

**SERCOMM**

TWSE:5388

# Sercomm Corporation Annual Report 2025

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## I. Letter to Shareholders

Dear Shareholders,

Looking back at 2025, it was a challenging year for the networking industry. Exchange rate fluctuations, U.S. tariff policies, and rising component costs contributed to an uncertain operating environment. Nevertheless, Sercomm continued to invest in innovation and R&D, adopting prudent market strategies and delivering operating results that outperformed the industry average. As customer inventory adjustments neared completion, market demand began to recover, and next-generation broadband products were progressively shipped, supporting subsequent growth. In response to external changes, Sercomm strengthened its core technologies, advanced global expansion initiatives, reinforced market development strategies, and maintained disciplined risk management to enhance operational resilience.

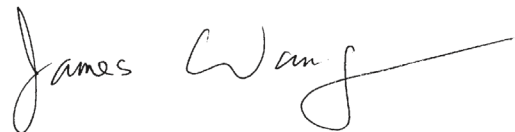
In terms of operating performance, Sercomm recorded total consolidated revenue of NT\$54 billion in 2025, with a full-year gross margin of 15.7%. Operating profit amounted to NT\$1.6 billion, while net profit attributable to the parent company totaled NT\$1.2 billion. Based on a weighted average of approximately 298 million shares outstanding, consolidated earnings per share (EPS) for 2025 were NT\$4.04. Amid industry volatility, the Company continued to strengthen its financial structure and operational resilience to effectively navigate market changes.

In response to geopolitical developments and regional market shifts, Sercomm further advanced its globalization strategy. Through coordinated supply chain management, we integrated resources across five production bases in Taiwan, the Philippines, India, Mexico, and China, enhancing flexibility and competitiveness. The second production facility in the Philippines has been completed and commenced mass production, further securing capacity allocation and supply stability. In addition to expanding production capacity, Sercomm strengthened cross-site technical collaboration. To support rapid growth in North America, capacity at the Mexico facility will be further expanded. Building on our established presence in North America, Europe, and Asia-Pacific, we are also expanding into Southeast Asia, Latin America, and the Middle East to deepen customer relationships and enhance overall competitiveness.

Beyond core operations, Sercomm continues to advance its sustainability strategy, focusing on Environmental, Social, and Governance (ESG) initiatives. The Company steadily promotes low-carbon transformation and responsible corporate practices. Sercomm has consistently

ranked within the top 6%–20% in the Corporate Governance Evaluation for listed companies. Since 2017, we have published annual sustainability reports and obtained third-party assurance for eight consecutive years. Recently, Sercomm was awarded the Platinum Medal, the highest distinction by EcoVadis, ranking among the top 1% of assessed companies worldwide—demonstrating our long-term commitment to sustainability and sound governance.

Looking ahead to 2026, the industry continues to present both opportunities and uncertainties, with geopolitical developments and component supply conditions remaining key variables. However, demand for next-generation broadband applications remains strong. Products including Wi-Fi 7, 5G FWA fixed wireless access equipment, enterprise networking devices, AI-powered IoT solutions, and distributed access products are expected to further contribute to revenue growth. Sercomm will continue to prioritize innovation and cost discipline, deepen collaboration with global telecommunications customers, and expand its market share. With innovation at its core and sustainability as its guiding principle, Sercomm remains committed to enhancing long-term value for shareholders, customers, and employees alike.

A handwritten signature in black ink that reads "James Wang". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

James Wang  
Chairman  
Sercomm Corporation

## II. Company Highlight

### 2.1 Review of 2025 Business Results

Unit: Thousand NTD

Items	2024	2025	Year on Year Change (%)
Broadband CPE	38,959,503	30,198,865	-22.49
Enterprise Products	10,164,532	11,276,753	10.94
Infrastructure & IoT Products	6,164,302	10,424,188	69.11
Others	1,500,425	2,099,624	39.94
Total Revenue	56,788,762	53,999,430	-4.91

#### 2.1.1 Performance and Profitability Analysis

Items		2024	2025	
Financial Structure	Debt over Equity (%)	61.14	67.01	
	Long-term Funds to Fixed Assets Ratio (%)	338.69	303.14	
Liquidity Analysis	Current Ratio (%)	150.99	136.36	
	Quick Ratio (%)	95.39	64.67	
Profitability	Return on Assets (%)	5.51	3.10	
	Return on Equity (%)	15.40	7.43	
	To Paid-in Capital (%)	Operating Income	97.78	52.74
		Pretax Income	94.09	49.47
	Profit Margin (%)	4.00	2.22	
	Earnings per Share (NTD)	7.74	4.04	

#### 2.1.2 Research and Development Status

In 2025, following the gradual completion of inventory adjustments across the global networking industry, market demand showed a clear recovery. Broadband connectivity continued to serve as a critical infrastructure for the digital economy, with governments and telecom operators worldwide actively promoting network infrastructure upgrades, thereby driving steady growth in demand for broadband equipment. In addition, the Company's long-term global expansion strategy has begun to yield results, with continued penetration into emerging markets such as Southeast Asia, India, Latin America, and the Middle East, alongside deeper collaboration with global telecom customers. In response to evolving market dynamics, the Company has enhanced supply chain resilience and production flexibility through diversified manufacturing footprints, strengthening its ability to allocate capacity efficiently and respond promptly to customer needs.

Looking ahead to 2026, as next-generation broadband applications continue to evolve, the Company will leverage its extensive experience in the telecom broadband sector and its integrated hardware-software capabilities to advance technological innovation and product upgrades. Strong demand is expected for next-generation products, including Wi-Fi 7, 5G Fixed Wireless Access (FWA) equipment, enterprise networking solutions, AI-enabled IoT devices, and distributed access architecture (DAA) solutions, which are anticipated to serve as key drivers of future revenue growth. Meanwhile, the Company will continue to optimize its product mix and cost structure, while further strengthening its global manufacturing footprint to support market expansion and enhance overall operating performance.

## 2.2 Summary of 2026 Business Plan

### 1. Business Direction

- (1) Implement effective management mechanisms to drive sustained business growth and maintain stable profitability.
- (2) Proactively develop telecom broadband solutions to strengthen technological leadership and talent cultivation.
- (3) Enhance service quality and continuously optimize operational processes to improve overall efficiency.
- (4) Consolidate existing market presence while actively expanding into emerging markets to establish a global sales network.
- (5) Enforce cost and quality control measures and expand production capacity to meet growing market demand.

### 2. Projected Sales and Basis

In 2025, following the gradual completion of inventory adjustments in the global networking industry, market demand showed a clear recovery. Broadband networks continued to serve as a critical infrastructure for the digital economy, with governments and telecommunications operators worldwide actively promoting network infrastructure upgrades, thereby driving steady growth in demand for broadband equipment. In addition, the Company's long-term efforts in global expansion have begun to yield results, with continued expansion into emerging markets such as Southeast Asia, India, Latin America, and the Middle East, as well as deeper collaboration with global telecom customers, enhancing market penetration. In response to fluctuations in the international market, the Company has strengthened supply chain resilience and production allocation capabilities through flexible deployment across multiple production sites, enabling it to enhance overall competitiveness and respond promptly to customer needs.

Looking ahead to 2026, as next-generation broadband applications continue to evolve, the Company will leverage its extensive experience in the telecommunications broadband sector and its integrated hardware-software capabilities to further invest in advanced technology development and promote product upgrades. Strong demand is expected for next-generation products, including Wi-Fi 7, 5G fixed wireless access (FWA) devices, enterprise networking equipment, AI-enabled IoT devices, and distributed access architecture products, which are anticipated to become key drivers of future revenue growth. At the same time, the Company will continue to optimize its product mix and cost structure, while strengthening its global manufacturing footprint to meet growing market demand and enhance overall operational performance.

### 3. Major Production and Marketing Policies

- (1) Strengthen production and goal management to improve process efficiency and quality.
- (2) Ensure quality and delivery of key components; monitor supply, demand, and price trends.
- (3) Focus on product R&D and line expansion to respond quickly to market needs.
- (4) Expand global marketing network and enhance strategic partnerships with telecom and brand customers.
- (5) Stabilize market segments and tap into emerging markets.
- (6) Enhance channel control and market intelligence gathering.
- (7) Increase brand visibility and service reputation.
- (8) Implement cost reduction initiatives to boost price competitiveness.
- (9) Diversify customer base and regional distribution to mitigate concentration risks.

## 2.3 Future Development Strategy

1. Expand the Company's market value to benefit shareholders and employees.
2. Pay attention to intellectual property and cultivate outstanding personnel.
3. Strengthen technology research and development.
4. Improve market position and become the market leader.
5. Increase operational income and maximize profitability.

## 2.4 The Effects of External Competition, Regulation and the Overall Business Environment

The global networking industry continues to accelerate its development. With the deepening of digital transformation, the penetration of 5G technology has steadily increased and reached a high level of adoption in major mature markets. In recent years, the rapid advancement of generative AI has driven the convergence of cloud computing, mobile communications, and edge devices. As a result, networks are evolving from traditional data transmission channels into critical infrastructure supporting AI computing and data feedback. According to the Ericsson Mobility Report, the integration of AI, cloud, and mobile technologies is expected to significantly increase uplink traffic demand, while reshaping the value structure of mobile networks.

In addition, based on trend analysis of Mobile World Congress 2026 by Industrial Technology Research Institute, the telecommunications industry is transitioning from AI-enabled functionalities toward AI-native network architectures. This transformation is driving greater automation and intelligence in network operations, while fostering the integration of terminal devices and communication infrastructure. At the same time, the convergence of non-terrestrial networks (NTN) and terrestrial networks continues to deepen, enabling seamless coverage and diversified access models. This evolution is expanding connectivity in remote areas and industrial applications, further reshaping the competitive landscape of the communications industry.

The global Fixed Wireless Access (FWA) market continues to grow steadily. According to the November 2025 Ericsson Mobility Report, global FWA connections are projected to reach approximately 350 million by the end of 2031, with around 90% based on 5G technology, reflecting sustained demand for high-performance broadband access. However, as the market expands, competition is intensifying among equipment vendors from China, India, Europe, and the United States. In addition, major North American telecom operators are actively promoting both FWA and fiber deployment, further increasing competitive pressure in the market.

From a technology perspective, the growing adoption of AI applications and changes in traffic patterns are driving increased demand for higher bandwidth, lower latency, and enhanced uplink capacity in broadband networks. The deployment of Wi-Fi 7 is accelerating, enabling improved bandwidth, reduced latency, and support for high-density, multi-device environments. Meanwhile, 10G PON technology is entering an expansion phase in North America and Europe, with major telecom operators accelerating full-fiber network deployment to support AI applications and high-volume data transmission. In the Asia-Pacific region, government-driven infrastructure initiatives are promoting the gradual expansion of 10G PON into both residential and enterprise applications, with broadband access technologies continuing to evolve toward higher performance and greater intelligence.

In terms of the regulatory environment, the U.S. Broadband Equity, Access, and Deployment (BEAD) Program has entered the implementation phase, with individual states rolling out funding allocation and network construction plans under the supervision of the National Telecommunications and Information Administration. These policies continue to strengthen support for rural areas and smaller telecom operators, contributing to improved broadband coverage and driving demand for both FWA and fiber equipment, while also raising technical standards and compliance requirements.

In response to external market dynamics, Sercomm continues to advance its global footprint by integrating diversified operations across its five major production bases in Taiwan, the Philippines, Mexico, China, and India. This strategy enhances supply chain flexibility and manufacturing resilience to address geopolitical risks and evolving market demand. To support business growth, the Company's second plant in the Philippines has been completed and commenced mass production, improving capacity allocation and supply stability. Meanwhile, to meet demand in the North American market, the Company is actively planning capacity expansion in its Mexico facility to strengthen local supply capabilities. In addition to its established presence in North America, Europe, and Asia-Pacific, the Company continues to expand into emerging markets, including Southeast Asia, Latin America, and the Middle East, while deepening its partnerships with global telecom customers.

As next-generation broadband applications continue to evolve, demand for products such as Wi-Fi 7, 5G FWA, enterprise networking equipment, and AI-enabled IoT devices is expected to grow steadily. Sercomm will continue to invest in R&D innovation and operational excellence to enhance its market competitiveness and expand its market share.

### III. Corporate Governance

#### 3.1 Board Members

##### 3.1.1 Information Regarding Board Members

As of April 13, 2026

Position	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Education & Experience	Current Position
						Shares	%	Shares	%	Shares	%		
	Chao Yue Investment Co., Ltd.	-	2025.5.29	3	2025.5.29	3,000,000	1.00	3,000,000	0.99	-	-	-	-
Chairman	Representative: James Wang	Male 61-70	-	3	2001.5.28	-	-	3,141,006	1.03	0	0	Harvard Business School, MBA Carnegie-Melon University, ME CEO of Sercomm Corp.	Note 1 & Note 9
	Pacific Venture Partners Co. Ltd.	-	2025.5.29	3	2004.6.11	3,671,926	1.22	3,671,926	1.21	-	-	-	-
Director	Representative: Paul Wang	Male 81-90	-	3	1992.7.29	-	-	0	0	4,809,322	1.58	Carnegie Mellon University, PhD in Physics Chairman of Sercomm Corp.	Note 2
	Zhao Jian Investment Co., Ltd.	-	2025.5.29	3	2013.6.20	4,197,094	1.40	4,197,094	1.38	-	-	-	-
Director	Representative: Ben Lin	Male 61-70	-	-	2004.6.11	-	-	1,262,201	0.41	186,896	0.06	Tsing Hua University, MS in PME President of Sercomm Corp.	Note 3
	Yun Zhou Investment Co., Ltd.	-	2025.5.29	3	2019.6.12	3,090,000	1.03	3,090,000	1.02	-	-	-	-
Director	Representative: Nicola Palmer	Female 51-60	-	3	2025.5.29	0	0	0	0.00	0	0.00	The Wharton School, University of Pennsylvania, MBA Chief Engineering Officer; Chief Technology Officer, Verizon Wireless; and Chief Product Development Officer, Verizon	Note 4
Independent Director	Rose Tsou	Female 51-60	2025.5.29	3	2017.6.22	0	0	0	0.00	0	0.00	Northwestern University, Kellogg School of Management, MBA Boston University MS in Mass	Note 5

Position	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Education & Experience	Current Position
						Shares	%	Shares	%	Shares	%		
												Communication Head of International, Verizon Media	
Independent Director	Paul Yang	Male 51-60	2025.5.29	3	2023.6.13	0	0	0	0.00	0	0.00	Harvard Business School, MBA Massachusetts Institute of Technology, MS in ME	Note 6
Independent Director	Hilo Chen	Male 61-70	2025.5.29	3	2025.5.29	0	0	0	0.00	0	0.00	National Chiao Tung University, MS in Transportation Engineering and Management CEO and President, Systex Corporation Member of Remuneration Committee, Sercomm Corp.	Note 7
Independent Director	Feng Zhu	Male 41-50	2025.5.29	3	2025.5.29	0	0	0	0.00	0	0.00	Harvard University, Ph.D. in Science, Technology and Management	Note 8

Note 1 : Independent Director of Cathay Financial Holding Co., Ltd. and Formosa International Hotels Corporation; Chairman of Sercomm Investment Corp., Yun Zhou Investment, Yun Li, and Chao Yue Investment; Company Representative of Sercomm Trading Co., Ltd., Zealous Investments Ltd., Sercomm Technology Inc., and Sercomm Japan Corp.; Director of Sercomm Philippines Inc., Sercomm International Inc., Sercomm Solutions Inc., and MosoLabs Inc.

Note 2 : Company Representative of Sercomm USA Inc.; Director of Prosperity Dielectrics Co., Ltd. and TCC Group Holdings Co., Ltd.

Note 3 : Company Representative of Smart Trade Inc.; Chairman of Chao Jian Investment; Director of Sercomm Investment Corp., Sercomm USA Inc., Sercomm Japan Corp., and Sercomm Technology Inc.; Supervisor of Yun Zhou Investment

Note 4 : Director of nVent Electric plc, NextNav, Inc., Zayo Group Holdings, Inc., Astound Broadband, LLC, and Boldyn Networks

Note 5 : Independent Director of Delta Electronics, Inc. and Giant Manufacturing Co., Ltd.; Director of EasyCard Corporation and Hong Kong Television Entertainment Company Limited; Chairman of FN Capital Co., Ltd.; Supervisor of Taiwan Women on Boards Association

Note 6 : Chairman of KGI Bank Co., Ltd.; Director, President and CEO of KGI Financial Holding Co., Ltd.; Director of KGI Life Insurance Co., Ltd.; Vice Chairman of CDIB Capital International (Hong Kong) Corporation Limited and CDIB Capital International Corporation; Director of KGI Asia Limited, Asian Equity Limited, DHC One Dalton (HK) Limited, Henwell Limited, Henning Limited, and Harvard Club of Republic of China Scholarship Foundation

Note 7 : Independent Director of TTFB Company Limited and Cenra Inc.; Chairman of OneAD Inc., Guo Guo Capital Co., Ltd., ViaPoint Inc., and Maxi Inc.; Director of 12cm Taiwan Co., Ltd.

Note 8 : MBA Class of 1958 Professor of Business Administration, Harvard Business School Co-chair, Harvard Business Analytics Program

Note 9 : Considering the scale of operations and assets of our company, the chairman also serves as the CEO to respond to the overall operations of Sercomm group and the integration of global resources. Furthermore, to enhance the objectivity and independence of the board's decisions, our company added an independent director seat at the 2023 annual shareholders' meeting, with the proportion of directors serving as executives being only 25% of the total board seats.

### 3.1.2 Major Institutional Shareholders

As of April 13, 2026

Name of Institutional Shareholder	Primary Shareholder of Institutional Shareholder	Shareholding
Chao Yue Investment Co., Ltd.	Zhuo Jian Investment Co., Ltd	5.35%
	James Wang	12.13%
	Yun Li Co., Ltd.	35.53%
	Yun Chuan Investment Co., Ltd.	43.33%
Pacific Venture Partners Co. Ltd.	Su Yi	62.50%
	Da Yuan Management Consulting Co. Ltd.	35.00%
Zhuo Jian Investment Co., Ltd	Jiou Bang Investment Co., Ltd.	69.07%
	Zhen Bang Investment Co., Ltd.	24.01%
Yun Zhou Investment Co., Ltd.	Yun Li Co., Ltd.	46.78%
	Zhen Bang Investment Co., Ltd.	42.82%
	James Wang	10.40%

### 3.1.3 Major Shareholders of the Major Shareholders that Are Juridical Persons

As of April 13, 2026

Name of Juridical Persons	Major Shareholders of the Juridical Persons	Shareholding
Jiou Bang Investment Co., Ltd.	Ben Lin	70.30%
	Yu-Mei Chang	7.21%
Zhen Bang Investment Co., Ltd.	Ben Lin	83.23%
	Yu-Mei Chang	0.003%
Da Yuan Management Consulting Co. Ltd	Honesty Ventures Limited	75.00%
	5388 Sunrise Inc.	25.00%
Yun Li Co., Ltd.	James Wang	56.16%
	Yun Chuan Investment Co., Ltd.	15.65%
	E.SUN Bank Dedicated Trust Property Account	12.51%
Yun Chuan Investment Co., Ltd.	Chao Yue Investment Co., Ltd.	28.00%
	Yun Li Co., Ltd.	70.65%

### 3.1.4 Directors' Professional Qualifications and Independent Directors' Independence Status

Criteria	Professional Qualification and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Name/Title			
<p>Chairman</p> <p>Chao Yue Investment Co., Ltd. Representative: <b>James Wang</b></p>	<p>James Wang holds the MBA Degree of Harvard University and the Master's Degree of Carnegie-Melon University. With approximately 30 years of experience in the technology industry and the field of network communications, he has accumulated comprehensive industrial, academic and management experience, and has served as President in Sercomm since 2000. Under James' leadership, the Company was managed to grow exponentially in the past decades. Sercomm was presented the award for the "Best Managed Company" by Asiamoney and FinanceAsia respectively. In addition, James also received "2014 Entrepreneur of The Year Award" and "Strategy Excellence Paradigm Entrepreneur of The Year" by Ernst &amp; Young.</p>	<p>He or his spouse, minor child or anyone else acting on his behalf does not hold more than 1% of the Company's outstanding shares, and none of them is a natural person shareholder ranked TOP 10 in shareholding in the Company.</p> <p>He has no conjugal or kinship within the second degree with any other directors. He is not involved in any circumstances specified under Subclauses 3 and 4, Clause 3, Article 26 of the Securities Exchange Act.</p>	<p>2</p>
<p>Director</p> <p>Pacific Venture Partners Co. Ltd. Representative: <b>Paul Wang</b></p>	<p>Paul Wang holds the PhD and Master's Degree in Physics from Carnegie Mellon University and the Bachelor's Degree in Physics from National Taiwan University. Before his establishment of Sercomm, he had been employed in IBM for 20 years and acted as a senior supervisor in several departments. With more than 40 years of experience in the technology industry and venture capital, he has profound understanding about development of the high-tech industry. In 1990, he founded Pacific Venture Partners Co. Ltd. He was an outstanding and talented person who was engaged in venture capital and private fund in Asia-Pacific. In 1992, he co-founded Sercomm Corporation with several high-tech experts. So far, he has served as Chairman of Sercomm. In 2013, Paul received the "Pan Wen Yuan Prize", the highest honor in technology industry. From 1997 to 2005, he also served as Chairman of the Taiwan Venture Capital Association (TVCA).</p>	<p>He or his minor child or anyone else acting on his behalf does not hold more than 1% of the Company's outstanding shares, and none of them is a natural person shareholder ranked TOP 10 in shareholding in the Company.</p> <p>He has no conjugal or kinship within the second degree with any other directors. He is not involved in any circumstances specified under Subclauses 3 and 4, Clause 3, Article 26 of the Securities Exchange Act.</p>	<p>0</p>
<p>Director</p> <p>Zhuo Jian Investment Co., Ltd. Representative: <b>Ben Lin</b></p>	<p>Ben Lin holds the Master's Degree of National Tsing Hua University in Power Machinery. Accumulated over 10 years' experience in the Industrial Technology Research Institute and International</p>	<p>He or his spouse, minor child or anyone else acting on his behalf does not hold more than 1% of the Company's outstanding shares, and</p>	<p>0</p>

Criteria  Name/Title	Professional Qualification and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
	<p>Integrated Systems Inc., Ben joined Sercomm as one of the founders in 1992, leading the research team in developing various core technologies, including Internet communications software/firmware integration services and R&amp;D of Internet Protocols, which later proved to be the foundation stone of Sercomm's success as a leader in broadband telecommunications domain.</p>	<p>none of them is a natural person shareholder ranked TOP 10 in shareholding in the Company. He has no conjugal or kinship within the second degree with any other directors. He is not involved in any circumstances specified under Subclauses 3 and 4, Clause 3, Article 26 of the Securities Exchange Act.</p>	
<p>Director  Yun Zhou Investment Co., Ltd Representative: <b>Nicola Palmer</b></p>	<p>Nicola Palmer is a senior technology leader and former Chief Engineering Officer and Chief Technology Officer of Verizon, where she led the deployment of 4G and 5G networks and later served as Chief Product Development Officer driving new technology applications. She has been recognized as one of the Most Influential Women in Wireless, a 5G People to Watch, and a Top 100 CIO/CTO in STEM. A strong advocate for STEM education and women's participation, she serves as a board director of the National Academy Foundation, chairs its STEM Committee, and is active with BreakThroughTech, Penn State's Corporate Advisory Council, and the Global Women in Telecom Network. She currently serves on the boards of nVent Electric, NextNav, Zayo Group, Astound Broadband, Boldyn Networks, and as a strategic advisor to Intelsat.</p>	<p>She or her spouse, minor child or anyone else acting on her behalf does not hold more than 1% of the Company's outstanding shares, and none of them is a natural person shareholder ranked TOP 10 in shareholding in the Company. She has no conjugal or kinship within the second degree with any other directors. She is not involved in any circumstances specified under Subclauses 3 and 4, Clause 3, Article 26 of the Securities Exchange Act.</p>	<p>0</p>
<p>Independent Directors, Audit Committee and Remuneration Committee Members  <b>Rose Tsou</b></p>	<p>After graduating from the Library Department of National Taiwan University, Rose Tsou ever studied for the MBA Degree in Northwestern University and the master's degree in mass communication of Boston University. She had served as Yahoo's Head of Asia-Pacific for 10 years. In Asia-Pacific regions such as Japan, HK, Taiwan, Southeast Asia, India, New Zealand and Australia, she took charge of media, digital advertisements and electronic commerce. From 2018 to 2020, she served as Head of International in Verizon Media. In that period, she was primarily in charge of business operations in all global markets other than American and Canadian markets. She led</p>	<p>She is not an employee, director or supervisor of the Company or its affiliates. She or her spouse, minor child or anyone else acting on her behalf does not hold more than 1% of the Company's outstanding shares, and none of them is a natural person shareholder ranked TOP 10 in shareholding in the Company. She has no conjugal or kinship within the second degree with any other</p>	<p>2</p>

