication Safety Management Procedures
15	ISMS-2-013	Level 2 Procedures	System Development Procedures
16	ISMS-2-014	Level 2 Procedures	Supplier Management Procedures
17	ISMS-2-015	Level 2 Procedures	Safety Incident Management Procedures
18	ISMS-2-016	Level 2 Procedures	Business Continuity Management Procedures
19	ISMS-3-001	Level 3 Work	Information Assets Work Instructions
20	ISMS-3-002	Level 3 Work	Account and Password Work Instructions
21	ISMS-3-003	Level 3 Work	System Development Work Instructions
22	ISMS-3-004	Level 3 Work	Business Continuity Plan

2. Specific Implementation Status:

- January 2024: Completed the cyber security education and training for suppliers
- February 2024: Passed the external audit safety inspection
- September 2024: Completed the review of account authorities
- November 2024: Completed the red team drill, and implemented improvements and refinements for vulnerabilities of the internal system

(IV) Resources Invested in Cyber Security Management

1. Human resources allocation:

- Chief Information Security Officer: 1 person
- Dedicated Information Security Personnel: 1 person
- Information Security Organization
 - Execution Team: 10 members
 - Contingency Team: 7 persons
 - Audit Team: 1 person

2. Invested project resources:

- Appointment of ISO 27001 consultants and application for verification
- Purchase of the IPS (Intrusion Prevention System)
- Purchase of Network Access Control (NAC)
- Execution of social engineering drills
- Execute vulnerability scan on core system.
- Software system revision for information security enhancement
- Introduction of original code testing service, and implementation of full scan of the application program development

(V) Matters associated with cyber-security risk assessment and analysis, and countermeasures therefor

NEXCOM International Co., Ltd. has established the information security management system risk assessment and management guidelines and provided the risk assessment standards to be followed by the responsible unit, custody unit and user unit in the information process, in order to execute the risk control effectively and prevent the threat from information security events.

1. Responsibility for risk evaluation

- (1) Risk owners: Responsible for authorizing the acceptable risk value, risk assessment results, risk improvement plans, control measures, opportunity assessment results and opportunity implementation plans.
- (2) Information security execution team: Responsible for double checking the relevant information process risk assessment results, taking appropriate control measures against the information processes with the VaR exceeding the acceptable extent, and generating the “Risk Improvement and Opportunity Implementation Plan.”
- (3) Responsible unit supervisor: Responsible for reviewing the risk assessment results within the business scope of the unit.
- (4) Responsible unit for information process: Responsible for executing the procedural items such as threat and vulnerability assessment and calculation of VaR of information process.

2. Definitions

- (1) Confidentiality: Only authorized personnel can access the information.
- (2) Integrity: Ensure the correctness and completeness of the information and processing methods.
- (3) Availability: Ensure that authorized users can timely access the information and related assets when necessary.

- (4) Acceptable Value at Risk: The minimum risk tolerance per type of information process.
- (5) Threat: Unexpected events that might cause damage to the system or to NEXCOM.
- (6) Vulnerability: A factor that might damage an information asset due to its own condition or the environment it is located in, as a result of certain threat.
- (7) Risk: The potential threat that might causes loss or damage to NEXCOM's information processes, which is usually measured by the impact posed by vulnerabilities and the likelihood of occurrence.
- (8) Opportunities: In addition to the improvement plan in response to the risk, any other action taken by NEXCOM to enhance the practices adopted by NEXCOM for the information security.
- (9) Risk Owner:
 - i. Qualified persons with the authority to approve and verify various information process risks within NEXCOM.
 - ii. The risk owners refer to the management representatives.

3. Risk assessment process

- (1) Identification and classification of information assets shall be conducted in accordance with the "Information Asset Management Procedures."

- (2) Risk assessment

Information systems and services that meet the following criteria shall be assessed for threat and vulnerability:

- i. Important infrastructure and services within the safe area where NEXCOM's information security management system is constructed.
- ii. Internal and external issues and interested parties' requirements.

- (3) Threat and vulnerability assessment

Information systems and services that are subject to threat and vulnerability assessment and possible incidents (threat - vulnerability) are divided into six categories including:

- i. Human factors: including the risks caused by the intentional or unintentional behavior of personnel and improper human resource management.
- ii. Documents/data: including risks arising from improper creation, maintenance, control, and transmission of information and documents.

- iii. Software: including the risks caused by improper system design, maintenance and operation.
- iv. Hardware: including all possible risks over failure or damage of hardware devices.
- v. Communication: including the risk that might arise from the failure of data, video and audio transmission media.
- vi. Environment: including the risk that might arise from overall information environments, such as natural disasters, water supply, electricity and air conditioning, etc..

(4) Evaluate various events and record the main events faced by each asset in the “Risk Assessment Summary Table.”

(5) If the value at risk of information assets is above 7 (inclusive), it is necessary to conduct the threat and vulnerability assessment.

(6) If the value at risk in terms of any of the confidentiality, availability and integrity of the information assets is 4, it is necessary to conduct the threat and vulnerability assessment.