Criteria  Name/Title	Professional Qualification and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
	<p>teams of Asia-Pacific, Europe and Latin America to enhance exchanges on operational experience and talents across regions. She focused on developing and promoting mobile products. She also created new opportunities for expanding market cooperation and assisted with Verizon Media's faster growth in the international markets.</p>	<p>directors. She is not involved in any circumstances specified under Subclauses 3 and 4, Clause 3, Article 26 of the Securities Exchange Act. She has not been elected as government, legal person or by proxy as stipulated under Article 27 of the Company Act.</p>	
<p>Independent Directors, Audit Committee and Remuneration Committee Members</p> <p><b>Paul Yang</b></p>	<p>Paul Yang serves as a Director, President and CEO of KGI Financial Holdings and as the Chairman of KGI Bank. Spearheading KKR's Greater China operations, with AUM over US\$ 5 billion in areas of digital economy, healthcare, education, and advanced manufacturing. Under Paul's leadership, the scope of KKR's China franchise has expanded beyond private equity investments to commercial real estate, private credit, infrastructure, and technology ventures. For three years in a row since he took office, KKR has been voted by Private Equity International as the Private Equity Firm of the Year for China. During his tenure at KGI Financial (Former CDF), Paul has successfully restructured its then-proprietary private equity operation into a fast-growing asset management franchise and was credited with completing a series of strategic acquisitions in banking and securities that has transformed KGI Financial (Former CDF).</p>	<p>He is not an employee, director or supervisor of the Company or its affiliates. He or his spouse, minor child or anyone else acting on his behalf does not hold more than 1% of the Company's outstanding shares, and none of them is a natural person shareholder ranked TOP 10 in shareholding in the Company. He has no conjugal or kinship within the second degree with any other directors. He is not involved in any circumstances specified under Subclauses 3 and 4, Clause 3, Article 26 of the Securities Exchange Act. He has not been elected as government, legal person or by proxy as stipulated under Article 27 of the Company Act.</p>	<p>0</p>
<p>Independent Directors, Audit Committee and Remuneration Committee Members</p> <p><b>Hilo Chen</b></p>	<p>Hilo Chen is the founder and Chairman of OneAD Inc. and the creator of the OneAD video advertising platform, which was recognized in the Industrial Technology Research Institute's (ITRI) Taiwan AI Industry Ecosystem Map. With over 30 years of experience in the technology sector, he has held senior management positions at IBM, Microsoft, Motorola, Oracle, and Novell. He also served as General Manager of Yahoo China, Chief Operating Officer of Yahoo Taiwan, and Chief Executive Officer of Syscom Group. In addition, he has been an independent director at several companies,</p>	<p>He is not an employee, director or supervisor of the Company or its affiliates. He or his spouse, minor child or anyone else acting on his behalf does not hold more than 1% of the Company's outstanding shares, and none of them is a natural person shareholder ranked TOP 10 in shareholding in the Company. He has no conjugal or kinship within the second</p>	<p>2</p>

Criteria  Name/Title	Professional Qualification and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
	including Cenra Inc., Yageo Corporation, Giant Manufacturing, and momo.com. Mr. Chen is actively involved in industry associations such as the Information Service Industry Association of R.O.C. and the Taiwan Independent Directors Association. He is frequently invited to speak at international forums and government events on topics including digital transformation, big data, and artificial intelligence, and has also lectured at National Taiwan University.	degree with any other directors. He is not involved in any circumstances specified under Subclauses 3 and 4, Clause 3, Article 26 of the Securities Exchange Act. He has not been elected as government, legal person or by proxy as stipulated under Article 27 of the Company Act.	
Independent Directors, Audit Committee and Remuneration Committee Members  <b>Feng Zhu</b>	Feng Zhu is the MBA Class of 1958 Professor at Harvard Business School, where he leads the Platform Lab, co-chairs the Harvard Business Analytics Program. His expertise covers platform strategy, digital innovation, and business model transformation. He has published over 80 articles in leading journals, with his research frequently featured in global media such as the Wall Street Journal and Financial Times, and has received multiple international awards. He is the author of Smart Rivals and Web3: Blockchain and the New Economy and co-editor of the Research Handbook on Digital Strategy. Professor Zhu advises global firms including Alphabet, Meta, Microsoft, and Uber, as well as regulators worldwide, on digital transformation and competition issues.	He is not an employee, director or supervisor of the Company or its affiliates. He or his spouse, minor child, or anyone else acting on his behalf does not hold more than 1% of the Company's outstanding shares, and none of them is a natural person shareholder ranked TOP 10 in shareholding in the Company. He has no conjugal or kinship within the second degree with any other directors. He is not involved in any circumstances specified under Subclauses 3 and 4, Clause 3, Article 26 of the Securities Exchange Act. He has not been elected as government, legal person or by proxy as stipulated under Article 27 of the Company Act.	0

**Board Diversity and Independence**

*Board Diversity*

To improve corporate governance and ensure the sound development of the Board of Directors, the Company follows Article 20 of the Corporate Governance Best Practice Principles in considering Board composition and diversity, and plan suitable policies based on its operations, business model, and developmental requirements. The considered aspects include but are not limited to the following two:

1. Basic criteria and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Board members should have the knowledge, skills, and qualities required to fulfill their responsibilities. To achieve the desired objectives of corporate governance, the Board of Directors should possess the following capabilities:

1. Capabilities of operational judgment
2. Capabilities of accounting and financial analysis
3. Capabilities of operations management
4. Capabilities of crisis handling
5. Industrial knowledge
6. International market outlooks
7. Leadership skills
8. Decision-making capabilities

The Company's Board diversity policy aims to incorporate diverse perspectives and understandings of the members, in order to mitigate groupthink and improve the quality, effectiveness, and performance of Board decision-making in its dynamic operations. Summary of factors at the center of the Company's specific management objectives regarding the Board diversity policy, and their implementation status:

1. For comprehensive information on experiences and professional capabilities across various industries:

Title	Name	Industry Experience	Legal	Technical Expertise	Finance & Accounting	Investment	Operational Judgment
Chairman	James Wang Representative of Chao Yue Investment Co., Ltd.	✓	✓	✓	✓		✓
	Paul Wang Representative of Pacific Venture Partners Co. Ltd.	✓	✓	✓		✓	✓
Director	Ben Lin Representative of Zhuo Jian Investment Co., Ltd.	✓	✓	✓			✓
	Nicola Palmer Representative of Yun Zhou Investment Co., Ltd.	✓	✓	✓			✓
Independent Director	Rose Tsou	✓	✓		✓		✓
	Paul Yang	✓	✓		✓	✓	✓
	Hilo Chen	✓	✓	✓		✓	✓
	Feng Zhu	✓			✓	✓	✓

2. Gender: The selection of the Company's board members is based on a comprehensive evaluation of professional competence, industry experience, and the principle of diversity. However, considering the continuity and professional requirements of the current board members, the proportion of female directors currently stands at 12.5%. To further enhance gender diversity on the board, the Company plans to add one additional female director in 2025, bringing the total number of female directors to two and increasing their proportion to 25%. Additionally, during future board elections, the Company will continue to assess and appropriately increase the number of female directors to gradually achieve the goal of ensuring that the proportion of either gender is not less than one-third. Furthermore, the Company will actively identify and develop female talent with professional capabilities through talent development programs, incorporating them into board candidate considerations to ensure board diversity and governance effectiveness.
3. Age: One seat is occupied by individuals aged 41-50 (12.5%), three by those aged 51-60 (37.5%), three by those aged 61-70 (37.5%), and one by those aged 71-90 (12.5%).
4. Nationality: Two seats are held by foreign nationals (25%), and six seats are held by domestic nationals (75%).
5. Education: Two seats are occupied by individuals with a doctoral degree (25%), five by those with a master's degree (62.5%), and one by those with a bachelor's degree (12.5%).

6. Balanced Board structure:

- (1) Independent Directors: 4 seat (50%). An additional Independent Director was elected in 2023. Furthermore, in line with the principle of maintaining independence, some Independent Directors have longer tenures, with the hope that their substantial understanding of the Company's medium to long-term operations, along with their rich experience and capabilities, will enhance the quality of board decision-making.
- (2) General Directors: 2 seats (25%).
- (3) Directors who concurrently serve as managers: 2 seats (25%). Considering the company's operations and asset scale, the Chairman also assumes the role of CEO to oversee the overall operations of the Group and facilitate the integration of global resources. To enhance the objectivity and independence of the Board's decision-making, an additional Independent Director was elected during the shareholders' meeting on June 13, 2023. The proportion of directors who are also managers is 25%, meeting the requirement of not exceeding one-third of the total number of directors.

Title	Name	Gender	Age	Nationality	Education	Executives	Tenure of Independent Director
Chairman	James Wang Representative of Chao Yue Investment Co., Ltd.	Male	61-70	Taiwan	Master's	✓	
Director	Paul Wang Representative of Pacific Venture Partners Co. Ltd.	Male	81-90	Taiwan	PhD		
	Ben Lin Representative of Zhuo Jian Investment Co., Ltd.	Male	61-70	Taiwan	Master's	✓	
	Nicola Palmer Representative of Yun Zhou Investment Co., Ltd.	Female	51-60	USA	Master's		
Independent Director	Rose Tsou	Female	51-60	Taiwan	Master's		2017-2028
	Paul Yang	Male	51-60	Taiwan	Master's		2023-2028
	Hilo Chen	Male	61-70	Taiwan	Bachelor's		2025-2028
	Feng Zhu	Male	41-50	USA	PhD		2025-2028

**Board Independence**

At present, the Company has 8 Board of Directors members, including 4 independent directors, accounting for 50% of all the directors. After checking the second-degree kinship form provided by the directors, it is confirmed that no conjugal relationship or kinship within the second degree exists among the directors of the Company.

The Board of Directors is committed to continuously evaluating independence of directors, where it considers all relevant factors. In addition to compliance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, whether relevant directors can continue raising constructive questions for the management and other directors or express views independent of the management or other directors, and if their conducts are appropriate inside and outside the Board of Directors are also taken into account. In terms of their conducts, all of our directors who are not our employees can meet expectations and exhibit the foregoing traits if appropriate.

Criteria	Independence Criteria (Note)											
	1	2	3	4	5	6	7	8	9	10	11	12
Name												
James Wang Representative of Chao Yue Investment Co., Ltd.			✓	✓		✓		✓	✓	✓	✓	
Paul Wang Representative of Pacific Venture Partners Co. Ltd.	✓					✓	✓	✓	✓	✓	✓	
Ben Lin Representative of Zhuo Jian Investment Co., Ltd.			✓	✓	✓	✓		✓	✓	✓	✓	
Nicola Palmer Representative of Yun Zhou Investment Co., Ltd.	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	
Rose Tsou	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Paul Yang	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hilo Chen	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Feng Zhu	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Note : Directors, during the two years before being elected and during the term of office, meet any of the following situations, please tick the appropriate corresponding boxes:

1. Not an employee of the Company or any of its affiliates;
2. Not a director or supervisor of the Company or any of its affiliates;
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders;
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding 1 subparagraph, or of any of the above persons in the preceding subparagraphs 2 and 3;
5. Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the Company, ranks as of its top five shareholders, or has representative director(s) serving on the Company's board based on Article 27 of the Company Law;
6. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company;
7. Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the Company's chairman or CEO (or equivalent);
8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company;

9. Other than serving as a compensation committee member of the Company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an “audit service” or a “non-audit service which total compensation within the recent two years exceeds NTD500,000”;
10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company;
11. Not been a person of any conditions defined in Article 30 of the Company Law; and
12. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law

### 3.1.5 Remuneration to Directors

Unit: Thousand NTD

Title	Name	Base Compensation (A)		Bonus to Directors (C)		Allowances (D)		Total Amount and Ratio of total remuneration to Net Income (%) (A+C+D)		Salary, Bonuses & Allowances (E)		Severance Pay (F)		Profit Sharing-Employee Bonus (G)				Total Amount and Ratio of Compensation to Net Income (%) (A+C+D+E+F+G)			
		Sercomm		Consolidated Subsidiaries		Sercomm		Consolidated Subsidiaries		Sercomm		Consolidated Subsidiaries		Sercomm		Consolidated Subsidiaries		Sercomm		Consolidated Subsidiaries	
		Bonuses	Bonuses	Bonuses	Bonuses	Cash	Stock	Cash	Stock	Bonuses	Bonuses	Bonuses	Bonuses	Cash	Stock	Cash	Stock	Bonuses	Bonuses	Bonuses	Bonuses
Chairman	James Wang Representative of Chao Yue Investment Co., Ltd.	0	0	5,833	5,833	0	0	5,833	5,833	0	0	0	0	0	0	0	0	5,833	5,833	0.48%	0.48%
Director	Paul Wang Representative of Pacific Venture Partners Co. Ltd.	0	0	3,889	3,889	0	0	3,889	3,889	0	0	0	0	0	0	0	0	3,889	3,889	0.32%	0.32%
Director	Ben Lin Representative of Zhuo Jian Investment Co., Ltd.	0	0	3,889	3,889	0	0	3,889	3,889	0	0	0	0	0	0	0	0	3,889	3,889	0.32%	0.32%
Director	Nicola Palmer Representative of Yun Zhou Investment Co., Ltd.	0	0	3,889	3,889	0	0	3,889	3,889	0	0	0	0	0	0	0	0	3,889	3,889	0.32%	0.32%
Independent Director	Chin-Tay Shih (Note2)	1,500	1,500	0	0	12	12	1,512	1,512	0	0	0	0	0	0	0	0	1,512	1,512	0.13%	0.13%
Independent Director	Steve K. Chen (Note2)	1,500	1,500	0	0	22	22	1,522	1,522	0	0	0	0	0	0	0	0	1,522	1,522	0.13%	0.13%
Independent Director	Rose Tsou	3,000	3,000	0	0	36	36	3,036	3,036	0	0	0	0	0	0	0	0	3,036	3,036	0.25%	0.25%
Independent Director	Paul Yang	2,760	2,760	0	0	40	40	2,800	2,800	0	0	0	0	0	0	0	0	2,800	2,800	0.23%	0.23%
Independent Director	Hilo Chen (Note2)	1,740	1,740	0	0	30	30	1,770	1,770	0	0	0	0	0	0	0	0	1,770	1,770	0.15%	0.15%
Independent Director	Feng Zhu (Note2)	1,500	1,500	0	0	18	18	1,518	1,518	0	0	0	0	0	0	0	0	1,518	1,518	0.13%	0.13%

Note 1 : Directors' remuneration is based on the appropriation amount resolved by the Board of Directors on March 10, 2026, in accordance with the Company's Articles of Incorporation. Independent directors do not participate in the distribution of directors' remuneration.

Note 2 : The Company completed a full re-election of directors at the Annual General Meeting held on May 29, 2025. Independent Directors Hilo Chen and Feng Zhu were newly elected, while Chin-Tay Shih and Steve K. Chen stepped down.

### 3.2 Management Team

#### 3.2.1 Information Regarding Management Team

As of April 13, 2026

Name / Position	Nationality	Gender	Elected Date	Current Shareholding		Spouse & Minor & in the Name of Others Shareholding		Education & Experience	Current Position
				Shares	%	Shares	%		
James Wang CEO	Taiwan	Male	2000.1.24	3,141,006	1.03	0	0.00	Harvard Business School, MBA Carnegie-Melon University, ME CEO of Sercomm Corp.	Note 1 & Note 4
Ben Lin President	Taiwan	Male	1992.7.29	1,262,201	0.41	186,896	0.06	Tsing Hua University, MS in PME President, Sercomm Corp.	Note 2
Dean Wang Senior VP	Taiwan	Male	2018.7.16	1,095,000	0.36	0	0.00	State University of New York, Dual M.S. Field of Study Mechanical Engineering & Management and Policy President, Foxconn (Shenzhen) Technology Group	Director of Sercomm Philippines Inc., Scnet (India) Private Limited
Michael Lee Senior VP	Taiwan	Male	2022.3.9	827,890	0.27	1,100,000	0.36	National Taiwan University MS in ME Director, Hitron Technologies Inc.	Director of Sercomm Japan Corp.
Alex Liou VP	Taiwan	Male	2022.11.10	360,000	0.12	0	0.00	New York University, MBA Senior AVP, Qisda Corporation	Company Representative of Sercomm Britain Limited, Servercom (India) Private Limited, Scnet (India) Private Limited
Nicole Lee VP	Taiwan	Female	2023.02.01	90,000	0.03	0	0.00	National Taiwan University, MS in Management Chief officer of HR, HTC Corporation	-

Name / Position	Nationality	Gender	Elected Date	Current Shareholding		Spouse & Minor & in the Name of Others Shareholding		Education & Experience	Current Position
				Shares	%	Shares	%		
David Huang VP	Taiwan	Male	2023.03.01	60,000	0.02	0	0.00	Cornell University LL.M. Partner at KPMG	-
Arthur Hsu VP	Taiwan	Male	2023.05.02	407,000	0.13	0	0.00	New York University, MBA Procurement VP, HP	Note 3
Vincent Han VP Audit Office	Taiwan	Male	2025.07.31	355,000	0.12	0	0.00	National Chengchi University, MBA Chairman, Sercomm (Suzhou) Corporation AVP, Supplier Quality Management, Quanta Computer	-
Max Cheng Accounting Officer	Taiwan	Male	2020.11.13	19,000	0.01	0	0.00	Chengchi University, EMBA Assistant Finance Manager, NEC Taiwan	Company Representative of Refinement Property Holding Inc.; Supervisor of Sercomm Investments Corp.
Raymond Ho Corporate Governance Officer	Taiwan	Male	2023.07.28	0	0.00	0	0.00	Chung Cheng University, MBA Finance & Information VP, United Biopharma Inc.	-

Note 1 : Independent Director of Cathay Financial Holding Co., Ltd. and Formosa International Hotels Corporation; Chairman of Sercomm Investment Corp., Yun Zhou Investment, Yun Li, and Chao Yue Investment; Company Representative of Sercomm Trading Co., Ltd., Zealous Investments Ltd., Sercomm Technology Inc., and Sercomm Japan Corp.; Director of Sercomm Philippines Inc., Sercomm International Inc., Sercomm Solutions Inc., and MosoLabs Inc.

Note 2 : Company Representative of Smart Trade Inc.; Chairman of Chao Jian Investment; Director of Sercomm Investment Corp., Sercomm USA Inc., Sercomm Japan Corp., and Sercomm Technology Inc.; Supervisor of Yun Zhou Investment

Note 3 : Company Representative of Sercomm Turkey A.Ş., Sercomm France SARL, Sercomm Italia SRL, Sercomm Deutschland GmbH, and Sercomm International Inc.; Director of Sercomm Solutions Inc.; Supervisor of Sercomm (Suzhou) Corporation and DWNNet Technology (Suzhou) Co., Ltd.

Note 4 : Considering the company's operations and asset scale, the Chairman also assumes the role of CEO to oversee the overall operations of the Group and facilitate the integration of global resources. To enhance the objectivity and independence of the Board's decision-making, an additional Independent Director was elected during the shareholders' meeting on June 13, 2023. The proportion of directors who are also managers is 25%, meeting the requirement of not exceeding one-third of the total number of directors.

### 3.2.2 Compensation of President and Vice President

Unit: Thousand NTD

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)				Total Amount and Ratio of total compensation (A+B+C+D) to net income (%)	
		Sercomm	Consolidated Subsidiaries	Sercomm	Consolidated Subsidiaries	Sercomm	Consolidated Subsidiaries	Sercomm		Consolidated Subsidiaries		Sercomm	Consolidated Subsidiaries
								Cash Bonuses	Stock Bonuses	Cash Bonuses	Stock Bonuses		
CEO	James Wang												
President	Ben Lin												
Senior VP	Dean Wang												
	Michael Lee												
	Alex Liou	29,726	40,226	1,063	1,063	5,804	5,804	Note 1	0	Note 1	0	36,593 3.04%	47,093 3.92%
	Nicole Lee												
Vice President	David Huang												
	Arthur Hsu												
	Vincent Han												

Note 1: As of the date of this annual report, the amount of employee remuneration for the year 2025 has not yet been determined and is therefore not available for disclosure. The proposed cash amount of NT\$27,653 thousand is a provisional estimate based on the actual distribution ratio from the previous year.

Compensation Range	Name of President and Vice President	
	Sercomm	Consolidated Subsidiaries
NT\$0 ~ NT\$999,999		
NT\$1,000,000 ~ NT\$1,999,999		
NT\$2,000,000 ~ NT\$3,499,999	Alex Liou, David Huang, Vincent Han	Alex Liou, David Huang, Vincent Han
NT\$3,500,000 ~ NT\$4,999,999	Dean Wang, Michael Lee, Nicole Lee, Arthur Hsu	Nicole Lee
NT\$5,000,000 ~ NT\$9,999,999	James Wang, Ben Lin	James Wang, Ben Lin, Dean Wang, Michael Lee, Arthur Hsu
NT\$10,000,000 ~ NT\$14,999,999		
NT\$15,000,000 ~ NT\$29,999,999		
NT\$30,000,000 ~ NT\$49,999,999		
NT\$50,000,000 ~ NT\$99,999,999		
Over NT\$100,000,000		
Total	9	9

## 3.2.3 Employee Profit Sharing Granted to Management Team

Unit: Thousand NTD

Title	Name	Stock Bonus	Cash Bonus	Total Employee Profit Sharing	Total Employee Profit Sharing Paid to Management Team as a % of 2024 Net Income
CEO	James Wang				
President	Ben Lin				
Senior VP	Dean Wang				
	Michael Lee				
Vice President	Alex Liou	0	27,653 (Note 1)	27,653	2.30%
	Nicole Lee				
	David Huang				
	Arthur Hsu				
	Vincent Han				

Note 1: As of the date of this annual report, the list of employees eligible for remuneration for the year 2025 has not yet been determined. The proposed distribution amount is a provisional estimate based on the actual distribution ratio from the previous year.

### 3.2.4 Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents

- The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income.

Unit: Thousand NTD

	Sercomm		Consolidated Subsidiaries	
	2024	2025	2024	2025
Directors	46,804	29,658	46,804	29,658
Directors' remuneration as a % of net income	2.06%	2.47%	2.06%	2.47%
President and VPs	108,872	64,246	127,888	74,746
President and VPs' remuneration as a % of net income	4.79%	5.34%	5.63%	6.21%

Note 1 : As of the date of this annual report, the list of employees eligible for remuneration for the year 2025 has not yet been determined. The proposed distribution amount is provisionally estimated based on the actual distribution ratio from the previous year.

Note 2 : Due to a decrease in net income after tax in 2025, the proportion relative to net income after tax increased compared to the previous year.

- The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

**Remuneration policy, standard and combination:**

- According to Article 19 of the Articles of Incorporation, the remuneration of directors shall be assessed based on their participation in the operations of the Company and the value of their contribution to the Company. In addition, according to Article 29 of the Articles of Incorporation, no higher than 2.5% of profit of the current year is distributable as remuneration to directors. Independent directors do not participate in the aforementioned distribution of directors' remuneration. The Company may regularly evaluate remuneration of the directors in accordance with the "Performance Evaluation of Board of Directors". The performance results on remuneration appropriateness shall be reviewed by the Compensation Committee and the Board of Directors.
- For our managers' remuneration of the Company, work allowance and bonus shall be determined according to the Company's remuneration measures, to understand and reward the employees for their work efforts. Relevant bonus shall be paid according to the Company's annual operating performance, financial status, operating status and personal job performance. According to Article 29 of the Articles of Incorporation, 12%-18% of profit of the current year is distributable as employees' compensation. The performance results of the Company obtained in accordance with the "Performance Management Measures" serve as the reference basis for bonus payment to managers. The performance for managers is conducted in respect of two aspects as follows:
 

First, financial indicators: According to the Company's management and income statements, the business units distribute the Company's profits based on degree of contribution, considering managers' goal completion rate.

Second, non-financial indicators: These encompass two key dimensions: the Company's implementation of core values and its operational management capabilities, as well as the evaluation of ESG sustainability performance. Sustainability performance is assessed based on areas including marketing and communication, responsible products, responsible operations and supply chain management, employee care and public welfare, and corporate governance. It also

covers specific performance metrics such as climate and environmental management, occupational health and safety, supply chain responsibility, and corporate governance. The corresponding performance-based remuneration is calculated accordingly, with a weighting of 10% to 30%, and the compensation system is reviewed and adjusted from time to time in accordance with actual operating conditions and relevant regulations.

- c) Regular assessment of directors and managers' remuneration shall be based on the results of evaluation conducted according to the Company's Performance Measures for the Board of Directors, Performance Management Measures for managers and employees. The remuneration shall be also determined in combination with the Company's business performance indicators, and the results shall be presented to the Board of Directors for review. To fully present fulfillment of business performance indicators, the Chairman's performances shall be measured based on the Company's results in annual business indicators related to operations, governance and financial results, including financial performance indicators - revenue and profit, attainment of budget target, risk bearing, compliance with rules/regulations, and level of personal credit risk. Executives' performance shall be conducted based on financial performance indicators - revenue and profit, attainment of budget target, growth, new market development, forward-looking strategies, new product development, new market development, talent training, acquisition and cultivation of elite talents, risk bearing, compliance with rules/regulations, level of personal credit risk and all other related performance objectives. Sustainable performance (based on tasks organized into marketing and communication, responsible products, responsible operations and supply chain management, employee care and public charity, corporate governance, etc.)
- d) The remuneration combination paid by the Company shall be determined by the organizational rules of the Compensation Committee, including cash remuneration, stock options, dividends, retirement benefits or resignation payment, various allowances and other substantial rewards. Its scope shall be consistent with related directors' and managers' remuneration specified in the annual report of the public listed company.

***Process for remuneration determination:***

- a) In 2025, the internal self-evaluations and external assessments of the Board of Directors, individual directors, and functional committees all achieved an "Excellent" rating, demonstrating the Company's outstanding governance capability and decision-making effectiveness. Despite uncertainties in the external environment, the Company remained committed to innovation in new technologies, successfully increasing its market share in the telecommunications sector and maintaining its industry leadership, thereby reflecting the team's professionalism and performance. At the same time, the Company actively advanced ESG sustainability initiatives, strengthening its low-carbon transition and responsible supply chain management. It was awarded the Platinum rating—the highest level—by EcoVadis, ranking among the top 1% of assessed companies worldwide. In addition, the Company was ranked within the top 6%–20% in the corporate governance evaluation of listed companies, further demonstrating its strong commitment to corporate governance and sustainability.
- b) The Company's performance and remuneration appropriateness for its directors and managers are regularly evaluated and reviewed by the Compensation Committee and the Board of Directors every year. In addition to individuals' performance achievement and degree of contribution to the Company, overall business performance of the Company, future risks and development trends of industries are also taken into account. Besides, the remuneration system is reviewed from time to time according to the actual business conditions, pertinent laws and regulations. After comprehensive consideration of current corporate governance, appropriate remuneration is paid, in order to strike a balance between the Company's efforts for going concern and risk control. The amount of remuneration paid to directors and managers in 2025 was presented to the Board of Directors for review and approval upon deliberation by the Compensation Committee.