4. Means of control

(1) After assessing the acceptable risk value of the information process, the risk analysis results should be reported to the risk owners. Appropriate control measures should be selected for information assets with the value at risk exceeding the acceptable limit. Generate the “Risk Improvement and Opportunity Implementation Plan” to explain the implementation method of risk control measures.

(2) The “Risk Improvement and Opportunity Implementation Plan” should be reviewed and followed up by the risk owners.

5. Improvement planning and measures:

The risk improvement plan proposed after the risk assessment should be filled into the “Risk Improvement and Opportunity Implementation Plan” for control, and followed up until the improvement is completed.

(II) For the most recent year and up to the printing date of the annual report, any loss due to major cyber security events, possible impacts and countermeasures. If it cannot be reasonably estimated, explanation of facts for such failure of reasonable estimation shall be described: No major cyber security events occurred in the current year.

VII. Important Contracts:

The important contracts still outstanding and the important contracts expired in the most recent year and in the current year up to the publication date of this annual report are as follows:

Nature of the contracts	The parties involved	Contract start and end date	Principal contents	Restrictive clauses
Agreement	Industrial Technology Research Institute	As prescribed in the contract	Collaborative development of products	As prescribed in the contract
Lease contract	CMC Magnetics	As prescribed in the contract	Real Estate Rental and Leasing	As prescribed in the contract

Five. Review and Analysis of Financial Status and Financial Performance and Risk Management

I. Financial status

(I) Main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years, and the effect thereof:

Unit: NT\$ thousand

Item	Year	2024	2023	Percentage of change	
				Increased (decreased) amount	%
Current assets		4,520,257	4,709,111	(188,854)	(4)
Funds and investments		55,926	67,899	(11,973)	(18)
Fixed assets		1,391,232	1,400,869	(9,637)	(1)
Intangible assets		52,907	51,130	1,777	3
Other assets		711,625	727,410	(15,785)	(2)
Total Assets		6,731,947	6,956,419	(224,472)	(3)
Current liabilities		3,169,543	3,184,386	(14,843)	0
Non-current liabilities		331,483	458,201	(126,718)	(28)
Total Liabilities		3,501,026	3,642,587	(141,561)	(4)
Capital stock		1,412,265	1,412,265	0	0
Capital reserves		375,545	366,535	9,010	2
Retained earnings		1,363,844	1,446,409	(82,565)	(6)
Other equities		19,633	(20,827)	40,460	(194)
Non-controlling interests		59,634	109,450	(49,816)	(46)
Total shareholders' equity		3,230,921	3,313,832	(82,911)	(3)

Description of items sustaining material changes (i.e., items of which the annually changed amount reached 20% and NT\$10 million or more in the past two fiscal years):

1. The decrease in non-current liabilities from 2023 was mainly due to the decrease in deferred income tax liabilities and decrease in lease liabilities.
2. The increase in other equity from 2023 was mainly due to the increase in exchange differences on the translation of financial statements of foreign operations.
3. The decrease in non-controlling interests from 2023 was mainly due to the recognition of losses of subsidiaries.

(II) Items wielding material impacts shall be disclosed, specifying therein future countermeasures, and their impact on the Company's business and financial affairs.

II. Financial performance

(I) Main reasons for any material change in operating revenues, operating profit, or pre-tax profit during the past 2 fiscal years:

Unit: NT\$ thousand

Item \ Year	2024	2023	Percentage of change	
			Increased (decreased) amount	(%)
Net operating income	5,421,065	5,765,509	(344,444)	(6)
Operating costs	4,125,619	4,154,828	(29,209)	(1)
Operating gross profit	1,295,446	1,610,681	(315,235)	(20)
Operating expenses	1,440,578	1,388,362	52,216	4
Operating profit	(145,132)	222,319	(367,451)	(165)
Non-operating income and expenses	90,684	22,565	68,119	302
Net profit before tax	(54,448)	244,884	(299,332)	(122)
Income tax expense	(102,303)	54,453	(156,756)	(288)
Net profits for the period	47,855	190,431	(142,576)	(75)
Other comprehensive income (net after tax) for the period	41,923	9,930	31,993	322
Total comprehensive income for the period	89,778	200,361	(110,583)	(55)
Net profits attributable to shareholders of parent company	84,890	178,791	(93,901)	(53)
Net profits (losses) attributable to non-controlling interests	(37,035)	11,640	(48,675)	(418)
Comprehensive income attributable to shareholders of parent company	127,367	188,349	(60,982)	(32)
Comprehensive income attributable to non-controlling interests	(37,589)	12,012	(49,601)	(413)
Earnings per share- Basic	0.60	1.27	(0.67)	(53)
Earnings per share- Diluted	0.60	1.27	(0.67)	(53)

Description of items sustaining material changes (i.e., items of which the annually changed amount reached 20% and NT\$10 million or more in the past two fiscal years):

1. The decrease in gross profit and operating income from 2023 was mainly due to that some of the 2024 customers were still under destocking process, and the shipping was decreased and sales product portfolio changed, such that the gross margin decreased.
2. The increase in non-operating income and expenses from 2023 was mainly due to the depreciation of NTD in 2024, the increase in exchange gains and the recognition of payables in income upon request.
3. The decrease in net income before tax from 2023 was mainly due to the decrease in gross profit in 2024.
4. The decrease in income tax expense from 2023 was mainly due to the recognition of a loss of subsidiary in Taiwan in 2024 and the offsetting of deferred income tax assets.
5. Net income of current period decreased from 2023 was mainly due to the decrease in gross profit in 2024.
6. The increase in other comprehensive income in the current period from 2023 was mainly due to the increase in exchange differences arising from translation of the financial statements of foreign operations in 2024.
7. The decrease in net income attributable to the owners of the parent company, net income (loss) attributable to non-controlling interests, comprehensive income attributable to the owners of the parent company, and comprehensive income attributable to non-controlling interests from 2023 was mainly due to the decrease in net income and comprehensive income in 2024.
8. Earnings per share (EPS) - basic and diluted decreased from 2023 was mainly due to the decrease in net income in 2024.

III. Cash flows

(I) Description and analysis of changes in the cash flow in the most recent year (2024):

Unit: NT\$ thousand

Cash balance, beginning of period	Net cash flow from operating activities during the year	Net cash flow from other activities during the year	Cash balance (shortage)	Expected remedies for cash shortage	
				Investment plan	Wealth managemen t plan
1,697,599	101,595	(342,823)	1,485,845	—	—

The net cash outflow from investing and financing activities, NT\$342,823 thousand, was mainly due to the continuous repayment of borrowings in 2024.

(II) Corrective actions responsive to insufficient liquidity: Not applicable.

(III) Cash flow analysis for the coming year:

Unit: NT\$ thousand

Cash balance, beginning of period	Net cash flow from operating activities during the year	Net cash flow from other activities during the year	Cash balance (shortage)	Expected remedies for cash shortage	
				Investment plan	Wealth management plan
1,485,845	150,000	(100,000)	1,535,845	—	—

Analysis of changes in projected cash flows for the coming year:

- (1) Operating activities: In terms of operating revenue, it is expected to show recovery and growth after the main customers' completion of destocking and therefore more net cash inflow will be generated from operating activities.
- (2) Investing and financing activities: The Company is expected to continue to purchase assets and software for operating needs in 2024, and the Company will also distribute cash dividends, directors' remuneration and employee bonuses, and repay the short-term and long-term borrowings according to the capital needs to reduce the debt ratio.

IV. Effect of major capital expenditures on finance and business matters in the most recent year: None.

V. Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year.

(I) Policy for reinvestment business of Nexcom Japan Co., Ltd.

The Company has established its “Regulations Governing the Supervision of Subsidiaries”, and stipulated a set of investee management procedures in its investment cycle; both serve as the guidelines on engaging in or managing investees.

(II) Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, and the plan for improving re-investment profitability

1. Nex Computers, Inc., Green Base Technology Corp., EMBUX TECHNOLOGY CO., LTD., AIOT CLOUD CORP. and Nexcom International Co., Ltd. (SAMOA) recognized reinvestment profits at the amount of NT\$79,777 in 2024, mainly due to the stable shipping and operation status of Nex Computers, Inc., Green Base Technology Corp., EMBUX TECHNOLOGY CO., LTD. and Nexcom International Co., Ltd. (SAMOA)’s recognition of interest income.
2. NEXCOM International Co., Ltd., Nexcom Japan Co., Ltd. and TMR Technologies Co., Ltd. recognized an investment loss at the amount of NT\$198,500 thousand in 2024, mainly due to that some of the aforementioned subsidiaries not yet reaching the economies of scale, such that operating loss has occurred. In the future, they will focus on the product development and business promotion, in order to increase operating revenue and profit. In addition, some of the customers of NEXCOM International Co., Ltd. are still in the process of destocking, resulting in a decrease in shipments, and specific project losses and operating losses of the subsidiaries in China are recognized. Therefore, operating loss has occurred. In the future, we will implement project control rigorously and will actively develop the business in China, in order to increase revenue and profits.

(III) Investment plan for the next year

The Company will review and evaluate domestic and foreign investments carefully, and will deploy globally and expand the business scale, in order to swiftly seize the business opportunities of the Company's products in various application fields, thereby maintaining the growth momentum.