*Associations with business performances and future risks:*

- a) The Company's remuneration policies, related payment standards and rules are reviewed mainly based on its overall business conditions. The payment standards are reviewed and determined based on the performance achievement and degree of contribution, in order to improve overall organizational and team effectiveness of the Board of Directors and management departments. In addition, remuneration standards of the industry are used for reference, to ensure that our remuneration paid to the management is competitive in the industry, so as to retain excellent management talents.
- b) All of our managers' performance goals are set in combination with risk control to ensure that potential risks are managed and prevented within duties. The managers' remuneration is determined based on their actual performances, in combination with relevant human resources and remuneration policies. All of our important management decisions are made by coordinating and considering various risk factors. The performances in related decision-making are reflected by the Company's profit, so remuneration and risks of the management are associated with the control performance.
- c) The remuneration paid by the Company and its subsidiaries to their general managers and deputy general managers include long-term rewards, which are paid in the form of stocks and not fully paid in the current year with profit. The actual value of stocks is correlated to future stock price. In other words, the general managers and deputy general managers will share future operational risks with the Company.

### 3.3 Corporate Governance Practice

#### 3.3.1 Board of Directors

The Board of Directors held 6 meetings in 2025. The directors' attendance status is as follows.:

Title	Name	Attendance in Person	By Proxy	Attendance In Person Rate (%)	Remarks
Chairman	James Wang Representative of Chao Yue Investment Co., Ltd.	3	0	100%	Newly elected at the AGM on May 29, 2025
Director	Paul Wang Representative of Pacific Venture Partners Co. Ltd.	6	0	100%	Re-elected at the AGM on May 29, 2025
	Ben Lin Representative of Zhuo Jian Investment Co., Ltd.	3	0	100%	Newly elected at the AGM on May 29, 2025
	Nicola Palmer Representative of Yun Zhou Investment Co., Ltd.	3	0	100%	Newly elected at the AGM on May 29, 2025
	Rose Tsou	6	0	100%	Re-elected at the AGM on May 29, 2025
Independent Director	Paul Yang	6	0	100%	Re-elected at the AGM on May 29, 2025
	Hilo Chen	3	0	100%	Newly elected at the AGM on May 29, 2025
	Feng Zhu	3	0	100%	Newly elected at the AGM on May 29, 2025
Chairman	James Wang Representative of Zhuo Jian Investment Co., Ltd.	3	0	100%	
Director	Ben Lin Representative of Zhen Bang Investment Co., Ltd.	2	1	67%	Retired upon the AGM on May 29, 2025
	Charles Chu Representative of Yun Zhou Investment Co., Ltd.	3	0	100%	
Independent Director	Chin-Tay Shih	2	1	67%	
	Steve K. Chen	3	0	100%	

Annotations:

- (1) Securities and Exchange Act §14-3 resolutions: The Company has established an Audit Committee; therefore, this is not applicable. Please refer to the section on the operation of the Audit Committee for relevant information.  
(2) There were no other written or otherwise recorded resolutions on which an independent director had a dissenting opinion or qualified opinion in 2025.
- Recusals of Directors due to conflicts of interests in 2025: Chairman James Wang and Director

Ben Lin, concurrently serving as executives of the Company, had a conflict of interest in the proposal regarding the “Long-Term Incentive (LTI) Plan for Executives” and therefore recused themselves from the discussion and voting in accordance with applicable laws and regulations.

3. Performance evaluation of the Board of Directors:

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Content
Annual Internal Evaluation	2025.01.01-2025.12.31	Evaluation of the performance of the Board of Directors, individual board members, and functional committees.	Internal self-assessment by the Board of Directors and self-assessment by board members.	Please see Note 1 for details.
Triennial External Evaluation	2025.01.01-2025.12.31	Evaluation of the performance of the Board of Directors, individual board members, and functional committees.	Appointment of an external professional institution: Chainye Management Consulting Co. Ltd.	Please see Note 1 for details.

4. Measures taken to strengthen the functionality of the Board:

In 2023, the company established governance-related guidelines through the Board of Directors and set up a Sustainable Development Committee and a dedicated Corporate Governance Officer, thereby strengthening the functions of the Board of Directors.

Note 1 :

1. Scope of Internal and External Evaluations of the Board of Directors

(1) Performance evaluation of the Board of Directors covers the following five areas:

- Participation in the operation of the Company
- Improvement in the quality of the Board’s decision-making
- Composition and structure of the Board
- Election and continuing education of directors
- Internal control

(2) Performance evaluation of individual directors covers the following six areas:

- Understanding of the Company’s goals and missions
- Awareness of the duties of directors
- Participation in the operation of the Company
- Management of internal relationships and communication
- Professionalism and continuing education of directors
- Internal control

(3) Performance evaluation of functional committees covers the following five areas:

- Participation in the operation of the Company
- Awareness of the duties of functional committees
- Improvement in the quality of decision-making by functional committees
- Composition of functional committees, and election and appointment of committee members
- Internal control

(4) External evaluation: In addition to the above evaluation dimensions, the assessment also includes whether the Company has established sound Board operation mechanisms in compliance with applicable laws and corporate governance indicators; whether the Board is composed of directors with appropriate professional expertise and clear division of responsibilities; whether directors and functional committees perform their duties diligently and operate effectively; whether effective communication is maintained with the management team; whether internal control and risk management mechanisms are robust; and whether due emphasis is placed on sustainable development and the achievement of long-term business objectives.

2. The Company has completed the internal performance evaluation of the Board of Directors for 2025, with all results rated as “Excellent.” For the external evaluation, the assessment was based on a consolidation of directors’ self-evaluation results, supplemented by observations from participation in Audit Committee and Board meetings via video conference. Upon comprehensive review, it is concluded that the Board has established sound operational policies and procedures in accordance with applicable laws and domestic corporate governance standards. The Board is composed of directors with relevant professional

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expertise, with appropriate allocation of roles based on their experience, and the functional committees operate effectively.

3. The results of the internal and external evaluations of the Board of Directors for 2025 were reported to the Board meeting held on March 10, 2026, and have been disclosed on the Company's website.
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### 3.3.2 Audit Committee

The Audit Committee aims to assist the Board of Directors in monitoring the quality and integrity of Sercomm's accounting, auditing and financial reporting processes and financial control.

The tasks of the Audit Committee mainly include the following:

1. Formulation or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. Adoption or amendment, in accordance with Article 36-1 of the Securities and Exchange Act of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters bearing on the personal interest of directors.
5. Material assets or derivatives trading.
6. Material loaning of funds, and provision of endorsements/guarantees.
7. Offering, issuance or private placement of any equity securities.
8. Appointment, discharge, or compensation of attesting CPAs.
9. Appointment or discharge of a finance manager, accounting manager or head of internal audit.
10. Annual financial statements signed or stamped by the Chairman, managerial officers, and account manager, and second-quarter financial statements audited and attested by CPAs.
11. Other significant matters set forth by the Company or the competent authority.

The Audit Committee held 4 meetings in 2025. The attendance of Independent Directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance in Person Rate (%)	Remarks
Independent Director	Rose Tsou	4	0	100%	Committee Chair; Re-elected at the AGM on May 29, 2025
	Paul Yang	4	0	100%	Re-elected at the AGM on May 29, 2025
	Hilo Chen	2	0	100%	Newly elected at the AGM on May 29, 2025
	Feng Zhu	2	0	100%	Newly elected at the AGM on May 29, 2025
	Chin-Tay Shih	2	0	100%	Retired upon the AGM on May 29, 2025
	Steve K. Chen	2	0	100%	Retired upon the AGM on May 29, 2025

Annotations:

1. (1) Securities and Exchange Act §14-5 resolutions

Date	Resolution	Any Independent Director Had a Dissenting Opinion or Qualified Opinion
2025.02.27	1. Approval of the 2024 Financial Statements, Business Report, and the 2025 Business Plan	

Title	Name	Attendance in Person	By Proxy	Attendance in Person Rate (%)	Remarks
2025.02.27		<ol style="list-style-type: none"> <li>2. Approval of the proposal to conduct a private placement of common stock or domestic/overseas convertible bonds</li> <li>3. Approval of issuing restricted stock awards to employees</li> <li>4. Approval of issuing employee stock options</li> <li>5. Approval of the 2024 Internal Control System Statement</li> <li>6. Approval of the evaluation of the independence and suitability of the appointed auditors and their remuneration</li> <li>7. Approval of changes in the Chief Financial Officer and financial officer</li> <li>8. Approval of providing endorsements and guarantees for the Company's subsidiaries</li> </ol>			
2025.04.30		<ol style="list-style-type: none"> <li>1. Approval of the Q1 2025 Financial and Business Report and Consolidated Financial Statements</li> <li>2. Approval of the allocation of the 2025 employee stock options</li> </ol>			Approved as proposed and submitted to the Board of Directors for approval.
2025.07.31		<ol style="list-style-type: none"> <li>1. Approval of the Q2 2025 Financial and Business Report and Consolidated Financial Statements</li> <li>2. Approval of the allocation of the 2025 restricted stock awards to employees</li> <li>3. Approval of the change in Head of Internal Audit</li> </ol>			
2025.10.31		<ol style="list-style-type: none"> <li>1. Approval of the Q3 2025 Financial and Business Report and Consolidated Financial Statements</li> <li>2. Approval of the 2026 Annual Audit Plan</li> <li>3. Approval of the amendment to the Internal Control System and Implementation Rules of Internal Audit</li> <li>4. Approval of providing a corporate guarantee for the Mexican subsidiary, SCTEK Manufacturing S.A. de C.V.</li> </ol>			

(2) There was no other resolution which was not approved by the Audit Committee but was approved by two thirds or more of all directors in 2025.

2. If there are Individual Directors' avoidance of motions in conflict of interest, the Individual Directors' names, contents of motion, causes for avoidance and voting should be specified: None

3. Descriptions of the communications between the Independent Directors, the Internal Auditors, and the Independent Auditors (which should include the material items, channels, and results of the audits on the corporate finance and/or operations, etc.)

(1) The Independent auditor explains to the independent directors in the Audit Committee at least once a quarter on the topics of the content and scope of the audit of the company's financial statements, key audit matters, adjustment entries, annual audit communication plan, as well as corporate governance evaluation, and sustainable development action plans. The communication between independent directors and the auditor in 2025 is as follows in the table.

Meeting Date	Communications between the Independent Directors and the Independent Auditors	Attendees	Recommendations of the Independent Directors
2025.02.27	1. CPA provided		

Title	Name	Attendance in Person	By Proxy	Attendance in Person Rate (%)	Remarks
	2025.02.27	<p>explanations regarding the audit scope, type of audit report, materiality, adjustment entries, and key audit matters of the 2024 financial statements.</p> <p>2. CPA's declaration of independence.</p> <p>3. 2025 corporate governance implementation matters.</p> <p>4. 2025 Corporate Governance Evaluation Indicators.</p> <p>5. Audit Quality Indicator (AQI) information.</p> <p>6. The CPA responded to questions raised by the Audit Committee members.</p>		<p>Independent Directors: Chin-Tay Shih, Steve K. Chen, Rose Tsou, Paul Yang</p> <p>CPA: Ya-Fang Wen and Yu-Fang Yen</p> <p>Internal auditor: Winnie Hsieh</p>	None
	2025.04.30	<p>1. CPA provided explanations regarding the review scope, type of review report, and adjustment entries of the Q1 2025 financial statements.</p> <p>2. CPA's declaration of independence.</p> <p>3. The CPA responded to questions raised by the Audit Committee members.</p>		<p>Independent Directors: Chin-Tay Shih, Steve K. Chen, Rose Tsou, Paul Yang</p> <p>CPA: Ya-Fang Wen and Yu-Fang Yen</p> <p>Internal auditor: Winnie Hsieh</p>	None
	2025.07.31	<p>1. CPA provided explanations regarding the review scope, type of review report, and adjustment entries of the Q2 2025 financial statements.</p> <p>2. CPA's declaration of independence.</p> <p>3. The CPA responded to questions raised by the Audit Committee members.</p>		<p>Independent Directors: Rose Tsou, Paul Yang, Hung-Shou Chen, Feng Zhu</p> <p>CPA: Ya-Fang Wen</p> <p>Internal auditor: Winnie Hsieh</p>	None
	2025.10.31	<p>1. CPA provided explanations regarding the review scope, type of review report, and adjustment entries of the Q3 2025 financial statements.</p>			

Title	Name	Attendance in Person	By Proxy	Attendance in Person Rate (%)	Remarks
	2025.10.31	2. CPA provided explanations regarding the review scope, type of review report, and adjustment entries of the Q3 2025 financial statements. 3. Annual audit communication plan. 4. CPA's declaration of independence. 5. The CPA responded to questions raised by the Audit Committee members.		Independent Directors: Rose Tsou, Paul Yang, Hung-Shou Chen, Feng Zhu CPA: Ya-Fang Wen and Yu-Fang Yen Internal auditor: Vincent Han	None

(2) The internal auditors have sent the audit reports to the members of the Audit Committee periodically and presented the findings of all audit reports in the quarterly meetings of the Audit Committee. The head of Internal Audit will immediately report to the members of the Audit Committee any material matters.

Meeting Dates	Communications between the Independent Directors and the Independent Auditors	Recommendations of the Independent Directors
2025.02.27	1. The status of internal audit implementation for Q4 2024. 2. The results of the self-assessment of the internal control system for the year 2024. 3. The statement of the internal control system for the year 2024.	None
2025.04.30	4. The status of internal audit implementation for Q1 2025.	None
2025.07.31	1. The status of internal audit implementation for Q2 2025.	None
2025.10.31	1. The status of internal audit implementation for Q3 2025. 2. The audit plan for the year 2026.	None

### 3.3.3 Taiwan Corporate Governance Implementation as Required by the Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status		Non-implementation and its reason(s)	
	Y	N		Explanation
1. Does Company follow "Taiwan Corporate Governance Implementation" to establish and disclose its corporate governance practices?	✓		On May 11, 2023, the Company established the "Corporate Governance Best Practice Principles" by resolution of the Board of Directors and disclosed it on MOPS as well as the Company's website.	None
2. Shareholding Structure & Shareholders' Rights (1) Does Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		The Company has an Investor Relations Department and a shareholder services unit that are dedicated to managing investor and shareholder suggestions, inquiries, and disputes. A contact window has also been set up on our website specifically for investor relations and the Company's stock affairs agency in order to cater to the needs of investors and shareholders.	None
(2) Does Company possess a list of major shareholders and beneficial owners of these major shareholders?	✓		The Company adheres to regulations that require monitoring of the shareholding status of Directors, executives, and major shareholders. In addition, changes in shareholding by insiders are promptly and regularly reported.	None
(3) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	✓		On November 9, 2023, the Company's Board of Directors approved the "Rules Governing Financial and Business Matters Between Related Parties", and necessary controls have been implemented in line with internal control systems.	None
(4) Has the Company established internal rules prohibiting insider trading on undisclosed information?	✓		To protect shareholder rights and ensure fair treatment, the Company has implemented internal regulations, including the "Corporate Governance Best Practice Principles," "Internal Material Information Handling Procedures," and "Procedures for Ethical Management and Guidelines for Conduct", with the aim of preventing insider trading by directors, managers, and employees. At least once a year, directors, managers, and employees are also provided education and training on relevant operational procedures and legal requirements. New directors and managers will receive a briefing within three months of starting their positions, while new employees will be briefed by the HR department during	None

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			their orientation training. Furthermore, before the release of each quarterly financial statements, the Company sends internal notification letters to employees with the intention to reinforce compliance with insider trading regulations and stock trading control measures.
3. Composition and Responsibilities of the Board of Directors			The Company has established a Board diversity policy in its Corporate Governance Best Practice Principles. For the specific management objectives and implementation status of the Board diversity policy, please refer to the "Board Diversity" section of this Annual Report.
(1) Has the Board of Directors established a diversity policy, set goals, and implemented them accordingly?	✓		None
(2) Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees?	✓		None
(3) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors, and use the results as reference for directors' remuneration and renewal?	✓		<p>The Company's Board of Directors has implemented the "Rules for Self-Evaluation of the Board of Directors", which states that the Board's performance is to be evaluated at least once a year through internal self-evaluation and at least once every three years through external professional evaluation. The evaluation encompasses the entire Board of Directors, individual Directors, and all functional committees, and spanned the following period:</p> <p>(1) <b>External Evaluation:</b> The Company engaged an external independent evaluation institution, Chainye Management Consulting Co., Ltd., to conduct the Board performance evaluation on December 29, 2022 and January 16, 2026. The evaluation methods included both document review and participation in meetings of the Board of Directors and the Audit</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>Committee. The evaluation results and recommendations were reported to the Board on March 9, 2023 and March 10, 2026, respectively. The relevant evaluation reports have been disclosed on the Company's website under the Corporate Governance section.</p> <p>(2) <b>Internal Self-Evaluation:</b> The Company has completed the Board performance self-evaluations for 2024 and 2025, and the evaluation results were reported to the Board on February 27, 2025 and March 10, 2026, respectively.</p> <p>The aforementioned evaluation results are published on the Company's website and are used as a basis for determining the remuneration and reappointment of individual Directors.</p>
(4) Does the Company regularly evaluate its external auditors' independence?	✓		<p>The Company's Board of Directors conducts an annual evaluation of CPAs' independence. On March 10, 2026, the Board of Directors conducted an evaluation of the independence and suitability of the CPAs Wen Ya-Fang and Liang Yi-Chang, and their affiliated firm. The evaluation was based on the Audit Quality Indicators (AQIs), and as its results met the necessary requirements, the CPAs have been appointed. For details regarding the evaluation, please refer to Note 1.</p>
4. Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?	✓		<p>To strengthen corporate governance, the Company has made the decision to establish a dedicated Corporate Governance Officer by Board resolution on July 28, 2023. Mr. Raymond Ho, a senior manager with more than 20 years of experience in stock affairs and corporate governance, has been appointed and is primary responsible for overseeing and executing the following tasks:</p> <ul style="list-style-type: none"> <li>• Legally conducting and managing matters related to the Board of Directors and Shareholders' Meetings.</li> <li>• Preparing minutes for the Board of Directors and Shareholders' Meetings.</li> </ul>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<ul style="list-style-type: none"> <li>Assisting directors in their induction and ongoing professional development.</li> <li>Providing directors with the necessary information for the execution of their duties.</li> <li>Assisting directors in complying with legal requirements.</li> <li>Legal compliance review of the qualifications of independent directors.</li> <li>Handling matters related to changes in the directors.</li> <li>Overseeing and reporting on the company's risk management operations.</li> <li>Other matters as stipulated in the company's articles of association or contracts.</li> </ul> <p>The Company's Corporate Governance Officer performed related operations in respect of the aforementioned duties and completed 24 hours of continuing education in 2025.</p>
5. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	✓		<p>The Company identifies stakeholders and provides dedicated units and contact information for investor relations, public relations, stock affairs, and corporate social responsibility to enhance communication and provide immediate responses. To address relevant concerns, the Company has created a dedicated section on its website for stakeholders. For details, please refer to the "Sustainable Development Promotion" chapter in the annual report and the "Stakeholder Communication" chapter in the sustainability report. The sustainability report also includes the identities of stakeholders, their concerns, communication channels, and response methods. The status of communication with stakeholders is then reported to the Board of Directors, with July 31 as the reporting date in 2025.</p>
6. Has the Company appointed a professional registrar for its Shareholders' Meetings?	✓		<p>The Company has appointed the Stock Affair Agency Department of Taishin Securities Co., Ltd. to manage all matters pertaining to the shareholders' meeting.</p>
7. Information Disclosure (1) Has the Company established a corporate website to disclose	✓		<p>The Company consistently discloses financial and corporate governance information through its official website (<a href="http://www.Sercomm.com">http://www.Sercomm.com</a>).</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)	
	Y	N		Explanation
information regarding its financials, business and corporate governance status?				
(2) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investor's conference etc.)?	✓		Various departments of the Company, including Investor Relations, Public Relations, and Stock Affairs, are responsible for collecting and disclosing relevant information in accordance with regulations. In addition, the Company also appoints a spokesperson and acting spokesperson(s). The Company has established an English website for investor relations in order to improve information transparency. Presentations and video links to corporate briefings organized by the Company is also available on its website.	None
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?	✓		The Company completed the public announcement and filing of its 2024 annual financial report within two months after the end of the fiscal year, and also announced and filed its financial reports for the first, second, and third quarters of 2025, as well as its monthly operating results, ahead of the statutory deadlines.	None
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	✓		<ul style="list-style-type: none"> <li>Employee rights and employee care: The Company firmly believes that "talent" is the key to maintaining our core competitiveness. Hence, The Company spares no effort to train and nurture employees, while strictly complying with various labor laws and regulations and the Electronic Industry Citizenship Coalition (EICC) Code of Conduct. In addition to actively recruiting talents in the area of science and technology, The Company also invests considerable resources and funds every year to provide the best working environment and endeavor to enhance employees' professional knowledge and skills, in hopes of creating a "growth-enabling and healthy" working environment, so that all our colleagues can receive physical and mental care and feel a sense of accomplishment, as well as maximize their potential and growth from work, thereby promoting the</li> </ul>	None

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>sustainable development of the Company.</p> <ul style="list-style-type: none"> <li>Investor relations and stakeholders' rights: The Company maintains smooth communication channels at all times and adheres to the principle of ethics by disclosing public information immediately so as to protect investors and stakeholders' rights. The sustainability report also includes the identities of stakeholders, their concerns, communication channels, and response methods. The status of communication with stakeholders is then reported to the Board of Directors, with July 31 as the reporting date in 2025.</li> <li>Supplier relations and implementation of customer policies: The Company has long been actively working with customers and suppliers to build a sustainable supply chain and jointly develop eco-friendly green products through regular audit and counseling. Not only are suppliers in all countries required to fully comply with all local laws and regulations, but matters regarding the management of labor rights, environmental protection, safety and health risks in the supply chain are also emphasized.</li> <li>Continuing education among directors: All directors possess the relevant professional knowledge. Besides, The Company makes arrangements for directors to attend courses related to corporate governance from time to time, which has been disclosed on MOPS.</li> <li>Implementation of risk management policy and risk measurement criteria: The Company has established the relevant regulations for important management indicators, including risk management policies and procedures, and implement them accordingly. The Company reports on risk management operations to the Board of Directors at least once a year. In 2025, the report was presented on July 31, 2025.</li> <li>Status of D&amp;O Liability Insurance: The Company has purchased D&amp;O liability insurance for its directors and reported the insured amount, coverage, and premium rates to the</li> </ul>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			Board of Directors on April 30 2025.
<p>9. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange:</p> <p>(1) In the 11th Corporate Governance Evaluation in 2024, the Company's ranking improved from the 36-50% tier to the 6-20% tier among listed companies. In the 12th evaluation in 2025, the Company maintained its position in the 6-20% tier.</p> <p>(2) The Company completed its 2025 corporate governance self-assessment by the end of January 2026. Improvements have been implemented for sustainability-related indicators, including policies linking senior executive compensation to ESG-related performance evaluation.</p> <p>(3) The Company will continue to review and assess potential improvement measures for items not yet scored in the Corporate Governance Evaluation, as well as newly introduced indicators.</p>			

Notes 1:

Assessment of Accountant’s Audit independence and Eligibility  
 2026 Audit Quality Indicators (AQI) Assessment  
 CPA Firm: PricewaterhouseCoopers, Taiwan  
 CPA: Ya Fang, Wen; Liang Yi-Chang

Dimensions	No.	AQI	Evaluation Content	Firm Level	Engagement Level	Qualification for competency	
						Yes	No
Profession	1	Audit Experience	Whether the CPA and auditors possess sufficient audit experience to perform the audit work.	✓	✓	✓	
	2	Training Hours	Whether CPA and auditors receive sufficient training to acquire professional knowledge and skills.	✓	—	✓	
	3	Attrition Rate	Whether the firm maintains sufficient senior human resources.	✓	—	✓	
	4	Professional Support	Whether the firm is equipped with sufficient experts, including CAAT specialists and financial appraisers.	✓	—	✓	
Quality Control	5	Workload	Whether partners are loaded with excessive engagements or work overtime.	✓	✓	✓	
	6	Involvement	Whether the involvement of audit team in each audit phase is appropriate.	✓	✓	✓	
	7	EQCR	Whether EQC reviewers spend sufficient time on engagement.	✓	✓	✓	
	8	Quality Supporting Capacity	Whether the firm is equipped with sufficient resources such as risk management, audit professional consultants to support audit teams.	✓	—	✓	
Independence	9	Non-Audit Service (NAS)	Whether the proportion of NAS affects the firm’s independence.	—	✓	✓	
	10	Familiarity	Whether audit firm tenure affects the firm’s independence.	—	✓	✓	
Monitoring	11	External Inspection Results & Enforcement	Whether the firm’s compliance with quality control system and engagement is satisfactory.	✓	✓	✓	
	12	Official Improvement Letters Issued by Authority		✓	✓	✓	
Innovation	13	Innovative Planning or Initiatives	Whether the firm has undertaken appropriate planning or initiatives to improve audit quality.	✓	—	✓	

Other supplementary matters : NA

Opinion on evaluation review :

- Approved and recommended for appointment
- There are doubts in the review and it is not recommended for appointment

### 3.3.4 Compensation Committee

#### Information on Members of the Remuneration Committee

The Company's Remuneration Committee consists of four independent directors. Please refer to the "Directors' Professional Qualifications and Independent Directors' Independence Status" section of this Annual Report for details of the independent directors.

#### Compensation Committee Responsibility

This committee shall perform the following functions in good faith with care as a bona fide manager and submit its suggestions to the Board of Directors for discussion.

1. Establish and regularly review policies, systems, standards and structures of performance and remuneration of directors and managers.
2. Regularly evaluate and determine salary and remuneration of the directors and managers.

#### Compensation Committees Meeting Status

1. Compensation Committee consists of four members. The tenure is from May 29, 2025 to May 28, 2028.
2. Compensation Committee convened two regular meetings in 2025. The Committee members' attendance status is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Notes
Independent Director	Hilo Chen	4	0	100%	Committee Chair; Re-appointed by the Board in 2025
Independent Director	Rose Tsou	4	0	100%	Re-appointed by the Board in 2025
Independent Director	Paul Yang	2	0	100%	Newly appointed by the Board in 2025
Independent Director	Feng Zhu	2	1	50%	Newly appointed by the Board in 2025
Independent Director	Chin-Tay Shih	2	1	50%	Retired in 2025
Independent Director	Steve K. Chen	2	0	100%	Retired in 2025

Notes :

1. There was no recommendation of the Compensation Committee which was not adopted or was modified by the Board of Directors in 2025.
2. There were no written or otherwise recorded resolutions on which a member of the Compensation Committee had a dissenting opinion or qualified opinion.
3. Discussion subjects and resolutions of Compensation Committee

Meeting Date	Discussion Items	Resolutions
2025.02.27	1. Approval of the distribution of 2024 employee and director remuneration	Approved by all committee members and submitted to the Board of Directors for approval.
2025.04.30	1. Approval of the allocation of the 2025 employee stock options	Approved by all committee members and submitted to the Board of Directors for approval.
2025.07.29	1. Review of the achievement status of the 2022-2025 Long-Term Incentive (LTI) Plan 2. Approval of the allocation of the 2025 restricted stock awards to employees	Approved by all committee members and submitted to the Board of Directors for approval.
2025.10.30	1. Approval of the 2022-2025 Long-Term Incentive (LTI) Plan	Approved by all committee members and submitted to the Board of Directors for approval.