VI. Risk analysis

(I) Impact of changes in the interest rates, exchange rates, and inflation on the Company's profit and loss in the most recent year and in the current year up to the publication date of this annual report, and future countermeasures

Unit: NT\$ thousand

Risk item	Impact on the Company's profit or loss			Future countermeasures
	Financial account	Up to March 31, 2025	2024	
Interest rate	Interest income	4,401	33,905	1. The Company's interest income is mainly generated from the interest income from demand deposits and time deposits in financial institutions, which are considered as the principal-protected assets but will not cause losses to the Company due to interest rate fluctuations.
	Interest expense	9,016	46,443	2. The Company's finance unit has mitigated the impact of interest rate fluctuation on the Company by keeping close relations with many financial institutions, striving for favorable borrowing rate and expecting to repay the loan step by step following the future operating cash inflow.
Exchange rate	Exchange gain (loss)	20,652	37,990	1. By buying and selling foreign deposits at an appropriate time at which the Company uses the foreign currency derived from sales to pay the foreign currency payables arising from purchase, and by taking out foreign currency borrowings, the Company lowers the impact of exchange rate changes on the profit or loss and thereby achieves a natural hedging effect. 2. The Company will closely observe the foreign

				<p>exchange rate trend to have a good grasp of the market information. If the exchange rate changes substantially, the Company negotiates transaction prices with existing customers or suppliers to an extent appropriate to alleviate the shock of exchange rate changes to the Company's revenue and profits.</p> <p>3. The Company will attend to changes in the foreign exchange market and, where appropriate, conduct foreign currency hedging operation using derivatives with a hedging nature, e.g., selling foreign exchange forward contracts to avert exchange rate risk and thereby minimize the effect of exchange rate changes on the Company's profit or loss.</p>
Inflation	—	—	—	<p>The Company has taken the initiative to reduce costs and at the same time kept close relations with suppliers and customers. In the event of a price hike of raw materials, it dynamically adjusts its procurement and sales policies matching prices to relax to inflation pressure.</p>

(II) Policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

Risk item	State of implementation	Policy and countermeasures
High-risk, highly-leverage investments	<p>The Company did not engage in any high-risk or highly-leverage investments. Mainly the investment in the establishment of domestic and foreign operating bases, a majority of which being the strategic alliance in which the Company holds a majority stake or which is associated with Company's primary business activities.</p>	<p>The Company focuses on operating its primary business and does not engage in any high-risk or highly-leverage investments.</p>

Risk item	State of implementation	Policy and countermeasures
Lending funds to others; Endorsement and guarantee	The parties for which the Company makes an endorsement or guarantee are all its subsidiaries, sub-subsidiaries, or associates.	The Company makes endorsement and guarantee in accordance with its “Operating Procedures for Loaning of Funds to Others” and “Operating Procedure for Making of Endorsements/Guarantees” and, as required by law, timely and accurately discloses the various information.
Derivative trading	The Company has not engaged in derivative trading in 2024 and up to the date of March 31, 2025.	If there is a need for engaging in derivative trading in the future for the purposes of exchange rate hedging or business development, the Company will do so in accordance with its “Procedures for Acquisition and Disposal of Assets” and, as required by law, timely and accurately disclose the various trading information.

(III) Future R&D plans and estimated R&D expenses

1. Future annual R&D plans

(1) Vertically integrated hardware platform product development

Smart network security dedicated hardware platform

Integrated AI edge computing Netcom equipment

Smart high-performance 5G professional universal user-end device

Smart industrial network security gateway

NISE/NIFE series industrial automation dedicated hardware platform

VTC/VMC/MVS/ATC series automotive telecommunication hardware platform

nROK/aROK/vROK series railway information and communication hardware platform

IP65/67 outdoor AI application platform

NViS series network digital high performance surveillance and video recording system

NDiS series outdoor visual display computer hardware system
Neu-X series automatic service machine and equipment hardware platform
XPPC series ultra-thin touchscreen computer hardware platform
AIEdge series AI application hardware system
nPAC programmable automation controller
nDAS IoT Smart Device
MAS400 AI humanoid robot"/quadruped robot controller hardware platform
TP2000 Web-based robot handheld teaching pendant hardware development
Development of embedded IEC-61508 SIL3 functional safety hardware platform
Web terminal human-machine interface control hardware platform

(2) Advanced hardware technology development

Low Earth Orbit (LEO) satellite communication network equipment hardware platform 800G class UHF broadband card development
Introduce the computing platforms that are based on the latest high-performance x86 and ARM architecture
5G low latency TSN switch development
Research and development of 1.6T network technology
Power plant-level AI cyber security gateway
Application of the various AI accelerator cards for relevant automotive applications
Application of an intelligent controller to autonomous mobile robots
Application of an FPGA hardware accelerator to AI vision

(3) Emerging application technology and integrated solution development

5G private network hardware platform integration solution
Expandable 5G smart network gateway integrated application solution
Ethernet Bypass: Unified Control up to 200G
NEXLOCK: Protect your device from privileged access.
SuperCap automotive power instant shutdown protection UPS
Webcam person/vehicle detection and multiple target tracking technology
Thermal image webcam technology

Thermal image webcam technology

Speed Dome automatic rain shaker technology

Speed Dome optical image anti-shake technology

Full-distance remote control network camera lens module

AI network camera with noise reduction

Expandable multi-lens IP camera system

Internet camera with light and voice instruction function

WiFi low-power-consumption vibration analysis solution

Low-power-consumption BLE mesh network smart building energy conservation solution

EtherCAT multi-master control technology

Robot dragging trajectory recording technology

External PLC-MC communication technology for robots

Robot speed control technology

Robot singularity speed control technology

Collaborative robot dynamic parameter identification technology

Robot tool hand-guiding parameter identification technology

Robot functional safety control technology development

Data middle platform general API data link technology

Data middle platform SQL based ETL generation technology

Data middle platform user based data governance technology

Data middle platform product carbon footprint module

Situation room AI assistant real-time data inquiry technology

AI agent automatic report generation technology

eSAF Frontier AI cyber security agent

eSAF Frontier V - Next-Gen multi-function OT firewall

Smart monitoring water scale, integrated with various types of wireless transmission technologies of NB-IoT, LoRa Daisy, Wi-Fi or Star Topology for water resource smart monitoring, and Edge AI Gateway analysis solutions

2. Estimated R&D expenses

The R&D expenses stated on the financial statements for 2024 and 2023 accounted for 10.82% and 10.15%, respectively, of the operating revenue. Estimated R&D expenses for 2024 stands at NT\$590,000 thousand.

(IV) The impact of changes in significant policy and laws, domestic and foreign alike, on the Company's finance and business matters and the countermeasures

The Company's business and finance matters were not impacted by any changes in domestic or foreign policy and laws that are significant in the most recent year. However, to cope with future changes, the Company plans related countermeasures based on the consultation with and recommendation of the professional accounting and law units in order to mitigate the impact of changes in domestic and foreign policy and law on the Company's business and finance matters.

(V) The impact of technological changes (including cyber safety risks) and industry changes on the Company's finance and business matters and the countermeasures

Labor shortage has been bothering the industry over the past years. As time and environment shifts, the new generation have largely lost a diligent work attitude, but have embraced fun and changes at work. To cope with future changes, the Company has launched automation to minimize the requirements for labors, so that the production process can be simpler and purer. Reducing the dependence on human intelligence and making the production process simpler is the direction that the Company is heading towards. To respond to the soaring domestic demands of China and its made-in-China policy, the Company must adopt a strategy that shifts certain production to China. Production in Taiwan still has a niche, in that it can provide low-quantity highly-customized products.

IoT will be an important trend that thrives in the post PC era, having the technology serve humanity. IoT applications will also cover the IPC industry. This is a customized product that features diversified specifications and is produced in little quantity by multiple means; it requires flexibility from order-taking to production and a short time-to-market. Such an advantage, which the IPC industry used to distinguish itself from the PC industry, will give

the IPC industry more say on the market if taking into account future market variation trend.

(VI) Impact of recent corporate image change on corporate crisis management, and countermeasures

The Company's corporate image has been good. The Company did not engage in any illegal conduct, and no change in corporate image occurred. The Company's corporate crisis management mechanism functions well. The Crisis Management Team composed of the Company's responsible person, spokesperson, and related executives is fully competent to cope with any contingency. The emergency procedures will start upon the occurrence of a corporate crisis. The Crisis Management Team will handle the crisis and assign corresponding contacts who are responsible for disclosing real-time and correct information and related countermeasures to investors, the competent authority, and the media.

(VII) Expected benefits and possible risks of the merger and acquisition, and countermeasures

As of the most recent year and in the current t year up to the publication date of this annual report, the Company did not have any merger and acquisition plan. Should there be any merger and acquisition plan in the future, it should be prudently evaluated based on the consideration as to whether such a merger and acquisition brings concrete synergy to the Company, so as to ensure the original shareholder equity.

(VIII) Expected benefits of plant expansion, possible risks, and countermeasures

Any expansion or addition to the Company's plant must undergo a feasibility analysis and a financial analysis, and be supplemented with countermeasures.

(IX) Risks associated with the concentration of purchases and sales, and countermeasures

As disclosed in related chapters of this annual report, the Company mainly purchases from and sells to the parties based on considerations regarding their distinctively industrial characteristics and the Company's needs at different operating phases. In the future, the Company will mitigate the purchase and sales concentration risk by developing important clients, new projects, new suppliers of parts and components, and new partnership with clients.

(X) Any risk associated with substantial shift or change in shareholding of directors, supervisors, or major shareholders holding more than 10% of total issued shares, its impact on the Company, and the countermeasures therefor: As of the most recent year and in the current year up to the publication date of this annual report, none of the Company's directors, supervisors, or major shareholders holding more than 10% of total issued shares shifted a substantial portion of their shareholding to others; as such, the impact on the Company are considered to be not material.

(XI) The impact of the change in management rights on the Company, the risks, and countermeasures

There was no change in management rights in the most recent year and the current year up to the publication date of this annual report. All of the Company's directors and employees have been striving to manage the Company, a reason why the Company has remained a good operational performance in the past years. In the future, the Company will uphold a philosophy of a robust management to earn shareholders' recognition for the management team. As such, it's not likely that a substantial shift or change in shareholding will occur such that the management rights are changed and thereby the Company is impacted or any risks arise therefrom.