### 3.3.5 Sustainable Development Implementation Status as Required by the Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
1. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	✓		<p>To fulfill its corporate social responsibility and promote economic, environmental, and social progress toward sustainable development, the Company established the Corporate Sustainability Development Committee following a Board resolution on May 11, 2023, and officially implemented its Corporate Sustainability Development Committee Charter.</p> <p>The Committee is chaired by a director and consists of senior executives from various fields, who collectively assess the Company's core operational capabilities and formulate short-, medium-, and long-term sustainability development plans. Serving as a vertical and horizontal cross-functional communication platform, the Committee convenes monthly and/or quarterly meetings and operates through dedicated working groups focused on environmental, social, and governance (ESG) issues. These groups identify sustainability topics relevant to the Company's operations and stakeholders, establish corresponding strategies and action plans, allocate budgets for sustainability-related initiatives, and oversee the implementation and effectiveness of annual programs to ensure that sustainability strategies are fully integrated into daily operations.</p> <p>The Board of Directors receives quarterly reports from the management team, covering key topics such as greenhouse gas (GHG) inventory and verification progress. Additionally, the Committee Chairperson presents an annual sustainability plan and execution results to the Board. For 2025, the presentation date is set for July 31, 2025, during which the Committee will report on sustainability strategies and goals, receive feedback and guidance from the Board, and track progress on related initiatives. During this meeting, the Board also approved the 2024 Sustainability Report.</p>
2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to Company operation, and establish risk	✓		<p>This disclosure covers the Company's sustainability performance at its major operational sites from January to December 2024. The scope of risk assessment is centered on the Company and includes existing locations in Taiwan, Mainland China, and the Philippines. In accordance with the GRI Universal Standards 2021 definition of materiality from an impact-based</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
management related policy or strategy?			<p>perspective, the Company worked with external professional consultants to obtain integrated recommendations. By consolidating impact index calculations and the results of stakeholder engagement, the working group, in collaboration with the external consultants, assessed the material sustainability topics and established effective risk management policies to identify, measure, evaluate, monitor, and mitigate these risks.</p> <p>Based on the identified risks, the Company has formulated corresponding risk management policies and strategies, and taken concrete action plans to reduce potential impacts. For more details, please refer to the Risk Management Chapter of the Company's Sustainability Report. For information on climate-related risks and opportunities, please see the chapter titled "Climate-Related Information Implementation Status" in this Annual Report.</p>
<b>Economic Issues</b>			
	Identification of Risk		Risk Control Measures
	<ul style="list-style-type: none"> <li>Financial</li> <li>Legal</li> <li>Audit</li> <li>Operating Management</li> <li>Corporate Investment</li> <li>Public Relations</li> <li>Investor Relations</li> </ul>		<p>Please refer to the chapter titled "Financial Status and Performance Review, and Risk Assessment" in this annual report.</p>
	Supply Chain Risk		<ul style="list-style-type: none"> <li>Ensure that products and supply chains are exclusive of conflict minerals</li> <li>New supplier selection criteria</li> <li>Educational training for suppliers</li> <li>Graded management of and guidance to suppliers by suppliers' characteristics and risk levels</li> </ul>
	Code of Conduct and Anti-Corruption		<ul style="list-style-type: none"> <li>Enactment of the "Employee Code of Conduct"</li> <li>Continue the employees' ethical codes and anti-corruption propagation training</li> <li>Set up the complaining channels instead of the high-rank management</li> </ul>

Assessment Item	Implementation Status		Non-implementation and its reason(s)						
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			<ul style="list-style-type: none"> <li>• Safety and production order in workplace</li> <li>• Fulfill fire protection measures and enhance employees' awareness and training of fire protection</li> <li>• Implement the control over source of fire and voluntary safety inspection mechanism</li> <li>• Inspect electric and mechanical equipment periodically</li> </ul>	
		Infectious Disease Control and Prevention	<ul style="list-style-type: none"> <li>• Strengthen various infectious disease preparedness measures</li> <li>• Access control at factory premises, especially handling and disinfection at factory premises, et al.</li> <li>• Employees' self health management and checkup</li> <li>• Review and store preparedness supplies</li> </ul>	
		Product Quality/Safety Management	<ul style="list-style-type: none"> <li>• Design products in accordance with international rules and brand customers' standards</li> <li>• Strengthen the technical team</li> </ul>	
3. Environmental Topic (1) Has the Company set an environmental management system designed to industry characteristics?	✓		<p>The Company's facilities located in Zhunan, Taiwan, Suzhou, China, and the Philippines have all obtained third-party certifications for the Environmental Management System (ISO 14001), Occupational Health and Safety Management System (ISO 45001), and Energy Management System (ISO 50001), as well as Greenhouse Gas Emissions Verification/Assurance (ISO 14064). These certifications support the Company's efforts to track emission reduction performance and publicly disclose results through its Sustainability Report and the Corporate Sustainability section on the Company's website. The Company is committed to pollution prevention, energy and resource conservation, waste reduction, accident prevention, and providing a safe and comfortable working environment for all employees.</p>	None

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	✓		<p>Since 2022, the Company has progressively introduced the ISO 50001 Energy Management System across its manufacturing sites and obtained third-party certification, enhancing energy efficiency through a systematic management approach. To effectively promote energy management, the Company continuously raises employee awareness of energy conservation and carbon reduction through onboarding training programs and internal communication platforms. Energy-saving initiatives are actively implemented across offices and production sites, fostering a shared commitment to green values at both the corporate and individual levels.</p> <p>In 2024, Sercomm's total energy consumption amounted to 157,354.47 gigajoules, with purchased electricity remaining the primary energy source, accounting for 86.16% of total energy consumption. Total purchased electricity decreased by 12.04% compared to 2023, mainly due to the gradual implementation of renewable energy measures since 2023, including the procurement of green electricity and the installation of solar power systems. As a result, the share of renewable energy increased from 0% in 2023 to 11.30% in 2024. Purchased electricity accounted for 93.23% of total electricity consumption. Detailed data by energy type and operating site are disclosed in the Sustainability Report.</p> <p>To further strengthen energy management performance, the Company implemented ISO 50001 across all major sites beginning in 2022 and completed third-party certification in 2023 (valid from April 18, 2023 to April 17, 2026), enabling continuous improvement in energy efficiency through systematic management.</p> <p>To reduce its operational carbon footprint, the Company has actively promoted renewable energy adoption at major manufacturing sites since 2023, including entering into power purchase agreements (PPAs) and installing rooftop solar power systems. These initiatives have been gradually implemented and connected to the grid since December 2023. Currently, the Suzhou and Philippines manufacturing sites have procured green electricity as part of the Company's low-carbon manufacturing strategy.</p> <p>Looking ahead, the Company plans to establish a centralized Renewable Energy Certificate (REC) management mechanism to systematically collect and track certificate</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>data across all sites, integrating it into the carbon management system to accurately calculate Scope 2 emissions and offset benefits. In addition, based on its Science Based Targets initiative (SBTi) commitments and internal carbon pricing strategy, the Company will optimize green electricity allocation, enhance transparency, and improve strategic effectiveness in renewable energy utilization, steadily progressing toward its net-zero goals.</p> <p>In 2023, the Philippines manufacturing center entered into a 10-year power purchase agreement with a renewable energy provider, with supply commencing on December 26. The agreement was executed under the Green Energy Option Program (GEOP) promoted by the Philippine Department of Energy (DOE), enabling the procurement of 100% renewable electricity over the contract period based on the facility's demand.</p> <p>In addition, the Suzhou manufacturing center completed the installation of a rooftop solar power system with a capacity of 1.57 MW in 2023, which has been connected to the grid. In 2024, the system generated 1,850,940.40 kWh of electricity. The Zhunan manufacturing center is expected to install a rooftop solar system with a capacity of 314.6 kW in 2025, with estimated generation accounting for 4.64% of total electricity consumption. The Company will continue to expand and refine its renewable energy initiatives to progressively increase the share of renewable energy and fulfill its carbon reduction commitments.</p> <p>Through the implementation of its energy management system, the Company focuses on major energy-consuming equipment to improve efficiency and reduce overall consumption. For air conditioning systems, measures include regular cooling tower cleaning and maintenance, optimization of cooling water temperature, and adjustment of equipment configurations to minimize energy use. For compressed air systems, variable frequency air compressors are deployed to reduce power consumption, and regular inspections are conducted to prevent leakage and energy loss. Key energy-saving initiatives at major manufacturing sites in 2024 are detailed in the Sustainability Report.</p> <p>At the product level, Sercomm actively enhances its green competitiveness in response to sustainable consumption trends by promoting environmentally friendly design. From the product development</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>stage, the Company follows the 3R principles (Reduce, Reuse, Recycle) advocated by the EU Waste Electrical and Electronic Equipment (WEEE) Directive, extending product life cycles and improving recyclability and ease of disassembly. The Company continues to advance green design, green manufacturing, and green procurement strategies, ensuring full compliance with international environmental regulations such as WEEE, RoHS, and REACH. By improving power conversion efficiency, reducing material usage, and optimizing packaging design, the Company minimizes environmental impacts across the product lifecycle. It also collaborates with supply chain partners to incorporate recycled and eco-friendly materials, promoting a circular economy.</p> <p>In terms of green design targets, the Company actively promotes the use of recycled and environmentally friendly materials under the “Reuse” dimension and has established specific targets for 2026. Subject to customer specifications, over 70% (by weight) of plastic components in relevant router products will be made from recycled materials, and over 70% (by weight) of paper materials will be made from recycled or environmentally friendly materials. In 2024, 15 products successfully incorporated post-consumer recycled (PCR) materials, demonstrating the Company’s commitment to green innovation and its role in driving the industry toward a low-carbon future.</p>
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	✓		<p>The Company has assessed the potential impacts of climate change on its current and future operations, and has established corresponding governance mechanisms and response measures.</p> <p>From a governance perspective, the Board of Directors serves as the highest supervisory body for climate-related matters, overseeing climate governance performance and the achievement of related targets. Climate-related risks and opportunities, action plans, and implementation progress are regularly reported through the Sustainability Committee. The Sustainability Committee is convened by a director and composed of senior executives, meeting on a quarterly basis to review climate-related strategies, targets (including Science Based Targets initiative (SBTi) commitments), and performance tracking.</p> <p>Under the Committee, a sustainability task force and cross-functional working groups are established to identify, assess, and</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>manage climate-related risks and opportunities. This structure enables a top-down oversight mechanism complemented by bottom-up feedback, forming an integrated governance framework.</p> <p>In terms of risk and opportunity assessment, the Company follows the TCFD framework and references international climate trends and industry developments to identify transition risks across regulatory, technological, market, and reputational dimensions, as well as both acute and chronic physical risks. At the same time, the Company evaluates climate-related opportunities, including energy efficiency improvements, low-carbon products, renewable energy adoption, and enhanced operational resilience.</p> <p>Through interviews and questionnaires, risks and opportunities are assessed and prioritized based on likelihood and impact. The Company further analyzes their potential effects on operations, strategy, and financial performance, including impacts on capital expenditures, operating costs, revenue, and cash flows, providing a basis for strategic planning and decision-making.</p> <p>In response, the Company committed to Science Based Targets (SBTi) in 2023, which were validated in 2025. Using 2023 as the base year, the Company has set targets to reduce absolute Scope 1 and Scope 2 emissions by 42% by 2030, and Scope 3 emissions by 25%. In parallel, the Company is advancing initiatives to increase the use of renewable energy and improve waste recycling and reuse.</p> <p>The Company has also implemented a range of measures to mitigate transition risks and capture low-carbon opportunities, including the adoption of a carbon management platform (SGET), product carbon footprint management, supply chain emissions data collection, ISO 50001 energy management systems, and green product design. To address physical risks, the Company enhances operational resilience through business continuity planning (BCP), strengthened disaster prevention infrastructure, and supply chain contingency mechanisms.</p> <p>In addition, the Company has expanded the scope of climate risk and opportunity assessments to cover its value chain and has introduced an internal carbon pricing (ICP) mechanism. A shadow price of USD 50 per tCO<sub>2</sub>e is applied as a tool for investment decision-making and scenario analysis,</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>reflecting the potential financial impacts of carbon costs.</p> <p>Looking ahead, in line with the adoption roadmap of IFRS Sustainability Disclosure Standards S1 and S2, the Company will continue to enhance its capabilities in quantifying climate-related financial impacts, and further strengthen the maturity of climate risk and opportunity management as well as decision-making quality.</p>
			<p><b>I. Greenhouse gas emissions</b></p> <p>To effectively manage greenhouse gas (GHG) emissions and align with government policies on GHG inventory and verification disclosure, the Company has progressively established its carbon inventory and management capabilities. Since 2014, Sercomm has conducted GHG inventories in accordance with ISO 14064-1 and The Greenhouse Gas Protocol, defining organizational boundaries based on the operational control approach to calculate emissions.</p> <p>To enhance the completeness of GHG inventories, Scope 3 emissions have been progressively incorporated since 2021. In 2022, all manufacturing sites adopted ISO 14064-1:2018, covering Scope 1 and Scope 2 emissions while gradually expanding the inventory of Scope 3 categories. Since 2023, the parent company's Taipei headquarters and major manufacturing sites—including the parent company (Taipei headquarters and Zhunan manufacturing center) and key subsidiaries (Suzhou and Philippines manufacturing centers)—have all obtained third-party verification assurance.</p> <p>Other overseas subsidiaries (including those in France, Germany, Italy, India, Japan, Mexico, and the United States) have also completed their 2024 GHG inventories and are expected to obtain third-party assurance by 2027.</p> <p>In 2024, the Company will introduce a digital carbon management information platform to enhance cross-regional communication efficiency and optimize GHG inventory processes through a systematic approach.</p> <p>In response to the global net-zero target for 2050, Sercomm submitted a commitment letter to the Science Based Targets initiative (SBTi) in 2023, pledging to set GHG reduction targets aligned with a 1.5°C scenario using a science-based approach. The targets were validated in 2025, with 2023 reset as the base year. The Company</p>
(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies?	✓		None

Assessment Item	Implementation Status		Non-implementation and its reason(s)									
	Y	N		Explanation								
			<p>aims to reduce absolute Scope 1 and Scope 2 emissions by 42% by 2030, and Scope 3 emissions by 25% within the same timeframe. In addition, renewable energy usage is targeted to reach 90% of total energy consumption by 2030.</p> <p>GHG emissions for the parent company (Taipei headquarters and Zhunan manufacturing center) for the past two years are presented in the table below. The 2024 data has obtained external assurance, while the verified emissions data for 2025 will be disclosed in the 2025 Sustainability Report, scheduled for publication in August 2026.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total GHG Emissions (Scope 1 + Scope 2) (tCO<sub>2</sub>e)</th> <th>Total GHG Emissions (Scope 3) (tCO<sub>2</sub>e)</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>5,354.32</td> <td>419,523.73</td> </tr> <tr> <td>2025</td> <td>3,940.16</td> <td>525,872.66</td> </tr> </tbody> </table>	Year	Total GHG Emissions (Scope 1 + Scope 2) (tCO <sub>2</sub> e)	Total GHG Emissions (Scope 3) (tCO <sub>2</sub> e)	2024	5,354.32	419,523.73	2025	3,940.16	525,872.66
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2024	5,354.32	419,523.73										
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<p><b>II. Waste production volume</b></p> <p>ercomm has established a <i>Waste Management Procedure</i> to define clear management guidelines for all waste handling processes. The Company's waste primarily originates from packaging materials used in manufacturing, including waste plastics, paper, and wood, all of which are recyclable. These wastes are currently handled by qualified waste treatment vendors. The Company conducts at least one on-site audit annually to review waste management practices, including the presence and qualifications of responsible personnel and whether any irregular discharge occurs during treatment processes. In 2024, a total of six audits were conducted, with no violations identified.</p> <p>To minimize environmental impacts, the Company focuses on reducing waste generation and promoting recycling and reuse. Waste is properly classified at every stage, from procurement to post-production disposal. Waste that cannot be recycled is treated through incineration or landfill. Going forward, the Company's waste management policy will emphasize increasing resource recycling rates and advancing closed-loop resource circulation to maximize resource utilization.</p> <p>For example, at the Zhunan manufacturing center, a "Flash Component Recycling and Reuse" initiative was implemented in 2024, under which a total of 54 components were</p>												

Assessment Item	Implementation Status		Non-implementation and its reason(s)												
	Y	N		Explanation											
			successfully reworked.												
			<p>The waste generation of the Sercomm Group (Zhunan in Taiwan, Suzhou in China, and the Philippines) for the past two years is presented in the table below.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Non-hazardous Waste (tons)</th> <th>Hazardous Waste (tons)</th> <th>Total Waste (tons)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>2,830.16</td> <td>172.48</td> <td>3,002.64</td> </tr> <tr> <td>2024</td> <td>2,312.79</td> <td>144.79</td> <td>2,457.58</td> </tr> </tbody> </table> <p>The total waste weight data for 2023 and 2024 (with 2025 data to be disclosed in the 2025 Sustainability Report to be published in August 2026) serve as underlying activity data for greenhouse gas emissions calculations. These data have been included in the scope of third-party verification together with the GHG inventory results (not limited to verification of total company usage).</p> <p>To strengthen waste management, the Company has established short-, medium-, and long-term targets for waste intensity: not exceeding 0.04 during 2025-2029 and not exceeding 0.035 by 2030. In addition, the recycling and reuse rate is targeted to reach 90% by 2030.</p> <p><b>III. Water Usage</b></p> <p>Due to the nature of its operations, Sercomm does not consume significant amounts of water in its production processes. Water usage is primarily for domestic purposes, such as employee use, and for facility operations including air conditioning systems. The Taipei headquarters relies entirely on municipal water supplied by the Taiwan Water Corporation, with no use of surface water, groundwater, or other water sources. Water is mainly used for drinking, cleaning, and facility operations, and has no significant impact on water resources.</p> <p>At the Zhunan and Suzhou manufacturing centers, water is sourced from municipal supplies (third-party water providers), while the Philippines site relies on groundwater. Across all operating locations, water is primarily supplied by municipal authorities, water utilities, or industrial park management. The Company does not directly extract water from rivers, lakes, or groundwater sources for its operations.</p> <p>The Company focuses on reducing water consumption and exploring water recycling opportunities to minimize reliance on water</p>	Year	Non-hazardous Waste (tons)	Hazardous Waste (tons)	Total Waste (tons)	2023	2,830.16	172.48	3,002.64	2024	2,312.79	144.79	2,457.58
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			<p>resources. In 2024, total water withdrawal decreased by 14.44% compared to 2023, and water intensity per unit of revenue has shown a declining trend for four consecutive years.</p> <p>The Company utilizes the Aqueduct Tools developed by the World Resources Institute (WRI) to assess water-related risks at its operating locations. Based on the assessment results, certain sites in mainland China are located in areas with relatively high water stress. Water conservation measures have been implemented, and the Company will continue to monitor water usage conditions to reduce potential impacts on local communities.</p> <p>With respect to wastewater, as there is no process water usage, wastewater is primarily domestic in nature and is treated through municipal systems or wastewater treatment facilities within industrial parks before discharge.</p> <p>Total water withdrawal for the Sercomm Group (Taiwan, Suzhou in China, and the Philippines) for the past two years is presented in the table below.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total Water Withdrawal (million liters)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>214.21</td> </tr> <tr> <td>2024</td> <td>184.63</td> </tr> </tbody> </table> <p>The water consumption data for 2023 and 2024 (with 2025 data to be disclosed in the 2025 Sustainability Report, scheduled for publication in August 2026) serve as underlying activity data for greenhouse gas emissions calculations. These data have been included in the scope of third-party verification together with the GHG inventory results (not limited to verification of the Company's overall consumption).</p> <p>To strengthen water resource management, the Company has established short-, medium-, and long-term targets for water intensity: not exceeding 0.0030 during 2025-2029 and not exceeding 0.0028 by 2030.</p>	Year	Total Water Withdrawal (million liters)	2023	214.21	2024	184.63
Year	Total Water Withdrawal (million liters)								
2023	214.21								
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<p>4. Social Topic</p> <p>(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?</p>	✓		<p>Sercomm is committed to the principles of the United Nations Global Compact (UNGC) and adheres to internationally recognized human rights standards, including the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Responsible Business Alliance (RBA) Code of Conduct. The Company has continuously updated its <i>Labor</i></p> <p>None</p>						

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p><i>and Human Rights Policy</i>, approved by the Chairman, covering the following areas:</p> <ul style="list-style-type: none"> <li>- Respect for human rights: prohibition of child labor, protection of young workers, prohibition of forced labor, freedom of assembly and association, maintenance of open labor-management communication, and protection of privacy</li> <li>- Diversity, equity, and inclusion: equal treatment, anti-discrimination, and prevention of harassment</li> <li>- Workplace safety, employee health, and environmental protection</li> <li>- Working conditions: wages, benefits, and working hours</li> <li>- Reporting mechanisms</li> <li>- Related policies and documents: Corporate Sustainability Best Practice Principles, Supplier Code of Conduct, Supplier CSR Commitment Letter, Supplier Management Policy, Sustainable Procurement Policy, and Responsible Minerals Management Policy</li> </ul> <p>These policies and management frameworks are also extended to Sercomm’s first-tier suppliers to address international expectations and stakeholder concerns regarding human rights protection. Internally, the Company regularly reviews the implementation of human rights practices through the Sustainability Committee under the Board of Directors. In addition, major operating and manufacturing sites have established CSR implementation manuals and grievance procedures for human rights violations. All employees may report concerns related to unequal treatment, harassment, or workplace bullying through dedicated hotlines or email channels.</p> <p>Upon receiving a complaint, the Human Resources department conducts investigations and follow-up actions in accordance with the Company’s whistleblowing policy, site-specific procedures, and applicable local regulations. Appropriate measures are taken to protect affected individuals and discipline violations. The Company also provides regular training on labor and human rights protection for employees, managers, and internal auditors to foster a respectful and inclusive workplace culture.</p> <p>In 2025, a total of 4,750 employees participated in human rights-related training</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)															
	Y	N		Explanation														
			<p>programs, with a training coverage rate of 72.12%. No human rights-related grievances, child labor, discrimination, bullying, or harassment incidents were reported across all operating sites.</p> <p>The Company respects employee rights and regularly holds labor-management meetings to promote harmonious labor relations. In supplier management, suppliers are required to sign the <i>Supplier CSR Commitment Letter</i> to ensure compliance with sustainability standards, including the prohibition of child labor and the protection of freedom of association and collective bargaining rights. Employee interviews are conducted to confirm the absence of significant human rights risks. If potential risks are identified, suppliers are required to implement corrective actions. In 2025, no violations or significant human rights risks were identified among suppliers or operating sites.</p> <p>Sercomm also regularly participates in RBA assessments. In 2025, the Company conducted RBA Self-Assessment Questionnaires (SAQ) or Validated Assessment Program (VAP) audits at its Taiwan (Taipei headquarters and Zhunan manufacturing center), Suzhou manufacturing center, and Philippines manufacturing center. Based on the assessment results and international labor standards, the Company identified human rights risks across key areas such as freely chosen employment, child and young labor, working hours, wages and benefits, anti-discrimination, and prevention of violence and harassment. Continuous improvement plans have been implemented and tracked accordingly.</p> <p>The results of the 2025 RBA SAQ and VAP assessments are as follows:</p> <table border="1"> <thead> <tr> <th>Site</th> <th>SAQ</th> <th>VAP</th> </tr> </thead> <tbody> <tr> <td>Sercomm Group</td> <td>Low</td> <td>—</td> </tr> <tr> <td>Zhunan Manufacturing Center</td> <td>Low</td> <td>Platinum</td> </tr> <tr> <td>Suzhou Manufacturing Center</td> <td>Medium</td> <td>In progress (Note)</td> </tr> <tr> <td>Philippines Manufacturing Center</td> <td>Medium</td> <td>Silver</td> </tr> </tbody> </table> <p>Note: The VAP assessment currently in progress will be disclosed in the 2025 Sustainability Report.</p>	Site	SAQ	VAP	Sercomm Group	Low	—	Zhunan Manufacturing Center	Low	Platinum	Suzhou Manufacturing Center	Medium	In progress (Note)	Philippines Manufacturing Center	Medium	Silver
Site	SAQ	VAP																
Sercomm Group	Low	—																
Zhunan Manufacturing Center	Low	Platinum																
Suzhou Manufacturing Center	Medium	In progress (Note)																
Philippines Manufacturing Center	Medium	Silver																