(XII) In the case of litigation case or non-contentious case, specify the names of the directors, supervisors, the President, the de facto responsible person, shareholders each holding more than 10% of company shares, and subsidiaries with final ruling made or still in major legal proceedings, non-contentious matters, or administrative disputes, and where the result thereof may significantly affect shareholders' equity or stock price, disclose the fact of the contentions, the amount involved, the commencement date of the proceedings, the major litigants in the proceedings, and the status as of the publication date of this report:

1. For any litigious, non-litigious or administrative disputes, whether concluded or still in progress, of which the results might materially affect shareholder equity or securities prices as of the most recent year and in the current year up to the publication date of this annual report, the annual report shall disclose the fact in dispute, the monetary

amount involved in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute: None.

2. Directors, supervisors, president, substantial responsible person, major shareholders with shareholding percentage exceeding 10% of the Company and 10 receiving any affirmative ruling or being involved any currently pending litigation, non-contentious case or administrative dispute event, and the result thereof may have major impacts on the shareholders' rights or stock price; the relevant dispute facts, subject matter amount, litigation starting date, main parties involving in the litigation and the handling status in the most recent two years and up to the printing date of annual report: None

(XIII) Other important risks and countermeasures: None.

VII. Other Important Matters: None.

Six. Special Disclosure

I. Information on affiliates

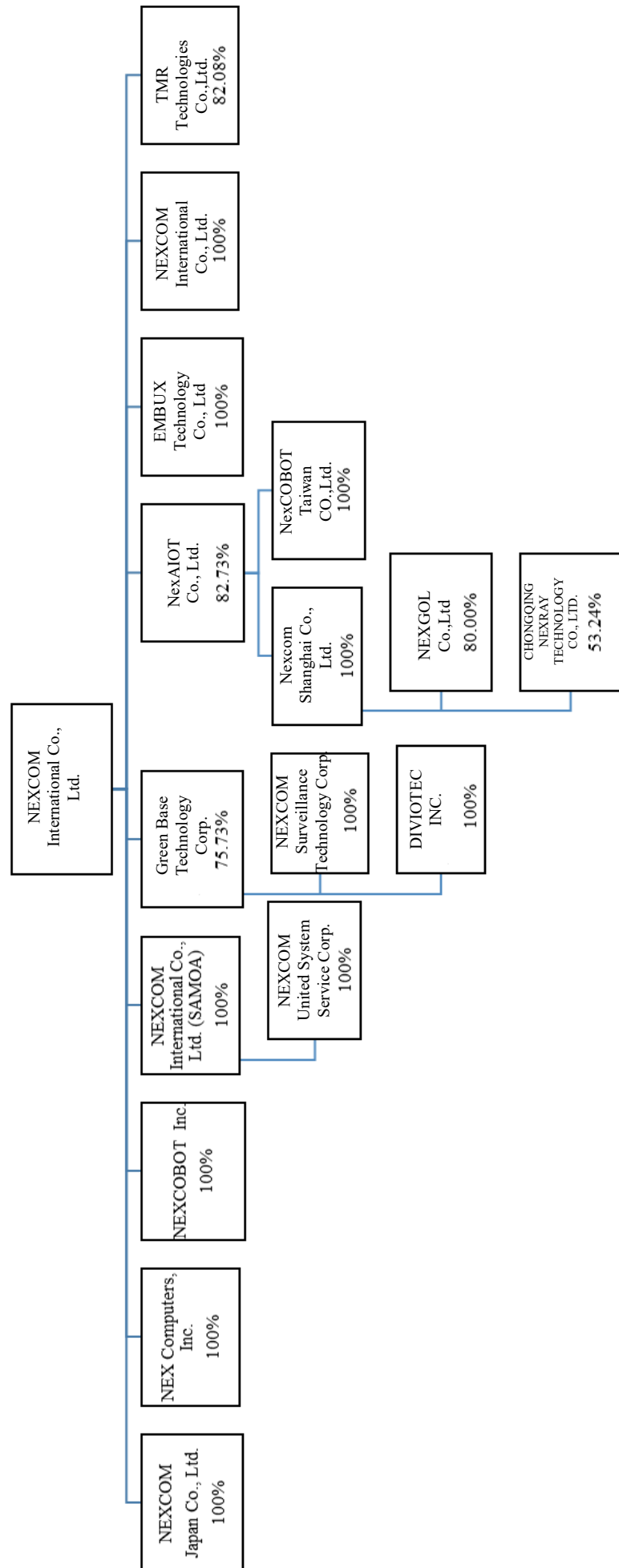
(I) Consolidated business report of affiliates

1. Overview of affiliates

(1) Organizational chart of affiliates

NEXCOM International Co., Ltd.