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>In 2025, a total of 4,803 participants attended human rights-related training, with a cumulative training duration of 190.86 hours. No human rights-related grievances, child labor, discrimination, bullying, or harassment incidents were reported across all sites during the year. For further details on key human rights risks, mitigation, and remediation measures, please refer to the Sustainability Report.</p> <p>Looking ahead, the Company will continue to monitor and strengthen its human rights protection practices.</p>
(2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	✓		<p>Sercomm places great importance on employee compensation and benefits. The Company adopts competitive remuneration policies across all operating locations, taking into account industry benchmarks and macroeconomic indicators. Compensation for employees is determined based on individual professional capabilities, educational background, experience, tenure, and performance. Subsequent salary adjustments are evaluated comprehensively based on individual performance, market competitiveness, and contribution to the Company.</p> <p>For overseas employees, compensation packages are designed in accordance with local labor market conditions and regulations, while also considering industry practices and operational performance. Both short-term and long-term incentive programs are implemented to encourage sustained employee contributions and align employee interests with the Company's long-term growth. The Company ensures that its compensation system is free from discrimination based on gender, race, age, religion, or political affiliation, and is committed to fostering harmonious labor relations in compliance with applicable laws and regulations, thereby supporting sustainable operations.</p> <p>In 2025, the standard entry-level wages at the Company's major operating locations (including Taiwan and mainland China) met or exceeded local statutory minimum wage requirements. For comparable job categories (direct and indirect personnel), no gender-based differences in base salary were observed. In terms of total annual compensation (including base salary, allowances, and bonuses), male employees exhibited a higher average compensation level than female employees. This difference is primarily attributable to the higher</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>proportion of male employees in research and development roles. (The gender pay comparison is calculated using the average male compensation as the baseline value of 1, with the female average expressed as a relative ratio.)</p> <p>In 2025, the Company's global workforce composition included 611 management-level employees, of whom 76% were male and 24% female; 1,315 technical staff, of whom 75% were male and 25% female; and 1,920 employees in other roles, with a gender distribution of 51% male and 49% female. While gender distribution varies across job categories due to the nature of specific roles, the overall gender balance across the global workforce remains relatively even.</p> <p>The Company is committed to creating a supportive and employee-friendly work environment. Through diversified welfare programs and recreational activities, Sercomm enhances employee well-being and promotes work-life balance. The Company provides travel subsidies and encourages participation in group travel and club activities organized by the Employee Welfare Committee, enabling employees and their families to enjoy leisure activities and relieve work-related stress.</p> <p>For full-time employees, the Company has established a retirement system in accordance with applicable laws and regulations. Since February 4, 1997, the Company has established a Labor Pension Reserve Supervisory Committee in accordance with the Labor Standards Act and makes monthly contributions to a pension reserve fund deposited with the Bank of Taiwan. Following the implementation of the Labor Pension Act on July 1, 2005, a defined contribution system has been adopted. Employees may choose to remain under the Labor Standards Act pension system or switch to the Labor Pension Act system while retaining prior service years. For employees covered under the Labor Pension Act, the Company contributes no less than 6% of the employee's monthly salary to the pension fund.</p> <p>In accordance with Article 29 of the Company's Articles of Incorporation, if the Company generates profits in a given year, 12% to 18% shall be allocated as employee compensation. Eligible recipients may include employees of controlled or affiliated companies meeting certain criteria, with the</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			conditions and allocation methods determined by the Board of Directors.
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		<p>Providing a safe and healthy working environment is a fundamental aspect of Sercomm's fulfillment of corporate social responsibility and its role as a responsible corporate citizen. Through a comprehensive occupational health and safety (OHS) management system and rigorous management practices, the Company continuously strengthens workplace safety management to reduce the risk of occupational incidents and safeguard the health and safety of all employees.</p> <p>The Company's OHS strategy focuses on implementing ISO 45001 occupational health and safety management systems at major manufacturing sites. With a prevention-oriented approach at its core, the Company is committed to maintaining a safe and healthy working environment and achieving zero major occupational incidents. In addition to providing a safe workplace, Sercomm actively promotes a safety culture and enhances employee awareness to reduce occupational health and safety risks.</p> <p>To ensure workplace safety and environmental protection, the Company has established and implemented relevant management systems. Key measures include:</p> <p>The Company has established dedicated OHS management units in Taiwan and China, staffed with qualified professionals responsible for planning, implementation, supervision, and auditing of safety and health management activities. An occupational health and safety management plan has been developed, covering occupational safety, chemical management, safety inspections, routine checks, contractor management, and OHS system management.</p> <p>Various inspection activities are carried out on a daily, weekly, monthly, quarterly, and annual basis in accordance with the annual plan. Inspection scope includes vehicles, machinery and equipment, fire protection facilities, and other safety-related systems. Any identified abnormalities are promptly addressed through corrective actions, with appropriate measures implemented and records maintained. Regular safety and health committee meetings are held to review and track improvement progress, ensuring continuous enhancement of OHS performance.</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>Major manufacturing sites have established OHS management systems based on the Plan-Do-Check-Act (PDCA) cycle and ISO 45001 principles, covering all activities, products, and services. In 2025, these management systems continued to operate effectively. The Company also obtained the China Work Safety Standardization Level 3 Certification and regularly reviews system performance to ensure the effective implementation of preventive measures and continuous reduction of occupational injury and illness risks.</p> <p>Both office and manufacturing environments are overseen by designated personnel responsible for safety and environmental management and improvement measures to prevent occupational incidents. Currently, the Company does not operate any regulated hazardous machinery or equipment.</p> <p>In addition, the Company has established fire protection plans in accordance with applicable regulations and obtained approval from relevant authorities. Fire drills, emergency reporting, and evacuation exercises are conducted at least once annually, with prior notification to local fire departments. These measures enhance employees' emergency response capabilities and ensure workplace safety. No fire incidents occurred at any site in 2025.</p> <p>The Company places strong emphasis on occupational health and safety management and continues to build a safe and healthy workplace through systematic management and training. In 2025, no employee or worker fatalities occurred as a result of occupational injuries across all sites. In the event of occupational incidents, investigations and root cause analyses are conducted in accordance with internal reporting procedures, and corrective and preventive measures are implemented by responsible units to strengthen operational safety management.</p> <p>Furthermore, the Company enhances safety awareness through communication, training, and experience sharing. Safety training is provided to new employees and to existing employees prior to any job changes. OHS managers and relevant personnel also participate in regular continuing education programs. In 2025, total global training hours reached 8,056 hours. Training programs included new employee OHS training, hazard awareness and personal protective equipment (PPE) training, ongoing OHS</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			training, management-level OHS training, and basic CPR and AED drills. In addition, safety personnel and first-aid responders regularly participate in external training to ensure continuous improvement and effective operation of the OHS management system.
			Based on its operational objectives and talent development strategy, Sercomm has established a comprehensive learning and development framework. Through a blended learning approach combining in-person and digital training, the Company enhances employees' professional competencies and managerial leadership capabilities. In addition to ongoing key talent development programs, Sercomm provides access to external training resources, internal expert-led online courses, and thematic seminars, enabling employees to engage in self-directed learning without time or geographic constraints.  In 2025, total training hours reached 39,883.95 hours, with an average of 5.1 training hours per employee. The training coverage rate in Taiwan reached 98%.  The Company's employee training and development programs are implemented as follows:
(4) Has the Company established effective career development training plans?	✓		<p>1. Enhancing talent development through diversified learning channels Talent development is a key driver of sustainable business growth. Sercomm provides a wide range of learning resources and platforms, including corporate culture and values seminars, internal professional training programs, and on-the-job development opportunities. Employees are also encouraged to participate in external training to strengthen their expertise and enhance both individual and organizational competitiveness.</p> <p>To further improve accessibility and knowledge sharing, the Company has continuously optimized its digital learning environment since 2018. In 2025, 36 new professional courses and 37 general courses were added, with total course participation reaching 14,607.42 hours. As of the end of 2025, more than 700 internally developed digital courses have been made available for employees' self-directed learning.</p> <p>2. Continuous development of key talent To cultivate internal high-potential talent, the Company launched a "Key Talent Development Program" in 2024, engaging</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>multinational coaches to provide customized monthly coaching and development plans. In addition, participants are offered access to executive education programs from internationally recognized institutions, enhancing their global perspective and leadership capabilities.</p>
			<p>Sercomm upholds a “customer-first” philosophy as the core of its corporate mission, Committed Partnership. Its three core values—Execution, Innovation, and Service—serve as the foundation for achieving this mission. Guided by these principles, the Company builds long-term and mutually beneficial partnerships with customers through excellence in R&amp;D, flexible manufacturing, and integrated communication.</p>
(5) Does the Company’s product and service comply with related regulations and international rules for customers’ health and safety, privacy, sales, labelling and set polices to protect consumers’ rights and consumer appeal procedures?	✓		<p>Telecom operators represent a key customer segment for Sercomm. These customers are currently facing increasing labor shortages and rising personnel costs. In addition, end users often lack the ability to diagnose service issues independently, resulting in repeated on-site service dispatches and higher operating costs. Leveraging its hardware-software integration capabilities, Sercomm has, over the past two years, not only optimized hardware design but also introduced a new cloud-based Intelligent Diagnostic Platform. This platform enhances remote monitoring and troubleshooting capabilities for telecom operators. By applying big data analytics models, it predicts potential equipment failures and enables real-time software optimization, reducing service downtime, improving user experience, and minimizing unnecessary on-site service visits, thereby lowering operating costs for telecom operators.</p> <p>Sercomm has established a Customer Satisfaction Survey Procedure and conducts customer satisfaction surveys at least once annually. Feedback is collected across key dimensions including quality, delivery, pricing, service, and technical support. Results from regular or ad hoc customer audits are also incorporated as an important basis for continuous improvement in customer relationships. In 2024, one survey was conducted, with an average customer satisfaction score of 84.51%. No health or safety incidents related to products were reported. Details on survey processes, historical results, and customer complaint</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>channels are disclosed in the Sustainability Report.</p> <p>To comply with international environmental regulations and customer requirements, the Company has established the Sercomm Environmental Controlled Substances List. This list references EU RoHS and REACH regulations, as well as customer-specific halogen-free requirements and other applicable international standards, specifying prohibited and restricted substances.</p> <p>Management measures begin at the source. Suppliers are required to sign a Product Quality Assurance Agreement during the selection process. Upon material procurement, suppliers must disclose substance composition and content through the Green Product Management (GPM) platform and, where necessary, provide third-party test reports. Internally, Sercomm implements the Production Part Approval Process (PPAP) to verify critical components, ensuring that all delivered products—including accessories, packaging materials, and other components—comply with international regulatory requirements.</p> <p>Substance control is also integrated into incoming inspection processes. The Company utilizes advanced X-ray fluorescence (XRF) testing equipment to verify compliance with substance restrictions. If non-compliance is identified, suppliers are required to implement corrective and preventive actions. These measures also apply to auxiliary materials used in production processes.</p> <p>Sercomm places strong emphasis on product information security. A dedicated Product Security Incident Response Team (PSIRT) has been established within the software development organization. PSIRT is responsible for verifying product security through comprehensive testing against potential risks, including malware, backdoors, network vulnerabilities, and cyberattack threats.</p> <p>All software and firmware are tested on actual devices, including routers, servers, network cameras, and small cells. Successful PSIRT validation indicates that the products meet the Company's information security standards. Security processes are integrated into the software development lifecycle, ensuring that all software meets defined security requirements.</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>At the initial stage of product development, PSIRT defines security standards based on product characteristics and customer requirements. Software development teams then develop and conduct preliminary security testing, followed by PSIRT review and additional validation by both PSIRT and the Software Quality Assurance team. Test results are recorded and tracked through the project management system (JIRA) to ensure all identified issues are addressed.</p> <p>Sercomm also places high importance on the protection of personal data and privacy for all stakeholders, including employees, suppliers, customers, and consumers. Privacy protection policies are embedded in various internal documents, including the Corporate Sustainability Best Practice Principles, Employee Handbook, Supplier CSR Commitment Letter, and Information Security Management Manual.</p> <p>In accordance with the Personal Data Protection Act and relevant regulations, the Company implements appropriate controls throughout the lifecycle of personal data, including collection, storage, processing, transmission, and sharing. Human resources data is managed in compliance with privacy principles, and internal communication channels, including bulletin boards, internal websites, and anonymous reporting mechanisms, are used to protect personal data and business confidentiality.</p> <p>The Company also provides training on information security and privacy protection to ensure that employees understand and comply with data protection requirements. In 2024, total training hours for information security and privacy protection reached 1,857.26 hours, with 2,479 training participations and 2,351 employees trained, representing a coverage rate of 43.31%.</p> <p>Sercomm ensures the highest level of protection for customer data. In addition to signing non-disclosure agreements (NDAs), the Company implements ISO 27001 information security management systems to ensure that employees properly safeguard confidential information. Comprehensive controls are in place for data access, processing, transmission, storage, and the security of personnel and equipment. Security measures are implemented across systems, including application development, databases, networks, personal computers, and storage media, to prevent data theft, loss, or leakage.</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>Furthermore, Sercomm's business model does not involve the collection of end-user personal data through its networking products, thereby minimizing the risk of privacy breaches. In 2024, there were zero complaints related to customer privacy violations or data loss, and no significant information security incidents were reported.</p> <p>All stakeholders may submit complaints or reports through the following channels:  <a href="mailto:audit@sercomm.com">audit@sercomm.com</a>;  <a href="mailto:HR_help@sercomm.com">HR_help@sercomm.com</a></p>
(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	✓		<p>Sercomm upholds a procurement policy based on the principles of respect for human rights, environmental friendliness, integrity, and mutual prosperity. In addition to requiring suppliers to implement sound management in areas such as quality, cost, delivery, environment, occupational health and safety, and human rights, the Company also clearly emphasizes the importance of a responsible supply chain. Sercomm has gradually established a pragmatic supply chain sustainability management process, requiring suppliers to jointly comply with the Responsible Business Alliance (RBA) standards on human rights, environmental protection, and business ethics, as well as green product requirements such as RoHS and REACH. The Company also communicates key policies to supply chain partners, including carbon reduction and energy conservation, responsible minerals, local procurement, and green procurement, while promoting sustainable development and win-win cooperation through mutual sharing, assessments, and guidance.</p> <p>As part of the networking industry supply chain, all of Sercomm's manufacturing centers completed RBA VAP audits in 2024, achieving 100% audit coverage. To support RBA VAP audits, the Company implemented the following management actions in 2024. Details of audit scores, ratings, and audit dates for major manufacturing centers are disclosed in the Sustainability Report.</p> <ul style="list-style-type: none"> <li>- Management systems: The Company further improved its CSR management systems. Except for certain labor-related issues such as social insurance and direct employment ratio, most labor topics have been substantially improved through relevant Group labor policies.</li> <li>- Education and training: RBA standards training was provided to Quality System (QS) personnel, Supplier Quality Engineers</li> </ul>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>(SQEs), procurement staff, and other related personnel. Through multiple internal and external audits, the Company strengthened understanding of management system requirements and regulatory obligations, thereby enhancing overall CSR professionalism.</p> <ul style="list-style-type: none"> <li>- Audit preparation: Through training and multiple mock audits, teams became more familiar with audit preparation procedures and response techniques.</li> <li>- Supply chain management: RBA-related training was provided to suppliers and SQEs, and practical RBA experience was shared to strengthen CSR management capabilities across the supply chain.</li> </ul> <p>To build a sustainable supply chain that protects the environment, human rights, and safety, Sercomm has referred to the ISO 20400 Sustainable Procurement standard in formulating its sustainable procurement policy, taking into account key environmental, social, and economic considerations. The policy is scheduled to be formally issued in 2025. Going forward, the Company will further strengthen internal and external communication and related training to help employees and supplier partners understand Sercomm's policy direction on sustainable procurement.</p> <p>Sercomm's products cover three major areas: broadband CPE, enterprise networking equipment, and network infrastructure and IoT. In 2024, total procurement spending amounted to nearly NT\$35.9 billion, mainly on chip modules, printed circuit boards, power supplies, memory, and various electromechanical and structural components. Suppliers include raw material manufacturers, agents, and distributors, with first-tier suppliers primarily located in Taiwan, mainland China, Singapore, the United States, Europe, and the Philippines. Through its supplier management system, Sercomm requires components to comply with environmental regulations such as RoHS and REACH and gives priority to materials with recycled content or environmental certifications, thereby promoting sustainable supply chain collaboration.</p> <p>To manage business and sustainability-related risks in the supply chain, Sercomm has established a Supplier Management Policy, which clearly defines management mechanisms for both new and existing suppliers and provides supplier support resources. Based on RBA requirements, the</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>Company requires suppliers to comply with the basic code of conduct, fulfill their commitments to social responsibility and integrity, and fully comply with all applicable local laws and regulations. Suppliers must sign the Supplier CSR Commitment Letter before becoming qualified suppliers. Building on its existing management framework, the Company has further strengthened management by establishing supplier selection and evaluation mechanisms based on supplier characteristics.</p> <p>The Company has established a supply chain sustainability risk management framework to identify and manage environmental, social, and governance (ESG) risks through policies, supplier selection and management, evaluations and audits, and capability building, while driving continuous supplier improvement. Based on the Supplier Management Policy, suppliers are required to sign the Supplier CSR Commitment Letter and the Supplier Code of Conduct Commitment Letter. Social and environmental clauses are also incorporated into supplier contracts to clearly define compliance requirements and sustainability responsibilities.</p> <p>With respect to supplier onboarding and management, potential suppliers are required to complete a CSR risk assessment form. Through document reviews and, where necessary, on-site inspections, the Company evaluates suppliers' sustainability risks and areas for improvement, which serve as important references for supplier selection and subsequent management. After suppliers are included in the supply chain, the Company continues to review the CSR risk assessment information provided by suppliers, incorporates zero-tolerance sustainability issues into key audit items, and tracks supplier performance through monthly scoring and annual on-site audits. Improvement of deficiencies is monitored, and supplier data quality and reliability are further strengthened in accordance with third-party audit requirements and ISO standards, thereby maintaining supply chain stability and consistency.</p> <p>To enhance the overall sustainability capability of the supply chain, the Company also regularly organizes sustainability risk management training programs for external supply chain partners and arranges labor and human rights training for internal supply chain management personnel. These efforts strengthen professional capabilities and</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>implementation effectiveness in supply chain management, while helping suppliers gradually build more robust CSR risk control systems under a principle of continuous improvement.</p> <p>Sercomm recognizes that maximizing sustainability value depends not only on its own efforts but also on shared progress across the value chain. To understand the current status of greenhouse gas inventories among supply chain partners, Sercomm distributed 969 carbon management questionnaires to all first-tier suppliers in 2024. A total of 763 suppliers responded, representing a response rate of 78.74%. Among the responding first-tier suppliers, 317 had begun collecting GHG emissions information, 230 had completed GHG inventory reports, 116 had obtained ISO 14064-1 statements, and 131 had disclosed Scope 3 emissions data. Going forward, the Company will continue to support supply chain partners in strengthening their GHG inventories, thereby laying the foundation for value chain carbon reduction.</p> <p>In addition to regular business or quality review meetings, Sercomm organized ESG-related training in 2024 covering topics such as environmental policy, occupational health and safety, conflict minerals, and GHG inventory management. These programs were intended to enhance ESG risk awareness among supply chain partners, help them understand Sercomm's supply chain management requirements, and further strengthen their own sustainability risk management capabilities. In 2024, two training sessions were held, with 260 suppliers registered, 866 total participants, and total training hours reaching 3,441.5 hours.</p> <p>In addition to strengthening suppliers' sustainability capabilities, Sercomm continues to invest in training resources to help internal supply chain management personnel better understand increasingly diverse and evolving supply chain risks. In 2024, a total of 982 employees involved in procurement-related work participated in labor and human rights training, with total training hours reaching 1,028.62 hours and a training coverage rate of 18.09%. Some social (occupational health and safety) and environmental sustainability training programs also included procurement personnel. Detailed internal training statistics are disclosed in the Sustainability Report.</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>For details of the sustainable supply chain management process, including supplier compliance requirements and implementation status relating to environmental protection, occupational health and safety, and labor and human rights, please refer to the Sustainability Report.</p> <p>To actively respond to global efforts against conflict minerals, Sercomm is committed to not using conflict minerals and does not accept virgin minerals mined from the Democratic Republic of the Congo or its neighboring countries in Central Africa. Through responsible procurement practices, the Company requires suppliers to prohibit the use of conflict minerals. To ensure suppliers meet Sercomm's expectations, the Company audits suppliers' mineral sourcing policies, procedures, and due diligence processes to verify that materials used in Sercomm products do not originate from conflict-affected sources.</p> <p>Sercomm has established a Responsible Minerals Management Policy and is committed to not using conflict minerals. Although the Company does not directly procure metals in its own operations, it ensures through supplier due diligence that conflict minerals are not used in the supply chain. Sercomm follows the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and conducts due diligence using the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) issued by the Responsible Minerals Initiative (RMI). Supply chain partners are required to disclose mineral sourcing locations, and the Company further cross-checks the qualification status of smelters to verify that metals such as gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co), and mica are not sourced from illegal regions.</p> <p>If a supplier is found to be associated with a non-conforming smelter, the Company first requires the supplier to determine whether the issue is linked to Sercomm products. Where relevant, the supplier must develop a replacement plan. If the supplier is unable to replace the source, it will be regarded as a non-qualified supplier to avoid future transactions. In 2024, Sercomm surveyed 516 suppliers, achieving a 100% response rate. A total of 280 smelters were identified, all of which were qualified smelters.</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>On January 16, 2026, the Company completed revisions to its Labor and Human Rights Policy to formally incorporate a Human Rights Due Diligence (HRDD) mechanism and will progressively integrate HRDD principles into supply chain management.</p> <p>With respect to the supplier HRDD process, the Company has planned to establish a systematic management mechanism based on the HRDD framework, mainly comprising the following steps:</p> <ul style="list-style-type: none"> <li>- Supplier mapping and risk identification: Establish a list of direct suppliers and identify potential human rights risks through supplier self-assessment questionnaires (including RBA self-assessments) and related data collection.</li> <li>- Risk assessment and tiered management: Classify supplier human rights risks into high, medium, and low categories based on severity and likelihood as a basis for subsequent management.</li> <li>- Improvement and follow-up mechanism: Require suppliers with potential or significant risks to submit corrective action plans (CAPAs) and continuously track improvement progress.</li> <li>- Performance tracking and disclosure: Regularly review the effectiveness of supply chain human rights risk management and disclose implementation status through the Sustainability Report.</li> </ul> <p>In terms of implementation, the Company has already incorporated supplier human rights management into its existing supply chain management framework, including requiring suppliers to sign the Supplier CSR Commitment Letter and conducting human rights-related assessments through the RBA Self-Assessment Questionnaire (SAQ) and Validated Assessment Program (VAP). Beginning in 2026, the Company will further introduce a systematic supplier HRDD process to strengthen risk identification, tiered management, and continuous improvement mechanisms.</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
5. Does the Company refer to international reporting rules or guidelines to publish CSR Report to disclose non-financial information of the Company? Has the said Report acquire 3rd certification party verification or statement of assurance?	✓		<p>Sercomm's Sustainability Report is prepared in accordance with the GRI Universal Standards 2021 issued by the Global Reporting Initiative (GRI), the SASB Standards - Hardware issued by the Sustainability Accounting Standards Board (SASB), the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and the sustainability disclosure indicators for the telecommunications and networking industry as set forth in the Taiwan Stock Exchange's Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE-Listed Companies. The Company is also progressively aligning its disclosures with the IFRS Sustainability Disclosure Standards.</p> <p>For the 2024 Sustainability Report, financial information was audited and assured by PricewaterhouseCoopers Taiwan (PwC Taiwan). Greenhouse gas emissions information was inventoried and disclosed in accordance with ISO 14064-1. The overall report was subject to third-party assurance by TÜV NORD Taiwan, which issued a Type 1 Moderate Assurance statement in accordance with the AA1000 Assurance Standard v3 (AA1000 AS v3). The assurance confirmed that the report was prepared in compliance with GRI Standards, aligned with SASB Hardware industry standards and operational indicators, and met the TCFD recommendations as well as the eight disclosure indicators for the telecommunications and networking industry under the Taiwan Stock Exchange regulations.</p> <p>In addition, environmental and occupational health and safety management systems across Sercomm's operating sites have obtained relevant international certifications, including ISO 14001, ISO 45001, and ISO 50001. These certifications further strengthen the management foundation and credibility of the Company's non-financial disclosures.</p>
6. If the Company has established its corporate social responsibility code of practice according to "Listed Companies Corporate Social Responsibility Code of Practice," please describe the operational status and differences: No differences.			
7. Other important information to facilitate better understanding of the Company's implementation of corporate social responsibility:			
(1) Social Engagement and Community Initiatives			
Since its establishment, Sercomm has embedded social engagement into its core values, focusing on four key areas: talent development, environmental sustainability, public welfare, and knowledge-based platform building. By mobilizing employee participation, the			

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
Company extends its impact from within to society at large, contributing to community development and fostering an innovative, inclusive, and sustainable society. Key initiatives are summarized as follows:			
(a) Talent Development and Education Support Programs			
<p>Sercomm actively serves as a bridge between the corporate sector and charitable organizations, leveraging resources to support underprivileged groups. The Company provides ongoing donations to orphanages and rural schools and has established the “Sercomm Scholarship” to support academic excellence and community development. The scholarship program, nominated by R&amp;D supervisors, supports financially disadvantaged students by alleviating economic burdens and improving family conditions. Since its launch in 2015, the program has supported nearly 100 students, reflecting the Company’s long-term commitment to social responsibility. In 2024, nine students received financial support totaling NT\$325,000, and in 2025, seven students received NT\$275,000.</p>			
(b) Environmental Sustainability – Plastic Reduction, Waste Reduction, and Coastal Cleanup			
<p>In 2024, the Company promoted plastic and waste reduction initiatives, encouraged the use of reusable tableware, and organized second-hand goods donation activities. A total of 700 books were sold, with proceeds donated to support education. The Company also organized environmental protection activities, including coastal and river cleanups, with employees and their families removing significant amounts of waste, demonstrating commitment to sustainability.</p>			
(c) Public Welfare and Social Contribution			
<p>Sercomm collaborates with non-profit organizations to support disadvantaged groups through educational activities, charitable donations, and blood donation campaigns. These initiatives aim to strengthen social engagement and contribute to community well-being.</p>			
(d) Support for Cultural Development			
<p>In 2025, the Company organized a Taiwanese film appreciation event, inviting employees and their families to support domestic cultural development.</p>			
(2) Employee Satisfaction Survey and Improvement Plans			
(a) Implementation of Employee Satisfaction Surveys			
<p>Sercomm values employee development, well-being, and engagement. Satisfaction surveys are conducted after training programs and activities, with results used as a basis for continuous improvement.</p>			
(b) Survey Results			
<p>A. Training Programs The Company provides training covering leadership, recruitment, performance management, communication skills, and onboarding. The overall average satisfaction rate reached 94%, indicating strong positive feedback.</p>			
<p>B. Soft Activities Employee engagement activities include family events, team-building activities, and wellness programs. The overall satisfaction rate was approximately 91%, reflecting positive outcomes in employee well-being and engagement.</p>			
(c) Analysis of Results			
<p>Training programs and soft activities both received positive feedback, contributing to improved employee capabilities, engagement, and work-life balance.</p>			
(d) Improvement Plans and Follow-up Actions			
<p>A. Training Programs a. Develop programs tailored to different functions and job levels</p>			

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
b. Enhance communication of company policies and benefits			
B. Soft Activities			
a. Increase diversity of activities			
b. Expand participation opportunities			
The Company will continue to review and refine its initiatives based on survey results to support employee development and sustainable growth.			

## Implementation of Climate-related Information

Items	Implementation Status
<p>1. Overview of the supervision and management of climate-related risks and opportunities by the Board of Directors and executives</p>	<p>Sercomm’s operational footprint and product markets span the Asia-Pacific, Europe, and the Americas, covering diverse climate zones. Its products are deployed in both indoor and outdoor environments, including small cells and surveillance cameras, all of which require high levels of stability and weather resistance under varying climate conditions. Accordingly, Sercomm continues to strengthen climate resilience in both its operations and product design.</p> <p>To enhance governance over climate-related risks and opportunities, Sercomm formally endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2023. In line with the TCFD framework, the Company has established processes for the identification, assessment, and management of climate-related risks and opportunities, and has integrated these considerations into its operational management and financial planning.</p> <p><b>Board of Directors – Oversight</b></p> <p>The Board of Directors serves as the highest oversight body for climate governance at Sercomm. It is responsible for supervising the management framework, strategic direction, and target setting related to climate risks and opportunities, as well as regularly reviewing implementation progress and performance outcomes.</p> <p>The Sustainability Committee reports periodically to the Board on the assessment results, response measures, and implementation status of climate-related issues, enabling the Board to understand the potential impacts of climate change on the Company’s operations and financial performance and to provide strategic guidance accordingly. In addition, Board members continuously participate in climate- and sustainability-related training to enhance their professional knowledge and governance capabilities.</p> <p><b>Sustainability Committee – Decision-Making</b></p> <p>The Sustainability Committee, a functional committee under the Board, is responsible for overseeing the management of climate-related risks and opportunities and serves as the decision-making and review platform for climate-related strategies and key matters.</p> <p>The Committee is chaired by a director and composed of senior executives. It convenes quarterly meetings to review climate risk assessment results, carbon reduction targets (including SBTi targets), and related action plans, and to monitor implementation progress and performance.</p> <p><b>Management – Execution</b></p> <p>Under the Sustainability Committee, a Sustainability Promotion Task Force has been established to coordinate sustainability-related initiatives. At the management level, this task force, together with cross-functional working groups (covering sustainability development, responsible products, responsible operations, employee relations, stakeholder engagement, and corporate governance), is responsible for identifying, assessing, and implementing management measures for climate-related risks and opportunities.</p> <p>Assessment results are regularly reported back to the Sustainability Committee and the Board of Directors, forming a governance structure with top-down oversight and bottom-up feedback. This ensures that climate-related considerations are effectively integrated into the Company’s overall operations and decision-making processes.</p>
<p>2. Overview of the impact of identified climate risks and opportunities on the Company’s business, strategies, and finances (short-,</p>	<p>The Sustainability Promotion Task Force references international climate science reports, regulatory and policy trends, and industry developments to identify climate-related issues relevant to Sercomm’s operations. Based on this process, the Company establishes a comprehensive list of climate-related risks and opportunities and develops corresponding assessment methodologies.</p> <p>Through cross-functional discussions in task force meetings, each identified</p>

Items	Implementation Status
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medium-, and long-term).

issue is evaluated based on its likelihood of occurrence and magnitude of impact, with preliminary identification of potential financial impact pathways. Based on the assessment results, the Company prioritizes material climate-related risks and opportunities for management focus, which serve as the basis for subsequent strategic planning and scenario analysis. Following the identification and assessment process, Sercomm further analyzes the potential impacts of material climate-related issues on its business, strategy, and financial performance across different time horizons, including short-term (within 2 years), medium-term (3-5 years), medium- to long-term (3-10 years), and long-term (beyond 10 years).

**Material Climate-related Risks and Opportunities**

Type	Item	Time Horizon	Operational Impact	Financial Impact	Response Strategy
Climate Risk	Net-zero policies and transition requirements	Medium- to long-term	Affects energy structure of manufacturing sites, equipment replacement planning, and operational efficiency; increases cross-functional coordination needs	Requires capital investment in low-carbon equipment and energy transition; may increase short-term operating costs; delayed transition may lead to carbon costs or asset impairment	Promote energy efficiency and transition in line with SBTi targets; implement internal carbon pricing for investment decisions; increase renewable energy use and energy efficiency
Climate Risk	Changes in customer behavior	Medium-term	Influences order requirements and product design direction; requires enhanced product carbon management and customer communication	Meeting customer decarbonization requirements enhances revenue stability; failure may result in order loss or reduced pricing competitiveness	Establish product carbon footprint management; improve data quality and comparability; strengthen engagement with key customers and integrate carbon data into business development
Climate Risk	Supply chain decarbonization requirements and Scope 3 risks	Medium-term	Raises supplier selection and management thresholds; increases demand for carbon data collection and integration	Low-carbon supply chains may increase procurement costs but reduce compliance risks and secure order flows	Strengthen supplier sustainability management; enhance Scope 3 data coverage and quality; support suppliers' decarbonization capability development
Climate Risk	Low-carbon technology transition	Medium-term	Affects production stability and yield; requires testing and process adjustments	Increases initial CapEx and testing costs; reduces long-term energy and operating costs	Evaluate feasibility and maturity of low-carbon technologies; adopt pilot and phased implementation; integrate with energy management and carbon pricing mechanisms
Climate Risk	Increased extreme weather events	Short-term	Disrupts plant operations, logistics, and supply chain delivery schedules	May result in equipment damage, production downtime, and higher operating and insurance costs	Strengthen business continuity planning (BCP) and emergency response; enhance facility resilience and supply chain backup arrangements
Climate Opportunity	Enhanced sustainability performance attracting customers	Medium-term	Improves brand image and customer trust; strengthens partnerships with global clients	Supports revenue growth and order stability; may reduce financing costs	Enhance quality and credibility of sustainability disclosures; align with TCFD and IFRS standards; maintain strong CDP performance
Climate Opportunity	Adoption of low-carbon technologies	Medium-term	Improves process efficiency and energy utilization	Reduces energy costs and long-term operating expenses	Introduce energy-efficient equipment and process

Items		Implementation Status			
					optimization; implement ISO 50001 energy management systems
Climate Opportunity	Renewable energy adoption	Medium-term	Affects energy mix and procurement strategies	May increase short-term electricity costs but reduces long-term carbon costs and financing risks	Increase renewable energy use through PPAs, RECs, and on-site generation; optimize energy structure
Climate Opportunity	Green products and innovation	Medium- to long-term	Influences product design, material selection, and R&D direction; enhances cross-functional collaboration	Improves market competitiveness and customer retention; reduces material use and compliance costs	Integrate green design into product development; enhance product carbon footprint assessment; align with customer and regulatory requirements
Water Risk	Extreme rainfall	Short-term	Affects drainage systems and operational continuity	May lead to equipment damage and downtime losses	Strengthen drainage and flood prevention systems; incorporate climate scenarios into facility design and risk assessment
Water Opportunity	Wastewater recycling and reuse	Medium-term	Limited operational impact due to low process water use; improves water efficiency and resilience	Limited direct financial impact; reduces long-term water costs and climate-related risks	Enhance water management and monitoring; evaluate feasibility of rainwater harvesting and reuse systems

3. Overview of the effects of extreme weather events and transitional actions on the financial sector

Based on the aforementioned identification of climate-related risks and opportunities and the classification of time horizons, Sercomm further analyzes the potential financial impacts arising from extreme weather events (physical risks) and low-carbon transition actions (transition risks and opportunities) as follows:

- Short-term (within 2 years):  
The increasing frequency of extreme weather events, such as heavy rainfall and typhoons, may have direct impacts on operational sites, including equipment damage, production downtime, logistics disruptions, and supply chain delays. These impacts may result in additional repair and maintenance expenses, increased operating costs, and higher insurance premiums and risk transfer costs, potentially causing short-term volatility in cash flows.
- Medium-term (3-5 years):  
As net-zero policies and customer decarbonization requirements are progressively implemented, Sercomm is expected to incur increased capital expenditures related to low-carbon equipment, renewable energy adoption, and technological upgrades, placing pressure on both operating expenses and capital allocation. In addition, supply chain decarbonization requirements and Scope 3 emissions management may lead to higher procurement costs, affecting product cost structures and gross margins. Failure to respond in a timely manner to customer decarbonization expectations may also impact order stability and revenue performance.
- Medium- to long-term (3-10 years) and long-term (beyond 10 years):  
As the low-carbon transition advances, Sercomm expects that the adoption of low-carbon technologies, increased use of renewable energy, and the implementation of green product design will reduce product-level carbon emissions and energy costs, while enhancing product competitiveness and market positioning. These developments are expected to support revenue stability and create new business opportunities.

Furthermore, as climate-related disclosure requirements continue to evolve, the Company's ongoing efforts to enhance sustainability disclosure quality

Items	Implementation Status
	<p>and climate governance capabilities are expected to strengthen capital market confidence and potentially reduce financing costs.</p> <p>Overall, the financial impact of climate change on Sercomm exhibits a clear time-based progression:</p> <p>In the short term, impacts are primarily driven by operational disruptions and cost increases resulting from extreme weather events; in the medium term, the Company faces pressures from transition-related investments and cost structure adjustments; while in the medium- to long-term, low-carbon transition and product innovation are expected to translate into improved operational efficiency and enhanced competitive advantage.</p> <p>Sercomm will continue to incorporate climate-related risks and opportunities across different time horizons into its operational management and investment decision-making processes, and will further strengthen financial resilience and response capabilities through appropriate governance and management mechanisms.</p>
<p>4. Overview of the integration of identification, assessment, and management processes of climate risks into the overall risk management system</p>	<p>Sercomm has established comprehensive risk management policies and procedures covering all organizational levels to effectively identify and manage various risk factors. The scope of risk management encompasses strategic, operational, financial, and event-related dimensions, with climate change and other environmental risks incorporated within the event-related category. The identification, assessment, and management of climate-related risks are conducted in accordance with Sercomm’s overall risk management framework and are integrated into existing risk management processes.</p> <p>From a governance perspective, the overall risk management mechanism is centered on the Executive Management Committee, which assigns responsible units to carry out first-line risk management activities based on the nature of each risk. Climate-related risks are overseen by the Sustainability Committee and its Sustainability Promotion Task Force, which are responsible for the identification, assessment, response measures, and target setting of climate-related risks and opportunities. These efforts are implemented through cross-functional teams, including sustainability development, responsible products, responsible operations, employee relations, stakeholder engagement, and corporate governance.</p> <p>In terms of process integration, climate risk management follows Sercomm’s established risk management procedures, including risk identification, assessment of likelihood and impact, prioritization of material risks, and the development of response measures. Climate-related risks are incorporated into the overall risk assessment results and are evaluated and prioritized alongside other significant risks. The assessment results are further integrated into operational management, investment decision-making, and strategic planning through a rolling review process to ensure alignment between climate risk management and overall business decisions.</p> <p>To strengthen oversight, the Sustainability Committee regularly reports to the Board of Directors on the assessment and management of climate-related risks and opportunities, enabling the Board to understand their potential impacts on the Company’s operations and financial performance and to provide strategic guidance accordingly.</p>
<p>5. When utilizing scenario analysis to evaluate resilience to climate change risks, it is crucial to provide a clear explanation of the scenario, parameters, assumptions, analysis factors, and significant financial impacts employed.</p>	<p>Sercomm adopts scenario analysis to assess the potential impacts of climate change risks and opportunities on operational resilience and financial performance. In conducting the analysis, the Company selects internationally recognized climate scenarios and incorporates its own operational characteristics to establish relevant assumptions and analytical factors.</p> <p>In terms of scenario selection, Sercomm adopts the International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario (NZE) as the 1.5°C warming scenario to evaluate the impacts of transition risks and opportunities under an accelerated global shift toward net-zero policies and energy transition. In addition, the Company references the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) and its Shared Socioeconomic Pathway (SSP) SSP2-4.5 as a moderate warming scenario to assess the potential impacts of physical risks under relatively slower progress in climate policy implementation.</p>

Items	Implementation Status
	<p>Regarding key parameters and assumptions, under the NZE scenario, it is assumed that global carbon pricing mechanisms are gradually established, renewable energy expands rapidly, and energy structures accelerate toward decarbonization, accompanied by increasing customer demand for carbon reduction and intensified supply chain decarbonization pressures. Under the SSP2-4.5 scenario, it is assumed that climate policy progress remains limited, energy transition advances more slowly, and global temperatures rise to a greater extent, resulting in increased frequency and severity of extreme weather events, as well as risks related to water resources and energy supply instability.</p> <p>For analytical factors, Sercomm identifies key variables relevant to operations and financial performance based on different types of climate risks and opportunities. These include policy and regulatory changes (such as carbon pricing and disclosure requirements), energy prices and energy structure shifts, costs associated with low-carbon technology adoption, changes in customer decarbonization requirements and market demand, supply chain carbon management pressures, and the impacts of extreme weather events on operations, logistics, and supply chains. These factors are assessed across short-, medium-, and long-term time horizons.</p> <p>In terms of financial impact analysis, scenario results indicate that under the NZE scenario, Sercomm primarily faces transition pressures, including increased capital expenditures (for low-carbon equipment and renewable energy investments), higher operating costs (related to energy transition and supply chain adjustments), and potential carbon costs. At the same time, opportunities from low-carbon product development and improved energy efficiency may drive revenue growth, reduce costs, lower financing costs, and enhance market competitiveness. Under the SSP2-4.5 scenario, the primary risks arise from the impact of extreme weather events on operational continuity, including equipment damage, production disruptions, and supply chain interruptions, which may affect revenue stability and cash flow.</p> <p>Overall, the analysis indicates that under different climate scenarios, short-term financial impacts are mainly driven by physical risks and increased transition costs, while in the medium to long term, low-carbon transformation and product innovation are expected to enhance operational efficiency and competitive advantage. Sercomm will continue to refine its scenario analysis approach and progressively incorporate quantitative financial assessments to strengthen the application of climate-related risk and opportunity analysis in decision-making.</p>
<p>6. Detailed description of a transition plan to mitigate climate-related risks, as well as indicators and objectives utilized to identify and manage both physical and transitional risks.</p>	<p>Based on the assessment of climate-related risks and opportunities, Sercomm has formulated a transition plan centered on greenhouse gas (GHG) reduction. This plan integrates operational management, energy transition, product design, and supply chain management to progressively advance low-carbon transformation and address both transition and physical climate risks.</p> <p>Regarding the transition plan, Sercomm signed a commitment to the Science Based Targets initiative (SBTi) in 2023, which was approved in 2025, confirming that its targets align with the 1.5°C pathway. Using 2023 as the base year, the Company has set a target to reduce absolute GHG emissions from Scope 1 and Scope 2 by 42% by 2030, and to reduce Scope 3 emissions (including purchased goods and services and the use of sold products) by 25% over the same period. In line with this decarbonization pathway, Sercomm is implementing energy-saving measures, expanding renewable energy adoption, and applying low-carbon technologies, while strengthening product carbon footprint management and supply chain decarbonization capabilities to mitigate transition risks and capture low-carbon market opportunities.</p> <p>In terms of metrics and management mechanisms, Sercomm has established a GHG inventory system and implemented the Sercomm Greenhouse Gas Emission Tool (SGET) to enhance the collection, management, and analysis of carbon emissions data. This serves as a key tool for identifying and managing climate transition risks. In addition, the Company continues to</p>

Items	Implementation Status
	<p>improve the completeness and traceability of Scope 3 emissions data through supplier carbon data collection and product carbon footprint assessments. Sercomm also tracks decarbonization performance and supports decision-making through indicators such as energy efficiency (e.g., ISO 50001 energy management system), renewable energy usage, and product carbon intensity.</p> <p>With respect to physical risk management, Sercomm incorporates climate-related extreme weather events (such as heavy rainfall and typhoons) into its operational risk management framework. Through measures including Business Continuity Planning (BCP), enhanced disaster prevention facilities at production sites, and supply chain contingency arrangements, the Company aims to reduce the impact of such events on operations. In addition, green building design and energy management systems are applied to facility management. The Zhunan plant has obtained Leadership in Energy and Environmental Design (LEED) Gold certification issued by the U.S. Green Building Council (USGBC), and the Calamba manufacturing site in the Philippines is actively pursuing similar certification, expected to be achieved in 2026, to further enhance operational resilience and environmental performance.</p> <p>Overall, Sercomm uses its SBTi-aligned decarbonization targets as the core guiding framework and has established an integrated management approach encompassing transition and physical risks through carbon management systems, energy management mechanisms, and supply chain management measures. The Company continues to monitor relevant indicators and conduct rolling reviews to ensure the effective implementation of its transition plan and to strengthen its overall resilience and competitiveness in response to climate change.</p>
<p>7. If internal carbon pricing is used as a planning tool, explanation for the basis of price determination should be provided.</p>	<p>To enhance the assessment of the potential impacts of climate change on its financial and operational performance, Sercomm has introduced an Internal Carbon Pricing (ICP) mechanism into its internal management processes. In the initial stage, a shadow pricing approach is adopted as a supporting tool for investment decision-making and scenario analysis.</p> <p>Sercomm has set a preliminary shadow price of USD 50 per ton of CO<sub>2</sub>e (USD 50/tCO<sub>2</sub>e), which is applied in the evaluation of equipment replacement, energy-saving projects, and low-carbon technology investments. This is intended to reflect the potential external costs and financial impacts of carbon emissions over the medium to long term. The selected price level is determined based on a comprehensive consideration of the policy direction of Taiwan's carbon pricing framework, industry practices in adopting internal carbon pricing within the global electronics manufacturing sector, and the increasing trend among international corporations to raise carbon pricing in response to net-zero transition, while also taking into account the Company's current level of management maturity and practical feasibility.</p> <p>Looking ahead, Sercomm will continue to review and refine its internal carbon pricing mechanism and its scope of application on a rolling basis, in response to regulatory developments, the realization of carbon costs, and internal management effectiveness. The Company will progressively strengthen the role of ICP in managing climate-related financial risks and supporting its long-term transition strategy.</p>
<p>8. Regarding climate-related goals, explanation of the activities covered, scope of greenhouse gas emissions, planning schedule, and the annual progress should all be provided. If carbon offsetting or renewable energy certificates (RECs) are utilized to meet these</p>	<p>Sercomm actively responds to the global 2050 net-zero target. In 2023, the Company submitted a commitment letter to the Science Based Targets initiative (SBTi), pledging to set greenhouse gas (GHG) reduction targets based on scientific methodologies aligned with a 1.5°C warming scenario. The targets were validated in 2025, with 2023 reset as the base year.</p> <p>Sercomm aims to reduce absolute GHG emissions from Scope 1 and Scope 2 by 42% by 2030, and Scope 3 emissions (including purchased goods and services and the use of sold products) by 25% over the same period. In addition, renewable energy is expected to account for 90% of total energy consumption by 2030, and the waste recycling and reuse rate is also targeted to reach 90% by the same year.</p> <p>At certain overseas sites (such as in China and the Philippines), Sercomm obtains renewable energy consumption data for specific periods through</p>

Items	Implementation Status																					
<p>goals, the source and quantity of carbon offset or the quantity of RECs should be specified as well.</p>	<p>local green electricity trading mechanisms or certifications provided by electricity suppliers. In 2024, the total renewable electricity procured amounted to 3,090.20 MWh (11,124.73 GJ), representing 7.07% of the Group's total energy consumption. However, the nature of such certifications differs from internationally recognized Renewable Energy Certificate (REC) systems (such as I-REC and T-REC). Sercomm will continue to monitor developments in relevant systems and adjust its renewable energy strategy in accordance with international standards and customer requirements.</p>																					
<p>9. Greenhouse gas emission and assurance status, reduction targets, strategies, and specific action plans</p>	<p>1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years</p> <p>1-1-1 Greenhouse Gas Inventory Information</p> <p>Disclose the greenhouse gas (GHG) emissions for the most recent two years, including total emissions (in metric tons of CO<sub>2</sub>e), emission intensity (metric tons of CO<sub>2</sub>e per million), and the scope of data coverage.</p> <p>Since 2014, Sercomm has conducted its greenhouse gas (GHG) inventory in accordance with ISO 14064-1 and The Greenhouse Gas Protocol standards. The organizational boundary is defined based on the operational control approach, under which GHG emissions are calculated. The GHG emissions data presented below covers the Taiwan parent company, including the Taipei headquarters and the Zhunan manufacturing site. Emissions data for the Suzhou and Philippines manufacturing sites will be disclosed in the 2025 Sustainability Report.</p> <table border="1" data-bbox="539 987 1380 1200"> <thead> <tr> <th data-bbox="539 987 1070 1021">Emission Source (tCO<sub>2</sub>e)</th> <th data-bbox="1070 987 1198 1021">2024</th> <th data-bbox="1198 987 1380 1021">2025</th> </tr> </thead> <tbody> <tr> <td data-bbox="539 1021 1070 1050">Scope 1</td> <td data-bbox="1070 1021 1198 1050">116.21</td> <td data-bbox="1198 1021 1380 1050">164.29</td> </tr> <tr> <td data-bbox="539 1050 1070 1079">Scope 2 (Location-based)</td> <td data-bbox="1070 1050 1198 1079">5,238.11</td> <td data-bbox="1198 1050 1380 1079">3,775.87</td> </tr> <tr> <td data-bbox="539 1079 1070 1108">Total (Scope 1 + Scope 2)</td> <td data-bbox="1070 1079 1198 1108">5,354.32</td> <td data-bbox="1198 1079 1380 1108">3,940.16</td> </tr> <tr> <td data-bbox="539 1108 1070 1137">Revenue (NT\$ million)</td> <td data-bbox="1070 1108 1198 1137">56,789</td> <td data-bbox="1198 1108 1380 1137">53,999</td> </tr> <tr> <td data-bbox="539 1137 1070 1167">Emission Intensity (tCO<sub>2</sub>e / NT\$ million)</td> <td data-bbox="1070 1137 1198 1167">0.094</td> <td data-bbox="1198 1137 1380 1167">0.073</td> </tr> <tr> <td data-bbox="539 1167 1070 1196">Scope 3</td> <td data-bbox="1070 1167 1198 1196">419,523.73</td> <td data-bbox="1198 1167 1380 1196">525,872.66</td> </tr> </tbody> </table> <p>1-1-2 Greenhouse Gas Assurance Information</p> <p>Provide a description of the assurance status for the most recent two years, including the scope of assurance, the assurance provider, the assurance standards applied, and the assurance opinion.</p> <ol data-bbox="539 1346 1380 1693" style="list-style-type: none"> <li>1. Sercomm has implemented ISO 14064-1:2018 across all manufacturing sites since 2022.</li> <li>2. For 2024 GHG emissions, the Taipei headquarters and major manufacturing sites (Zhunan, Suzhou, and the Philippines) each obtained ISO 14064-1:2018 verification statements issued by third-party assurance providers, including DNV and TÜV SÜD.</li> <li>3. The 2024 Sustainability Report was assured by TÜV NORD Taiwan, and the Company continues to engage TÜV NORD Taiwan for assurance in 2025.</li> <li>4. The 2025 GHG emissions data are currently self-disclosed figures. Verified data following third-party assurance are expected to be disclosed in the 2025 Sustainability Report (scheduled for publication in August this year).</li> </ol> <p>1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan</p> <p>Provide a description of the base year for greenhouse gas (GHG) reduction and its corresponding data, as well as the reduction targets, strategies, specific action plans, and the status of target achievement.</p> <p>Greenhouse Gas Emission Reduction Baseline Year and Target          Sercomm signed the SBTi commitment letter in 2023, and its targets were validated by the Science Based Targets initiative (SBTi) in 2025, confirming that its greenhouse gas reduction targets are aligned with the 1.5°C decarbonization pathway.          GHG Reduction Baseline Year: Reset to 2023</p>	Emission Source (tCO <sub>2</sub> e)	2024	2025	Scope 1	116.21	164.29	Scope 2 (Location-based)	5,238.11	3,775.87	Total (Scope 1 + Scope 2)	5,354.32	3,940.16	Revenue (NT\$ million)	56,789	53,999	Emission Intensity (tCO <sub>2</sub> e / NT\$ million)	0.094	0.073	Scope 3	419,523.73	525,872.66
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Scope 3	419,523.73	525,872.66																				