Organizational chart of affiliates



(2) Basic information on affiliates

December 31, 2024

Unit: NT\$ thousand

Company name	Date incorporated	Address	Paid-in capital	Major business activities or product lines
Nex Computers, Inc.	1999/09/01	46665 Fremont Blvd, Fremont CA 94538, USA	56,977	Computer and Peripheral Equipment Trading
NEXCOM Japan Co., Ltd.	2000/12/04	9F, Tamachi Hara Bldg., 4-11-5, Shiba Minato-ku, Tokyo, Japan	12,762	Computer and Peripheral Equipment Trading
NEXCOM International Co., Ltd. (SAMOA)	2004/08/30	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	195,893	Investment
Green Base Technology Corp.	2011/05/20	13F., No. 922, Zhongzheng Rd., Zhonghe Dist., New Taipei City	200,127	Computer and Peripheral Equipment Trading
NexAIOT Co., Ltd.	2014/03/19	13F., No. 922, Zhongzheng Rd., Zhonghe Dist., New Taipei City	229,592	Computer and Peripheral Equipment Trading
Nexcom Shanghai Co., Ltd.	2014/05/12	Room 406-407, Building C, No. 154, Lane 953, Jianchuan Road, Minhang District, Shanghai	104,234	Computer and Peripheral Equipment Trading
EMBUX Technology Co., Ltd	2014/06/30	13F., No. 916, Zhongzheng Rd., Zhonghe Dist., New Taipei City	36,450	Computer and Peripheral Equipment Trading
NEXCOM United System Service Corp.	2015/03/30	Room 604, No. 609, East Yunling Road, Putuo District, Shanghai	33,998	Computer and Peripheral Equipment Trading
NEXCOM Surveillance Technology Corp.	2015/05/27	South Block B, 8F, Building B3, Xiufeng Industrial City, Gankeng Community, Buji Street, Longgang District, Shenzhen	30,321	Computer and Peripheral Equipment Trading
All IoT Cloud Corp.	2015/09/08	13F., No. 922, Zhongzheng Rd., Zhonghe Dist., New Taipei City	10,000	Computer and Peripheral Equipment Trading
NEXGOL Co.,Ltd	2017/02/21	Building 1, No. 999, Xingguang Avenue, Yongchuan District, Chongqing	44,650	Computer and Peripheral Equipment Trading
CHONGQING NEXRAY TECHNOLOGY CO., LTD.	2017/03/27	Building 1, No. 999, Xingguang Avenue, Yongchuan District, Chongqing	25,314	Computer and Peripheral Equipment Manufacturing
TMR Technologies Co.,Ltd.	2017/10/06	13F., No. 916, Zhongzheng Rd., Zhonghe Dist., New Taipei City	46,072	Computer and Peripheral Equipment Trading
NexCOBOT Taiwan CO.,Ltd.	2018/04/03	13F., No. 916, Zhongzheng Rd., Zhonghe Dist., New Taipei City	79,800	Computer and Peripheral Equipment

				Trading
NEXCOBOT Inc.	2018/04/05	46665 Fremont Blvd, Fremont CA 94538, USA	5,921	Computer and Peripheral Equipment Trading
DIVIOTEC INC.	2012/11/05	29F.-1, No. 97, Sec. 4, Chongxin Rd., Sanchong Dist., New Taipei City	20,000	Computer and Peripheral Equipment Manufacturing

(3) Information on the same shareholder of affiliates presumed to have a relationship of control or subordination: Not applicable.

(4) Businesses covered by affiliate companies: Computer and Peripheral Equipment Manufacturing and Trading

(5) Information on directors, supervisors, and presidents of affiliate companies:

December 31, 2024
Unit: thousand shares; %

Company name	Title	Name or Representative	Shareholding	
			Number of shares	Shareholding Percentage
Nex Computers, Inc.	Director	Representative of NEXCOM International Co., Ltd.: Lin, Mao-Chang and Yang, Chien-Hsing	5,000	100.00%
NEXCOM Japan Co., Ltd.	Director	Representative of NEXCOM International Co., Ltd.: Lin, Mao-Chang, Yang, Chien-Hsing, and Yang, Yu-Shu	1	100.00%
	Supervisor	Representative of NEXCOM International Co., Ltd.: Chen, Yuan-Pin		
NEXCOM International Co., Ltd. (SAMOA)	Director	Representative of NEXCOM International Co., Ltd.: Lin, Mao-Chang	6,386	100.00%
Green Base Technology Corp.	Director	Lin, Mao-Chang	348	1.74%
		Yang Hsing-Yao	88	0.44%
	Independent Director	Chung, Chen-Ming	0	0%
		Chen, Hong-Ming	0	0%
		Li, Ying-Hui	0	0%
	President	Yang, Hsing-Yao	88	0.44%
NexAIOT Co., Ltd.	Director	Representative of NEXCOM International Co., Ltd.: Lin, Mao-Chang, Lin, Hung-Chou and	18,995	82.73%