Items	Implementation Status												
	<p>Reduction Targets:                      Scope 1 and Scope 2: Reduce absolute greenhouse gas (GHG) emissions by 42% by 2030.                      Scope 3 (including purchased goods and services and the use of sold products): Reduce emissions by 25% over the same period.</p>												
	<p>Greenhouse Gas Reduction Strategy and Specific Action Plans</p>												
	<table border="1"> <thead> <tr> <th data-bbox="539 528 815 562">Reduction Strategy</th> <th data-bbox="815 528 1396 562">Action Plan</th> </tr> </thead> <tbody> <tr> <td data-bbox="539 562 815 640">Implementation of GHG Inventory</td> <td data-bbox="815 562 1396 640">- Adopt ISO 14064-1:2018 GHG inventory standard</td> </tr> <tr> <td data-bbox="539 640 815 797">Strengthen energy management and improve energy efficiency</td> <td data-bbox="815 640 1396 797">                     - Implement ISO 14001:2015 Environmental Management System and ISO 50001:2018 Energy Management System                      - Obtain LEED green building certification for manufacturing sites                 </td> </tr> <tr> <td data-bbox="539 797 815 875">Use of renewable energy</td> <td data-bbox="815 797 1396 875">- Actively deploy renewable energy installations and procure renewable energy</td> </tr> <tr> <td data-bbox="539 875 815 1077">Promote green product development</td> <td data-bbox="815 875 1396 1077">- Apply green design principles and targets, including energy-efficient products, use of environmentally friendly materials, and product recycling and reuse, in accordance with the “3R” principles (Reduce, Recycle, Reuse) required by the EU Waste Electrical and Electronic Equipment (WEEE) Directive</td> </tr> <tr> <td data-bbox="539 1077 815 1245">Strengthen sustainable supply chain management and promote value chain decarbonization</td> <td data-bbox="815 1077 1396 1245">                     - Conduct supplier carbon management surveys                      - Provide ISO 14064-1 training to support supply chain partners in building GHG inventory capabilities                 </td> </tr> </tbody> </table>	Reduction Strategy	Action Plan	Implementation of GHG Inventory	- Adopt ISO 14064-1:2018 GHG inventory standard	Strengthen energy management and improve energy efficiency	- Implement ISO 14001:2015 Environmental Management System and ISO 50001:2018 Energy Management System - Obtain LEED green building certification for manufacturing sites	Use of renewable energy	- Actively deploy renewable energy installations and procure renewable energy	Promote green product development	- Apply green design principles and targets, including energy-efficient products, use of environmentally friendly materials, and product recycling and reuse, in accordance with the “3R” principles (Reduce, Recycle, Reuse) required by the EU Waste Electrical and Electronic Equipment (WEEE) Directive	Strengthen sustainable supply chain management and promote value chain decarbonization	- Conduct supplier carbon management surveys - Provide ISO 14064-1 training to support supply chain partners in building GHG inventory capabilities
Reduction Strategy	Action Plan												
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Strengthen sustainable supply chain management and promote value chain decarbonization	- Conduct supplier carbon management surveys - Provide ISO 14064-1 training to support supply chain partners in building GHG inventory capabilities												
	<p>Status of Achievement of Reduction Targets</p>												
	<ul style="list-style-type: none"> <li>- The Calamba manufacturing site in the Philippines is progressing toward 100% renewable energy usage. In 2024, a total of 2,696,044.62 kWh of renewable electricity was procured.</li> <li>- The Suzhou manufacturing site has been gradually increasing renewable energy procurement, with a total of 394,157.00 kWh purchased in 2024.</li> <li>- The Suzhou manufacturing site has installed solar panels, generating a total of 1,850,940.40 kWh of electricity in 2024.</li> <li>- Scope 1 and Scope 2 greenhouse gas emissions at the headquarters and major manufacturing sites decreased by 20.37% compared to 2023 (market-based).</li> <li>- Scope 3 greenhouse gas emissions at the headquarters and major manufacturing sites decreased by 41.94% compared to 2023.</li> </ul>												

### 3.3.6 Corporate Conduct and Ethics Implementation as Required by the Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status		Non-implementation and its reason(s)	
	Y	N		Explanation
<p>1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(1) Does the Company have bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and the commitment regarding implementation of such policy from the Board of Directors and the management team?</p>	✓		<p>With the goal of enhancing corporate culture and ensuring the robust development of integrity management, the Company adopted the “Ethical Corporate Management Best Practice Principles”, “Code of Ethics”, and “Procedures for Ethical Management and Guidelines for Conduct” on May 11, 2023. Furthermore, following recommendations from an external professional institution, the Board of Directors approved an amendment to the “Ethical Corporate Management Best Practice Principles” on July 30, 2024, incorporating a mechanism for periodic review and revision to further strengthen integrity management practices and proactively prevent unethical conduct.</p> <p>Additionally, the Company has established the “Procedures for Handling Internal Material Information” and the “Employee Code of Ethics”, which provide clear guidelines and regulations for employees to follow while carrying out business activities.</p>	None
<p>(2) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p>	✓		<p>Sercomm has signed the integrity clause with our employees and suppliers, and regularly analyzes and assesses business activities with higher risks of unethical conduct within our scope of business, in order to prevent unethical conduct.</p> <p>The Company regularly provides newcomer training, general education training, and management development training to promote the integrity management policy. Employees must issue a letter of undertaking to ensure their compliance with internal regulations and systems, including work rules, related operating procedures and codes of conduct, etc. The Company’s operating activities and those of its subsidiaries are required to be in accordance with related laws and regulations, follow high business ethical standards, avoid any unfair competition, perform tax obligations, prevent corruption, and build adequate management systems in order to create an environment of fair competition. These regulations shall also be incorporated into the Company’s internal compulsory E-Learning courses and serve as the basis for operation and conduct. All important policies relating to the operation, investment, acquisition or disposition of assets, the lending of funds, articles of</p>	None

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			guarantee or endorsement, and financing from banks are subject to the assessment of competent departmental authorities and to Board resolution.
(3) Whether the Company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	✓		<p>The Company has implemented various operating procedures, including the “Ethical Corporate Management Best Practice Principles”, “Code of Ethics”, “Procedures for Ethical Management and Guidelines for Conduct”, and “Internal Material Information Handling Procedures”, all of which are disclosed on the Company’s website. New employees receive quarterly education and training, which covers the importance of the confidentiality of material information and includes explanations and examples of insider trading. Slides from the courses are also accessible on the Company’s internal E-Learning system for employees who unable to participate.</p> <p>To address unethical behavior, the Company established the “Regulations for the Management of the Whistle-blowing System” on July 18, 2023 and provided a reporting system. With regard to any conduct that may violate business ethics, severe disciplinary measures shall be implemented, including termination of employment or business dealings and relationships, legal actions shall be taken in due course.</p>
2. Ethic Management Practice			Regarding the selection of new suppliers, in addition to the quality, cost, delivery and service covered by general evaluation, suppliers should also comply with Sercomm’s specifications for green products. Along with the general procurement agreement and non-disclosure agreement, suppliers should also sign the following documents and pass the audit on green products in order to become qualified suppliers.
(1) Whether the Company has assessed the ethics records of whom it has business relationship with and includes business conduct and ethics related clauses in the business contracts?	✓		<ul style="list-style-type: none"> <li>• Product Quality Guarantee Agreement: Govern quality standards required of the suppliers</li> <li>• Letter of undertaking for corporate social responsibility: The undertaking of labor interests and rights, health and safety, environmental protection, ethics, management systems, and social impact.</li> <li>• Supplier’s EICC letter of undertaking: Requirements for business ethics and integrity</li> </ul> <p>Under the Company’s supply chain management mechanism, all new suppliers</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			<p>are required to sign a “Code of Conduct Commitment Letter,” undertaking not to engage in any form of bribery, gifts, entertainment, or provision of other improper benefits. They also agree that, in the event of any such misconduct, the Company may immediately terminate any business transactions.</p> <p>Suppliers must complete the signing of this document before being qualified as approved suppliers. In 2024, a total of 53 new suppliers completed the signing of the Code of Conduct Commitment Letter and the Supplier Corporate Social Responsibility (CSR) Agreement..</p>
(2) Whether the Company has set up a unit which is dedicated to promoting the Company’s ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?	✓		<p>To implement and manage ethical business conduct, the Company has designated professionals from relevant functions, including Human Resources, Risk Management, and Internal Audit, to be responsible for the development of integrity-related policies and preventive measures, employee training and awareness, whistleblowing channels, and integrity risk assessments.</p> <p>All relevant documents are reviewed and approved by authorized personnel in accordance with the Company’s approval authority matrix, and the implementation status is regularly reported to the Board of Directors. In 2026, the report was presented to the Board on March 10, 2026, including statistics on reported cases.</p> <p>In 2024, the Company received one whistleblowing case and two complaint cases from the China region. All cases were properly handled, and corrective actions were implemented to safeguard workplace safety and employee rights. For further details, including case handling and improvement measures, please refer to the Sustainability Report.</p>
(3) Whether the Company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓		<p>Sercomm has implemented various policies to prevent conflicts of interest, including the “Ethical Corporate Management Best Practice Principles”, “Code of Ethics”, “Procedures for Ethical Management and Guidelines for Conduct”, “Internal Material Information Handling Procedures”, and “Regulations for the Management of the Whistle-blowing System”, and provide reporting channels to ensure effective implementation.</p>

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
(4) To implement relevant policies on ethical conducts, does the Company establish effective accounting and internal control systems that are audited by internal auditors or CPAs periodically?	✓		The Company adheres to legal requirements and regularly updates its internal control system. Each department is obligated to conduct an annual self-assessment of the system's effectiveness to ensure that its design and implementation are efficient. The Audit Office has included high-risk operations in the annual audit plan based on the assessment of unethical behavior. The annual audit includes all items required by laws and regulations, and the internal audit status, as well as improvement measures for deficiencies, are reported to the Audit Committee and the Board of Directors on a quarterly basis.
			The Company's accounting system is established in compliance with legal requirements. Certified public accountants (CPAs) conduct quarterly audits or reviews of the consolidated financial statements, issuing reports and reporting the results to the Audit Committee each quarter. Report of the audits or review results are also presented to the Board of Directors on an annual basis.
(5) Does the Company provide internal and external ethical conduct training programs on a regular basis?	✓		The Company conducts annual training for all employees on integrity-related topics, including the Code of Ethical Conduct, through e-learning courses, followed by assessments. All new employees are required to sign the Code of Ethical Conduct upon onboarding, and integrity-related training is designated as mandatory each year. In 2024, the signing rate of the Code of Ethical Conduct reached 100%.
			In 2025, total training hours for business ethics (including insider trading) amounted to 199.26 person-hours, with 5,091 employee participations recorded.
3. Implementation of Complaint Procedures			
(1) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	✓		To ensure the effective implementation of the Code of Ethical Conduct and the Ethical Corporate Management Best Practice Principles, the Company established the "Whistleblowing System Management Procedures" on July 18, 2023. Dedicated and independently managed reporting channels have been set up to allow employees, suppliers, customers, and other external stakeholders to report any illegal activities or violations of human rights, the Code of Conduct, or ethical business practices.  The Company operates these channels in accordance with applicable regional whistleblowing and grievance procedures and provides designated email addresses for

Assessment Item	Implementation Status		Non-implementation and its reason(s)
	Y	N	
			reporting. In 2024, the Company received one whistleblowing case and two complaint cases from the China region. All cases were properly handled, and corrective actions were implemented to safeguard workplace safety and employee rights. For further details, including case handling and improvement measures, please refer to the Sustainability Report.
(2) Does the Company establish standard operation procedures for investigating the complaints received and ensuring such complaints are handled in a confidential manner?	✓		The Company has implemented the "Regulations for the Management of the Whistle-blowing System", which outline the standard operating procedures for addressing reported issues, covering various aspects, such as reporting channels, processing protocols, protection against whistle-blower probes, confidentiality, incentives, as well as promotion and training programs.
(3) Does the Company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	✓		In accordance with the "Regulations for the Management of the Whistle-blowing System", the Company shall take appropriate measures to protect whistle-blowers.
4. Information Disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System ("MOPS")?	✓		The Company has detailed its adherence to the "Ethical Corporate Management Best Practice Principles" on its website's Corporate Governance section and MOPS, and the effectiveness of these practices is also reported in its annual report.
5. If the Company has established corporate governance policies based on TWSE Corporate Conduct and Ethics Best Practice Principles, please describe any discrepancy between the policies and their implementation : On May 11, 2023, our company's board of directors resolved to establish a 'Code of Ethical Conduct,' and the actual operation is consistent with the established code.			
6. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (e.g., review the Company's corporate conduct and ethics policy): On July 30, 2024, following the recommendations of an external professional institution, the Board of Directors approved an amendment to the "Ethical Corporate Management Best Practice Principles", incorporating a mechanism for periodic review and revision to further enhance integrity management practices.			

3.3.7 Other important information sufficient to enhance the understanding of the operation of corporate governance may also be disclosed:

Overview of Directors and Executives' Training Status

Title	Name	Training Date	Hours	Training Institution	Course Name
Chairman	James Wang	2025/11/18	3	Taiwan Corporate Governance Association	New Perspectives on Enterprise Risk Management Integrating Strategic Development and Climate Change
		2025/11/20	3	Taiwan Corporate Governance Association	M&A Trends and Practical Case Studies from the Perspective of Directors and Supervisors
		2025/11/20	3	Taiwan Corporate Governance Association	Latest Developments in U.S. Taxation and Investment Environment
Director	Paul Wang	2025/11/18	3	Taiwan Corporate Governance Association	New Perspectives on Enterprise Risk Management Integrating Strategic Development and Climate Change
		2025/11/18	3	Taiwan Corporate Governance Association	Operational Innovation: Supply Chain Restructuring and Global Deployment
Director	Ben Lin	2025/11/18	3	Taiwan Corporate Governance Association	New Perspectives on Enterprise Risk Management Integrating Strategic Development and Climate Change
		2025/11/18	3	Taiwan Corporate Governance Association	Operational Innovation: Supply Chain Restructuring and Global Deployment
		2025/11/20	3	Taiwan Corporate Governance Association	M&A Trends and Practical Case Studies from the Perspective of Directors and Supervisors
		2025/11/20	3	Taiwan Corporate Governance Association	Latest Developments in U.S. Taxation and Investment Environment
Director	Nicola Palmer	2025/11/18	3	Taiwan Corporate Governance Association	New Perspectives on Enterprise Risk Management Integrating Strategic Development and Climate Change
		2025/11/18	3	Taiwan Corporate Governance Association	Operational Innovation: Supply Chain Restructuring and Global Deployment
		2025/11/20	3	Taiwan Corporate Governance Association	M&A Trends and Practical Case Studies from the Perspective of Directors and Supervisors
		2025/11/20	3	Taiwan Corporate Governance Association	Latest Developments in U.S. Taxation and Investment Environment
Independent Director	Rose Tsou	2025/07/09	6	Taiwan Stock Exchange	Cathay Sustainable Finance and Climate Change Summit 2025
		2025/07/30	3	Securities and Futures Institute	Current Global Economic Conditions and Corporate Risk Response
		2025/11/20	3	Taiwan Corporate Governance Association	M&A Trends and Practical Case Studies from the Perspective of Directors and Supervisors
		2025/11/20	3	Taiwan Corporate Governance Association	Latest Developments in U.S. Taxation and Investment Environment
Independent Director	Paul Yang	2025/08/21	3	Institute of Financial Law and Crime Prevention	Fair Customer Treatment, Financial Inclusion, and the Convention on the Rights of Persons with Disabilities
		2025/09/26	3	Securities and Futures Institute	2025 Insider Trading Prevention Seminar
		2025/11/25	3	Chung-Hua Institution for Economic Research	ESG Developments: IFRS Sustainability Disclosure and Tariff Challenges
Independent Director	Hilo Chen	2025/11/18	3	Taiwan Corporate Governance Association	New Perspectives on Enterprise Risk Management Integrating Strategic Development and Climate Change
		2025/11/18	3	Taiwan Corporate Governance Association	Operational Innovation: Supply Chain Restructuring and Global Deployment
		2025/11/20	3	Taiwan Corporate Governance Association	M&A Trends and Practical Case Studies from the Perspective of Directors and Supervisors

Title	Name	Training Date	Hours	Training Institution	Course Name
		2025/11/20	3	Taiwan Corporate Governance Association	Latest Developments in U.S. Taxation and Investment Environment
Independent Director	Feng Zhu	2025/07/09	6	Taiwan Stock Exchange	Cathay Sustainable Finance and Climate Change Summit 2025
		2025/11/18	3	Taiwan Corporate Governance Association	New Perspectives on Enterprise Risk Management Integrating Strategic Development and Climate Change
		2025/11/18	3	Taiwan Corporate Governance Association	Operational Innovation: Supply Chain Restructuring and Global Deployment
Internal Auditor	Vincent Han	2025/09/03-2025/09/05	18	The Institute of Internal Auditors Taiwan	Pre-service Training Program for Newly Appointed Internal Auditors
Accounting Officer	Max Cheng	2025/05/16	12	Accounting Research and Development Foundation	Continuing Education Program for Chief Accounting Officers of Issuers, Securities Firms, and Exchanges
Corporate Governance Officer	Raymond Ho	2025/07/09	6	Taiwan Stock Exchange	Cathay Sustainable Finance and Climate Change Summit 2025
		2025/08/28-2025/08/29	9	Taiwan Corporate Governance Association	Greenhouse Gas Management Workshop and Sustainability Promotion Seminar

### 3.4 Internal Control System Execution Status

#### 3.4.1 Internal Control System Statement

Please refer to the Corporate Governance Section on the Market Observation Post System (<https://mops.twse.com.tw>) for inquiries.

#### 3.4.2 Disclosure of CPA Review Report on Internal Control System for Special Engagements: Not applicable.

### 3.5 Major Resolutions of Board Meetings and Shareholders' Meeting

#### 3.5.1 Major Resolutions of Board Meetings

Date	Major Resolutions
2025.02.27	<ul style="list-style-type: none"> <li>- Approval of the distribution of 2024 employee and director remuneration.</li> <li>- Approval of the 2024 Financial Statements, Business Report, and the 2024 Business Plan.</li> <li>- Approval of the 2024 profit distribution in cash dividends.</li> <li>- Approval of the 2024 earnings distribution.</li> <li>- Approval of defining the scope of non-executive employees and amendments to the Articles of Incorporation</li> <li>- Approval of the termination of the private placement of securities approved at the 2024 Annual Shareholders' Meeting.</li> <li>- Approval of the proposal to conduct a private placement of common stock or domestic/overseas convertible bonds.</li> <li>- Approval of issuing restricted stock awards to employees</li> <li>- Approval of issuing employee stock option plan</li> <li>- Approval of the re-election of eight directors (including four independent directors)</li> <li>- Approval of the nomination of director and independent director candidates</li> <li>- Approval of lifting the non-compete restrictions for newly appointed directors and their representatives</li> <li>- Approval of setting the date, location, and agenda for the 2025 Annual Shareholders' Meeting</li> <li>- Approval of the 2024 Internal Control System Statement</li> <li>- Approval of the evaluation of the independence and suitability of the appointed auditors and their remuneration</li> <li>- Approval of changes in the Chief Financial Officer and financial officer</li> <li>- Approval of providing endorsements and guarantees for the company's subsidiaries</li> <li>- Approval of bank credit application.</li> </ul>
2025.04.09	<ul style="list-style-type: none"> <li>- Approval of the company's twelfth share buyback program</li> </ul>
2025.04.30	<ul style="list-style-type: none"> <li>- Approval of the Q1 2025 Business Report and Consolidated Financial Statements.</li> <li>- Approval of the amendment to the "2025 Employee Stock Option Issuance and Subscription Procedures."</li> <li>- Approval of the allocation of the 2025 employee stock options.</li> <li>- Approval of the bank credit application.</li> </ul>

Date	Major Resolutions
2025.05.29	<ul style="list-style-type: none"> <li>- Election of the Chairperson of the Board</li> <li>- Election of the Chair of the Audit Committee</li> <li>- Appointment of members of the Remuneration Committee and election of the Chair</li> <li>- Appointment of members of the Sustainability Committee</li> </ul>
2025.07.31	<ul style="list-style-type: none"> <li>- Approval of the 2024 Sustainability Report</li> <li>- Approval of the 2025 Q2 Financial and Business Report and Consolidated Financial Statements</li> <li>- Approval of the 2025 Restricted Stock Award Guidelines amendment and share Allocation</li> <li>- Approval of the change in Head of Internal Audit</li> <li>- Approval of the renewal of bank credit facilities</li> </ul>
2025.10.31	<ul style="list-style-type: none"> <li>- Approval of the 2025 Q3 Financial and Business Report and Consolidated Financial Statements</li> <li>- Approval of the 2026 Annual Audit Plan</li> <li>- Approval of the amendment to Internal Control System and Implementation Rules of Internal Audit</li> <li>- Approval of the amendment to Sustainable Development Best Practice Principles</li> <li>- Approval of the Long-Term Incentive (LTI) Plan for Executives</li> <li>- Approval of the record date for capital Increase from employee stock option exercises</li> <li>- Approval of the corporate guarantee for Mexican subsidiary, SCTEK Manufacturing S.A. de C.V.</li> <li>- Approval of the renewal of bank credit facilities</li> </ul>
2026.03.10	<ul style="list-style-type: none"> <li>- Approval of the distribution of 2025 employee and director remuneration</li> <li>- Approval of the 2025 Financial Statements, Business Report, and the 2026 Business Plan</li> <li>- Approval of the 2025 profit distribution in cash dividends</li> <li>- Approval of the 2025 earnings distribution</li> <li>- Approval of the termination of the private placement of securities approved at the 2025 Annual Shareholders' Meeting</li> <li>- Approval of the proposal to conduct a private placement of common stock or domestic/overseas convertible bonds</li> <li>- Approval of setting the date, location, and agenda for the 2026 Annual Shareholders' Meeting</li> <li>- Approval of the Long-Term Incentive (LTI) Plan for executives</li> <li>- Approval of the 2025 Internal Control System Statement</li> <li>- Approval of the change of auditors and the evaluation of their independence and suitability</li> <li>- Approval of providing endorsements and guarantees for the Company's subsidiaries</li> <li>- Approval of the capital increase of the Company's Mexican subsidiary, SCTEK Manufacturing, S.A. de C.V.</li> <li>- Approval of the bank credit application.</li> </ul>

### 3.5.2 Major Resolutions of Shareholders' Meeting and Implementation Status

Date	Major Resolutions
2025.05.29	<ul style="list-style-type: none"> <li>- Approval of the election of eight directors (including four independent directors): The elected directors are James Wang, representative of Chao Yue Investment Co., Ltd.; Paul Wang, representative of Pacific Venture Partners Co., Ltd.; Ben Lin, representative of Zhuo Jian Investment Co., Ltd.; Nicola Palmer, representative of Yun Zhou Investment Co., Ltd.; and independent directors Rose Tsou, Paul Yang, Hilo Chen, and Feng Zhu. The approval letter for the change of registration was obtained from the Ministry of Economic Affairs on June 27, 2025.</li> <li>- Approval of the 2024 Business Report and Financial Statements.</li> <li>- Approval of the 2024 earnings distribution: Cash dividends of NT\$4.6 per share were approved, with the ex-dividend record date set on April 4, 2025, and the dividend payment date on April 30, 2025.</li> <li>- Approval of the amendments to the Articles of Incorporation, with the approval letter for the change of registration obtained from the Ministry of Economic Affairs on June 27, 2025.</li> <li>- Approval of the proposal to conduct a private placement of common stock or domestic/overseas convertible bonds. This proposal was subsequently resolved not to proceed by the Board of Directors on March 10, 2026.</li> <li>- Approval of the issuance of restricted stock awards to employees, with the effective registration approval obtained from the Financial Supervisory Commission on July 15, 2025.</li> <li>- Approval of lifting the non-compete restrictions for newly elected directors and their representatives.</li> </ul>

### 3.6 Certified Public Accountant (CPA) Information

- (1) If non-audit fees paid to CPAs, their accounting firm and its affiliates are more than one-fourth of audit fees, specify the amount of audit and non-audit fees, as well as the scope of non-audit services:

#### CPA Service Fees

Unit: Thousand NTD

Accounting Firm	Name of CPA	Period covered by CPA's audit	Audit fee	Non-audit fee	Total
PricewaterhouseCoopers (PwC) Taiwan	Ya-Fang Wen	2025/1/1 - 2025/12/31	4,620	3,180 (Note)	7,800
	Yu Fang, Yen	2025/1/1 - 2025/12/31			

Note: Non-audit services include:

- (1) Tax service fees for the 2023 Group Master File project
  - (2) CPA opinion fees for the 2025 ESOP & RSA issuance
  - (3) Tax advisory fees for 2025 technical service transactions
  - (4) Others: review services including announcement checklists, tax return certification, English financial statements, non-executive compensation, and undistributed earnings review
- (2) For CPA changes, if the audit fee in the first year is lower than that of the prior year, specify the audit fee before and after the change and the reasons: N.A.
- (3) If audit fees dropped by more than 10%, specify the amount and percentage of decline and reasons: N.A.
- (4) Information on replacement of CPA :
- There has been a change in the Company's signing CPAs during the most recent two years and the subsequent period. Due to internal adjustments within the CPA firm, the Company's signing CPAs at PricewaterhouseCoopers (PwC Taiwan) have been changed as follows:  
 Since the first quarter of 2023, the signing CPAs have been Ya-Fang Wen and Yu-Fang Yen.  
 Since the first quarter of 2026, the signing CPAs have been Ya-Fang Wen and Yi-Chang Liang
- (5) Company Chairman, President or finance/accounting manager held positions in the Company's audit firm or its affiliates within the past year: N.A.

### 3.7 Changes in Share Positions among Directors and Managers

Please refer to the Shareholding Changes / Securities Issuance Section on the Market Observation Post System (<https://mops.twse.com.tw>) for inquiries.

### 3.8 Information of the Company's Top Ten Shareholders

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Share holders	
	Shares	%	Shares	%	Shares	%	Name	Relation
Fubon Life Insurance Co., Ltd. Representative: Fu-Hsing Lin	11,599,000	3.81%	0	0.00%	0	0.00%	-	-
Yun Chuan Investment Co., Ltd. Representative: Yu-Mei Chang	9,541,360	3.14%	0	0.00%	0	0.00%	Zhao Jian Investment Co., Ltd.	Representative is spouse
Taiwan Cooperative Bank Co., Ltd. Representative: Yen-Mao Lin	8,950,000	2.94%	0	0.00%	0	0.00%	-	-
Chunghwa Post Co., Ltd. Representative: Kuo-Tsai Wang	7,657,000	2.52%	0	0.00%	0	0.00%	-	-
Fuh Hwa Taiwan Technology Dividend Highlight ETF	5,425,000	1.78%	0	0.00%	0	0.00%	-	-
Su Yi	4,809,322	1.58%	0	0.00%	0	0.00%	Pacific Venture Partners Co., Ltd.	Representative
Zhao Jian Investment Co., Ltd. Representative: Ben Lin	4,197,094	1.38%	0	0.00%	0	0.00%	Yun Chuan Investment Co., Ltd.	Representative is spouse
The Shanghai Commercial & Savings Bank, Ltd. Representative: Ching-Yen Lee	4,141,000	1.36%	0	0.00%	0	0.00%	-	-
Fubon Securities Co., Ltd. ETN Hedging Account	4,035,000	1.33%	0	0.00%	0	0.00%	-	-
Pacific Venture Partners Co. Ltd. Representative: Su Yi	3,671,926	1.21%	0	0.00%	0	0.00%	Su Yi	Representative of Pacific Venture Partners Co. Ltd.