		Shen, Chien-I		
	Supervisor	Yang Yu-Shu	12	0.05%
	President	Lin Hung-Chou	429	1.87%
Nexcom Shanghai Co., Ltd.	Director	Representative of NexAIOT Co., Ltd.: Lin, Mao-Chang	—	100.00%
	Supervisor	Representative of NexAIOT Co., Ltd.: Chen, Yuan-Pin		
NEXCOM United System Service Corp.	Director	Representative of NEXCOM International Co.,Ltd.(SAMOA): Lin, Mao-Chang	—	100.00%
	Supervisor	Representative of NEXCOM International Co.,Ltd.(SAMOA): Chen, Yuan-Pin		
	President	Wang Cheng-Jen	—	—
NEXCOM Surveillance Technology Corp.	Director	Representative of Green Base Technology Corp.: Lin, Mao-Chang	—	100.00%
	Supervisor	Representative of Green Base Technology Corp.: Chen, Yuan-Pin		
	President	Yang, Hsing-Yao	—	—
All IoT Cloud Corp.	Director	Representative of NEXCOM International Co., Ltd.: Lin, Mao-Chang, Lin, Hung-Chou and Chen, Po-Hsu	1,000	100.00%
	Supervisor	Representative of NEXCOM International Co., Ltd.: Yang, Yu-Shu		
NEXGOL Co.,Ltd	Director	Representative of Nexcom Shanghai Co., Ltd.: Lin, Mao-Chang and Lin, Hung-Chou	—	80.00%
		Representative of Chongqing Googol Changjiang Research Institute: Lu, Shu	—	20.00%
	Supervisor	Representative of Chongqing Googol Changjiang Research Institute: Lin, Chen-Jung		
	President	Chen Chih-Hang	—	—
EMBUX Technology Co., Ltd	Director	Representative of NEXCOM International Co., Ltd.: Lin, Mao-Chang, Lin, Hung-Chou and Ting, Wen-Ching	7,290	100.00%
	Supervisor	Representative of NEXCOM International Co., Ltd.: Yang, Yu-Shu		
	President	Ting Wen-Ching	—	—
TMR Technologies Co.,Ltd.	Director	Representative of NEXCOM International Co., Ltd.: Lin, Mao-Chang, Lin, Hung-Chou and Lai Kuan-Chou	3,782	82.08%
	Supervisor	Yang Yu-Shu	—	—

	President	Lai Kuan-Chou	85	1.85%
NexCOBOT Taiwan CO.,Ltd.	Director	Representative of NexAIOT Co., Ltd.: Lin, Mao-Chang, Lin, Hung-Chou and Shen, Chien-I	7,980	100.00%
	Supervisor	Representative of NexAIOT Co., Ltd.: Yang, Yu-Shu		
	President	Shen Chien-I	—	—
NEXCOBOT Inc.	Director	Representative of NEXCOM International Ltd.: Lin, Mao-Chang and Lin, Hung-Chou	200	100.00%
CHONGQING NEXRAY TECHNOLOGY CO., LTD.	Director	Representative of Suzhou Surite Trading Co., Ltd.: Ma, Yuan	—	17.76%
		Representative of Nexcom Shanghai Co., Ltd.: Lin, Hung-Chou and Lin, Ming-Hao	—	53.24%
		Representative of Chongqing Nexray Technology Co., Ltd.: Tang, Chuan-Ming	—	29.00%
	Supervisor	Representative of Nexcom Shanghai Co., Ltd.: Chen, Chih-Hang	—	—
	President	Chen, Chih-Hsu	—	—
DIVIOTEC INC.	Director	Representative of Green Base Technology Corp.: Lin, Mao-Chang, Yu, Ju-Fen, and Yang, Hsing-Yao	2,000	100.00%
	Supervisor	Representative of Green Base Technology Corp.: Yang, Yu-Shu		
	President	Yu, Ju-Fen	—	—

Note: Information on directors, supervisors, and presidents of affiliates as of the publication date of this annual report.

(II) Consolidated Financial Statements of Affiliates

NEXCOM International Co., Ltd.

Declaration of Consolidated Financial Statements of Affiliates

In 2024 (from January 1 to December 31, 2024), the related entities that are required to be included in the preparation of the consolidated financial statements of the Company, under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those defined in International Financial Reporting Standards (IFRS) No. 10 “Consolidated Financial Statements.” In addition, the information which shall be disclosed in the combined financial statements of affiliated companies is included in the consolidated financial statements of the parent company. Consequently, there will be no separate preparation of combined financial statements of affiliated companies.

In witness thereof, the Declaration is hereby presented.

Company name: NEXCOM International Co., Ltd.

Responsible person: Lin Mao-Chang

February 26, 2025

(III) Affiliation Report: Not applicable, because, by law, the Company does not need to prepare an affiliation report.

II. Private placement of marketable securities in the most recent year and the current year up till the publication date of this annual report: None.

III. Additional information required to be disclosed: None.

IV. For the most recent year and up to the printing date of the annual report, occurrence of events having material impact on shareholders' rights and interests or securities prices according to Subparagraph 2 of Paragraph 2 of Article 36 of the Securities and Exchange Act: None.

NEXCOM International Co., Ltd.

Chairman: Lin, Mao-Chang

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Taiwan

NexAloT Co., Ltd.

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