### 3.9 Long-Term Investments Ownership

Investee	Sercomm Investment		Ownership by Directors, Managers and Directly/Indirectly Owned Subsidiaries		Total Investment	
	Shares (Amount in Thousands)	%	Shares (Amount in Thousands)	%	Shares (Amount in thousands)	%
Sercomm USA Inc.	650,000 USD650	100%	0	0	650,000 USD650	100%
Sercomm Investment Corp.	2,800,000 NTD28,000	100%	0	0	2,800,000 NTD28,000	100%
Sercomm Trading Co.,Ltd.	9,300,000 USD9,300	100%	0	0	9,300,000 USD9,300	100%
Zealous Investments Ltd.	0	0	5,956,000 USD5,956	100%	5,956,000 USD5,956	100%
Sernet (Suzhou) Technologies Corp.	0	0	- USD29,900	100%	- USD29,900	100%
Smart Trade Inc.	0	0	3,500,000 USD3,500	100%	3,500,000 USD3,500	100%
DWNet Technology (Suzhou) Co., Ltd.	0	0	- USD16,000	100%	- USD16,000	100%
Sercomm Japan Corp.	9,800 JPY 490,000	100%	0	0	9,800 JPY490,000	100%
Sercomm France SARL	100,000 EUR100	100%	0	0	100,000 EUR100	100%
Sercomm Italia SRL	0	0	10,000 EUR10	100%	10,000 EUR10	100%
Sercomm Deutschland GmbH	600,000 EUR600	100%	0	0	600,000 EUR600	100%
Sercomm Russia LLC.	28,948,000 RUB28,948	100%	0	0	28,948,000 RUB28,948	100%
Nanjing Femtel Communications Co., Ltd	0	0	- CNY 2,500	100%	- CNY 2,500	100%
Sercomm Technology Inc.	5,000,000 USD5,000	100%	0	0	5,000,000 USD5,000	100%
Sercomm Philippines Inc.	1,940,000,000 PHP1,940,000	97%	60,000,000 PHP60,000	3%	2,000,000,000 PHP2,000,000	100%
Sercomm Britain Limited	350,000 GBP350	100%	0	0	350,000 GBP350	100%
Refinement Property Holding Inc.	0	0	200,000 PHP200	40%	200,000 PHP200	40%
Servercom (India) Private Limited	34,999,999 INR35,000	100%	1 INR0	0	35,000,000 INR35,000	100%
Sernet Technology Mexico S. de R.L. de C.V.	399,990 MXN400	100%	10 MXN0	0	400,000 MXN400	100%
Presciense Limited	3,333 -	25%	0	0	3,333 -	25%
MosoLabs Inc.	5,000,000 USD5,000	100%	0	0	5,000,000 USD5,000	100%
Sctek Manufacturing, Sociedad Anónima De Capital Variable	128,999,999 MXN129,000	100%	1 MXN0	0	129,000,000 MXN129,000	100%
Scnet (India) Private Limited	2,199,999 INR1,099,999	100%	1 INR1	0	2,200,000 INR1,100,000	100%
Sercomm Turkey Kablosuz İletişim Sanayi ve Ticaret Anonim Şirketi	38,000,000 TRY38,000	100%	0	0	38,000,000 TRY38,000	100%
Sercomm Internation Inc.	2,000 USD200	100%	0	0	2,000 USD200	100%
Sercomm Solutions Inc.	0	0%	100,000 USD100	100%	100,000 USD100	100%

Note 1: Long-term investments accounted for using the equity method.

## IV. Capital & Shares

### 4.1 Capital & Shares

#### 4.1.1 Capitalization

Unit: Shares, as of April 13, 2026

Type of Share	Authorized Shares		
	Issued Shares	Un-issued Shares	Total Shares
Common Stock	304,342,542	195,657,458	500,000,000

#### 4.1.2 History of Capitalization

Unit: Shares/ NTD, as of April 13, 2026

Year/ Month	Issue Price	Authorized		Paid-In Capital		Source of Capital
		Shares	Amount	Shares	Amount	
2024/03	10	500,000,000	5,000,000,000	295,925,280	2,959,252,800	Conversion of Convertible Bonds
2024/05	10	500,000,000	5,000,000,000	295,930,542	2,959,305,420	Conversion of Convertible Bonds
2024/07	10	500,000,000	5,000,000,000	299,334,542	2,993,345,420	Issuance of Restricted Shares Awards
2024/11	10	500,000,000	5,000,000,000	300,049,542	3,000,495,420	Exercise of Employee Stock Options
2025/09	10	500,000,000	5,000,000,000	300,429,542	3,004,295,420	Issuance of Restricted Shares Awards
2025/12	10	500,000,000	5,000,000,000	304,342,542	3,043,425,420	Exercise of Employee Stock Options

#### 4.1.3 Major Shareholders

Unit: Shares, as of April 13, 2026

Name of Shareholders	Shareholding	%
Fubon Life Insurance Co., Ltd.	11,599,000	3.81%
Yun Chuan Investment Co., Ltd.	9,541,360	3.14%
Taiwan Cooperative Bank Co., Ltd.	8,950,000	2.94%
Chunghwa Post Co., Ltd.	7,657,000	2.52%
Fuh Hwa Taiwan Technology Dividend Highlight ETF	5,425,000	1.78%
Su Yi	4,809,322	1.58%
Zhao Jian Investment Co., Ltd.	4,197,094	1.38%
The Shanghai Commercial & Savings Bank, Ltd.	4,141,000	1.36%
Fubon Securities Co., Ltd. ETN Hedging Account	4,035,000	1.33%
Pacific Venture Partners Co. Ltd.	3,671,926	1.21%

#### 4.1.4 Dividend Policy

The appropriations of the Company's earnings are based on the annual net income. The dividend amount is determined by the profit earning condition, financial condition and future operating needs for cash. In principle, dividends could be distributed in cash and/or in the form of stock; nevertheless, cash dividends shall be no less than 10% of the aggregate amount distributed.

#### 4.1.5 Dividends

Year	EPS NT\$	Cash Dividend NT\$ per share
2025	4.04	2.5
2024	7.74	4.6

#### 4.1.6 Proposal of Profit Distribution

	Unit: NTD
Cash dividend	\$2.5 per share
Remuneration to employees	\$280,500,000
Remuneration to Directors	\$17,500,000

#### 4.1.7 Buyback of Treasury Stock

Buyback Round	As of April 13, 2026	
	11th	12th
Purpose of Buyback	Transfer shares to employees	Transfer shares to employees
Buyback Period	2022/10/3-2022/12/2	2025/4/10-2025/6/9
Buyback Price Range (NT\$ per share)	55.16 - 90	59.6 - 110
Planned Buyback Shares (Common Shares)	5,000,000	12,000,000
Shares Bought Back (Common Shares)	5,000,000	3,123,000
Buyback Amount (NT\$)	398,396,775	302,293,113
Buyback Completion Ratio (%)	100%	26%
Shares Cancelled or Transferred (Shares)	3,500,000	0
Treasury Shares Held (Shares)	4,623,000	
Treasury Shares as % of Total Issued Shares	1.52%	

## 4.2 Issuance of Corporate Bonds

As of April 13, 2026

Corporate Bond Type	Domestic 7th Unsecured Convertible Bonds
Issue Date	December 6, 2023
Par Value	NT\$100,000
Issue Price	Issued at 103% of par value
Total Amount	NT\$3.0 billion
Interest Rate	0% coupon rate
Term	5 years; Maturity Date: December 6, 2028
Guarantor	None
Trustee	Taiwan Cooperative Bank Co., Ltd.
Underwriter	Taishin Securities Co., Ltd.
Legal Counsel	Attorney Ya-Wen Chiu, Han Chen Law Offices
Certified Public Accountants	PricewaterhouseCoopers (PwC Taiwan), Ya-Fang Wen and Yu-Fang Yen
Repayment Method	Unless the bondholders convert the bonds into common shares in accordance with Article 10 of the Terms and Conditions, exercise the put option under Article 19, the Company redeems the bonds early under Article 18, or the Company repurchases and cancels the bonds through securities firms, the Company will redeem the bonds in cash at par value within ten business days after the maturity date.
Outstanding Principal	NT\$3.0 billion
Redemption / Early Repayment Terms	Please refer to Article 18 of the Terms and Conditions of the Domestic 7th Unsecured Convertible Bonds.
Restrictive Covenants	None
Credit Rating Agency / Date / Rating	Not applicable
Other Rights	Amount converted (exchanged or subscribed) into common shares, GDRs, or other securities as of the publication date of the annual report: NT\$0 (no conversion yet) Terms of issuance and conversion (exchange or subscription): Please refer to the Market Observation Post System (MOPS) for basic information on convertible bonds
Potential Dilution and Impact on Shareholders' Equity	Convertible bonds do not cause dilution before bondholders exercise their conversion rights. As bondholders may choose to convert during the conversion period at a time most favorable to them, the dilution effect is deferred and dispersed over time.
Custodian of Underlying Securities for Exchange	Not applicable

## 4.3 Issuance of Convertible Bonds

Issue Session		7th Domestic Convertible Bond		
Items	Year	2024	2025	2026/4/13
	Market Price	Highest	120.00	115.70
Lowest		105.50	99.50	101.00
Average		113.39	106.87	103.94
Conversion Price		145	139.6	134.6
Issue Date and Conversion Price at Issuance		2023/12/6 NT\$145		
The Method of Fulfilling the Conversion Obligation		Issuing new shares		

#### 4.4 Issuance of Employee Stock Options

Issue Session	As of April 13, 2026			
	2022 1st Employee Stock Options	2022 2nd Employee Stock Options	2025 1st Employee Stock Options	2025 2nd Employee Stock Options
Filing Effective Date and Total Number of Shares	2022/12/27 6,000,000		2025/04/28 6,000,000	
Issue Date	2023/5/3	2024/6/12	2025/7/31	2026/3/11
Number of Shares Issued (Share)	3,000,000	3,000,000	3,000,000	3,000,000
Number of Shares Available for Issue	0		0	
Number of Shares Issued / Total Issued Shares (%)	1.97%		1.97%	
Exercise Period	10 years		6 years	
Method of Provision	Issue of new shares		Issue of new shares	
Vesting Schedule	Employee stock option holders may exercise their options in accordance with the following schedule after two years from the grant date. The validity period of the stock options is ten (10) years and they are non-transferable, except in the case of inheritance. Vesting schedule: 100% exercisable after two years from the grant date.		Employee stock option holders may exercise their options in accordance with the following schedule after two years from the grant date. The validity period of the stock options is six (6) years and they are non-transferable, except in the case of inheritance. Vesting schedule: 100% exercisable after two years from the grant date.	
Number of Shares in Exercised Options (Share)	1,464,000	0	0	0
Total Amount in Exercised Options (NTD)	112,581,600	0	0	0
Number of Shares in Unexercised Options (Share)	1,536,000	3,000,000	3,000,000	3,000,000
Price per Share in Unexercised Options (NTD)	76.9	105.5	100.5	77.3
Number of Shares in Unexercised Options as Share of Total Issued Shares (%)	1.49%		1.97%	
Impact on Shareholders' Equity	The stock options may only be exercised after two years from the issuance date, and have a validity period of ten years; therefore, the dilutive impact on shareholders' equity is considered limited.		The stock options may only be exercised after two years from the issuance date, and have a validity period of six years; therefore, the dilutive impact on shareholders' equity is considered limited.	

#### 4.4.1 List of Executives and the Top Ten Employees Receiving Employee Stock Options

2022 1st Employee Stock Options												As of April 13, 2026	
Title	Name	No. of Stock Options	Stock Options as a Percentage of Shares Issued	Exercised				Unexercised					
				No. of Shares Converted	Strike Price (NT\$)	Amount (NT\$ thousands)	Converted Shares as a Percentage of Shares Issued	No. of Shares Converted	Strike Price (NT\$)	Amount (NT\$ thousands)	Converted Shares as a Percentage of Shares Issued		
CEO	James Wang												
President	Ben Lin												
Sr. VP	Dean Wang												
Sr. VP	Michael Lee												
VP	Jemmy Lee (Note)												
VP	Hawk Wu (Note)												
VP	Colette Chen (Note)	915,000	0.30%	392,000	76.9	30,145	0.13%	523,000	76.9	40,219	0.17		
VP	Vicky Lin (Note)												
VP	Alex Liou												
VP	Nicole Lee												
VP	David Huang												
Sr. Director	Winnie Hsieh (Note)												
Sr. Director	Max Cheng												

Note: As of the date of publication of this annual report, the individual has ceased to serve as a managerial officer.

2022 2nd Employee Stock Options												As of April 13, 2026	
Title	Name	No. of Stock Options	Stock Options as a Percentage of Shares Issued	Exercised				Unexercised					
				No. of Shares Converted	Strike Price (NT\$)	Amount (NT\$ thousands)	Converted Shares as a Percentage of Shares Issued	No. of Shares Converted	Strike Price (NT\$)	Amount (NT\$ thousands)	Converted Shares as a Percentage of Shares Issued		
CEO	James Wang												
President	Ben Lin												
Sr. VP	Dean Wang												
Sr. VP	Michael Lee												
VP	Jemmy Lee (Note)												
VP	Colette Chen (Note)												
VP	Vicky Lin (Note)	925,000	0.30	0	0	0	0	925,000	105.5	97,588	0.30		
VP	Alex Liou												
VP	Nicole Lee												
VP	David Huang												
VP	Arthur Hsu												
Sr. Director	Winnie Hsieh (Note)												
Sr. Director	Max Cheng												

Note: As of the date of publication of this annual report, the individual has ceased to serve as a managerial officer.

2025 1st Employee Stock Options

As of April 13, 2026

Title	Name	No. of Stock Options	Stock Options as a Percentage of Shares Issued	Exercised				Unexercised			
				No. of Shares Converted	Strike Price (NT\$)	Amount (NT\$ thousands)	Converted Shares as a Percentage of Shares Issued	No. of Shares Converted	Strike Price (NT\$)	Amount (NT\$ thousands)	Converted Shares as a Percentage of Shares Issued
CEO	James Wang										
President	Ben Lin										
Sr. VP	Dean Wang										
Sr. VP	Michael Lee										
VP	Colette Chen (Note)	882,000	0.29	0	0	0	0	882,000	100.5	88,641	0.29
VP	Alex Liou										
VP	Nicole Lee										
VP	David Huang										
VP	Arthur Hsu										
Sr. Director	Max Cheng										

Note: As of the date of publication of this annual report, the individual has ceased to serve as a managerial officer.

2025 2nd Employee Stock Options

As of April 13, 2026

Title	Name	No. of Stock Options	Stock Options as a Percentage of Shares Issued	Exercised				Unexercised			
				No. of Shares Converted	Strike Price (NT\$)	Amount (NT\$ thousands)	Converted Shares as a Percentage of Shares Issued	No. of Shares Converted	Strike Price (NT\$)	Amount (NT\$ thousands)	Converted Shares as a Percentage of Shares Issued
CEO	James Wang										
President	Ben Lin										
Sr. VP	Dean Wang										
Sr. VP	Michael Lee										
VP	Alex Liou	920,000	0.30	0	0	0	0	920,000	77.3	71,116	0.30
VP	Nicole Lee										
VP	David Huang										
VP	Arthur Hsu										
Sr. Director	Max Cheng										

Note: As of the date of publication of this annual report, the individual has ceased to serve as a managerial officer.

4.5 Issuance of Restricted Share Awards: Not applicable.

4.6 Implementation of Capital Allocation Plans: Not applicable.

## V. Business Overview

### 5.1 Business Activities

#### 5.1.1 Business Scope

Item	2024	2025
Broadband CPE	68.61%	55.92%
Enterprise	17.90%	20.88%
Infrastructure & IoT	10.85%	19.31%
Others	2.64%	3.89%
Total Revenue	100.00%	100.00%

#### 5.1.2 Main Products

- (1) Broadband CPE
- (2) Enterprise Products
- (3) Infrastructure & IoT

#### 5.1.3 New Products under Developing

Sercomm is committed to increasing the added value of hardware products with extensive software technologies, enhancing competitiveness through value differentiation. We offer comprehensive telecom broadband solutions to our customers all over the world, including first-tier telecom operators, retail brands and service providers and is now a global leader in the industry. With customized solutions as the foundation and our commitment and responsibility toward our customers in mind, Sercomm invests R&D resources and works jointly with customers in the early stage of design to come up with new technologies and products. Sercomm's superior innovative R&D achievements has acquired the affirmation of numerous leading clients around the world, rendering Sercomm the primary development partner for new products to which customers establish a stable long-term relationship.

## 5.2 Industry Overview

### 5.2.1 Industry Status and Development

Mobile communication technology originated in the 1G era, initially providing only basic voice services. The introduction of 2G enabled short message services (SMS), laying the foundation for mobile data transmission. The development of 3G made mobile internet access possible, driving the proliferation of smartphones and mobile applications. With 4G LTE, data transmission speeds significantly improved, enabling high-definition video streaming, cloud services, and social applications to become part of daily life. Entering the 5G era, in addition to substantially higher data speeds, the technology offers low latency and massive connectivity, providing a critical foundation for applications such as the Internet of Things (IoT), smart cities, and industrial automation.

In recent years, with the rapid advancement of generative AI, the telecommunications industry is transitioning from a connectivity-focused service provider to a core infrastructure supporting AI computing and data flows. According to the Ericsson Mobility Report, the convergence of AI, cloud computing, and mobile technologies is reshaping traffic patterns in mobile networks. In particular, uplink data demand is expected to grow significantly, shifting network value from content delivery toward data feedback and computational support. In addition, based on the Industrial Technology Research Institute's (ITRI) analysis of the trends at the Mobile World Congress 2026 (MWC 2026), network architecture is evolving from incorporating AI functionalities to becoming AI-native networks, driving further intelligence and automation across network systems.

In the wireless local area network segment, Wi-Fi technology continues to evolve. Since the launch of

Wi-Fi 1 in 1999, it has progressed to Wi-Fi 6 and Wi-Fi 6E, significantly enhancing bandwidth efficiency and connection quality. As Wi-Fi 7 gradually enters commercial deployment, its high bandwidth, multi-channel capability, and low latency will support high-demand applications such as virtual reality (VR), augmented reality (AR), cloud computing, and AI-driven services. Looking ahead, Wi-Fi technology will continue to improve in stability and latency performance, supporting high-density and multi-device environments.

In the mobile communications market, 5G continues to expand and is gradually entering a mature application phase. According to the Ericsson Mobility Report published in November 2025, 5G penetration in major markets is expected to continue increasing and become the mainstream mobile communication technology. At the same time, the fixed wireless access (FWA) market is experiencing rapid growth. By the end of 2031, global FWA connections are projected to reach approximately 350 million, with around 90% being 5G-based, indicating that FWA has become an important broadband access solution.

Meanwhile, emerging communication technologies are accelerating. 5G RedCap is expanding IoT applications by improving connectivity efficiency for low-power devices. The standardization of 6G continues to progress, incorporating technologies such as AI and integrated sensing and communication (ISAC) to enhance network performance and service capabilities. In addition, the integration of low Earth orbit (LEO) satellite communications with terrestrial networks (NTN) has become a key trend, extending network coverage and enhancing resilience. Overall, the telecommunications industry is evolving from traditional connectivity services toward AI-driven intelligent network architectures, with continued integration across cloud computing, IoT, and emerging applications.

In summary, the mobile communications industry is undergoing a structural transformation driven by AI. Technologies such as 5G, Wi-Fi, FWA, and satellite communications are converging, upgrading networks from data transmission platforms into critical infrastructure supporting AI applications and data flows. This transformation is expected to drive growth in the digital economy and enable new business models in the future.

### 5.2.2 The Relationship between the Upstream, Midstream and Downstream Parts of the Industry

The major business of this Company is the manufacture of broadband and data service equipment, which include all sorts of network transmission equipment and is a midstream manufacturer in the telecommunications equipment industry. The upstream of the industry chain is mainly module and parts suppliers. The downstream terminal service providers include: telecommunication operators, Multiple System Operator, Network Services Platform, Enterprise System Integrator and other service providers.

Upstream	Midstream	Downstream
<ul style="list-style-type: none"> <li>• CPU</li> <li>• RF IC/Module</li> <li>• Memory</li> <li>• Active/ Passive Component</li> <li>• PCB</li> <li>• Plastic And Metal Components</li> <li>• Wire</li> <li>• Power Supply</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• FTTx, DOCSIS, xDSL, Home Router, WIFI Extender, STB</li> <li>• Small Cell, Mobile CPE</li> <li>• Enterprise AP/ Controller, Enterprise Router, Enterprise Switch</li> <li>• IoT Device, IoT Gateway, IP Camera</li> </ul>	<ul style="list-style-type: none"> <li>• Networking Equipment</li> <li>• Telecom Operator</li> <li>• Multiple System Operator</li> <li>• Network Services Platform</li> <li>• Other Service Provider</li> <li>• Enterprise System Integrator</li> </ul>

In conventional supply chains, product design and development are major duties of network equipment suppliers, and the products are sold to customers in different service channels. Accordingly, system integration service providers play roles as OEM. However, for years, labor division models of traditional supply chains have gradually changed. In response to needs of end customers more promptly, emerging terminal service providers such as network platform service providers and other professional service providers have also joined the market.

### 5.2.3 Products Development and Competition

#### Broadband CPE

The global broadband CPE market has shifted from pandemic-driven demand expansion to a phase characterized by network quality upgrades and diversified access technologies. With the continued growth of high-definition video streaming, cloud applications, AI services, and multi-device connectivity, home broadband equipment is evolving toward higher bandwidth, lower latency, and enhanced uplink performance. On the technology front, cable networks are transitioning from DOCSIS 3.1 to DOCSIS 4.0, while fiber access is advancing from XGS-PON toward higher-speed PON technologies. Fixed wireless access (FWA) is also experiencing rapid growth. Meanwhile, Wi-Fi 7 is gradually entering commercial deployment, improving connectivity performance in high-density and multi-device environments. In terms of competition, the market has evolved beyond hardware specification-based competition toward integrated solutions that combine hardware and software capabilities, telecom operator customization, remote management, and cybersecurity. Sercomm continues to expand its product portfolio in fiber access, DOCSIS 4.0, Wi-Fi 7, and 5G FWA, enhancing product value and strengthening its market competitiveness.

#### Enterprise Products

The enterprise networking market is evolving from traditional connectivity needs toward integrated network environments that support AI applications, cloud-based management, and high-density device connectivity. Wi-Fi 6/6E has become the mainstream upgrade foundation, while Wi-Fi 7 is gradually being adopted in enterprise and high-density scenarios, enhancing transmission performance and connection quality. At the same time, market competition has shifted from standalone devices to integrated solutions encompassing wireless access points (APs), switches, gateways, and network management platforms, with increasing emphasis on AI-assisted operations and cybersecurity capabilities. Sercomm continues to invest in next-generation enterprise networking solutions, delivering high-performance, low-latency products with flexible management capabilities to meet the needs of enterprise digital transformation and network upgrades.

#### Infrastructure & IoT

The network infrastructure and IoT market is transitioning from basic connectivity demand to infrastructure supporting AI, data transmission, and intelligent applications. According to the Industrial Technology Research Institute's (ITRI) analysis of MWC 2026, the telecommunications industry is moving toward AI-native networks, driving the integration of devices, networks, and satellite systems. The Ericsson Mobility Report (November 2025) also highlights that the convergence of AI and cloud computing will drive significant growth in uplink traffic, increasing demand for network infrastructure. Meanwhile, technologies such as 5G RedCap, edge computing, and the integration of satellite and terrestrial networks (NTN) continue to advance, accelerating the deployment of smart cities, industrial IoT, and remote applications. Market competition is also shifting from standalone equipment supply to integrated solutions combining devices, platforms, and services. Sercomm continues to develop solutions in smart surveillance, healthcare, and industrial applications, further strengthening its market competitiveness.

### 5.2.4 Research & Development Expenses

Unit: Thousand NTD	
Items	2025
R&D Expenses	3,333,333
Net Sales	53,999,430
R&D/Net Sales (%)	6.17%

### 5.2.5 R&D Achievements

- Remote Enterprise SD-WAN Gateway
- Wi-Fi 7 Enterprise AP
- Sub-6 GHz Wi-Fi router
- 2K Indoor Camera
- 2K Outdoor Camera
- 2K Doorbell Camera
- Varifocal Bullet Camera
- Outdoor Pole-Mount 4x5W n48/n77/n78/n79 SmallCell
- End-to-End FR2 Fixed Wireless Access Solutions
- GPON dual band Wi-Fi7 HGU with Prpl OS supported
- Wall plug type WiFi7 Extender
- NexAIr Streamer with Edge AI NPU
- DOCSIS3.1 WiFi7 Gateway

## 5.3 Long-term and Short-term Business Development Plans

### 5.3.1 Long-term Development Plans

Leveraging years of accumulated R&D strength, our company has successfully grasped key technologies and market trends in the telecommunications broadband industry. Our full range of products covers various market sectors including residential, commercial, telecommunications, security monitoring, and cloud applications, offering customers integrated design services for broadband products. Having been strategically positioned in the telecom market for many years, the benefits are gradually becoming evident, with our main products holding leading positions in the market. Our clients span top-tier telecom operators in Europe, America, and emerging markets, and we have successfully risen to become an international supplier. The company not only enhances the added value of hardware products with superior software integration technology, helping customers increase market share, but also, based on a commitment to and a sense of responsibility towards our customers, invests research and development resources from the initial design phase to jointly develop new technologies and products with customers. At the same time, in production manufacturing, quality control, and customer service, we strive for efficiency and quality optimization, comprehensively enhancing customer satisfaction. In terms of infrastructure and IoT product lines, our strategic direction is to progress from home application products to edge and cloud solutions, which will be the core focus of our future product line development.

### 5.3.2 Short-term Development Plans

#### (A) Marketing strategy

Emphasizing "Global Technical Support Services" and based on customized solutions, we penetrate directly into the telecom operators' supply chain and provide technical support services through global service bases located nearby. Currently, service points have been established in more than ten countries including the United States, Japan, China, France, Germany, and Italy. In the future, we will continue to expand into new markets and acquire new customers.

#### (B) Production strategy

Sercomm continues to implement its global operational strategy to address geopolitical developments and evolving market conditions. Through global supply chain management, the Company enhances operational resilience by flexibly integrating resources across its five manufacturing bases in Taiwan, the Philippines, Mexico, China, and India, ensuring production flexibility and stable component supply to meet customer demand. Driven by the ongoing upgrade of global network infrastructure and the resulting growth in broadband equipment demand, Sercomm leverages its technological strengths to advance product innovation and market expansion. In addition to its established presence in North America, Europe, and the Asia-Pacific region, the Company is actively expanding into emerging markets, including Southeast Asia, Latin America, and the Middle East. At the same time, Sercomm is strengthening its direct sales to telecom operators and deepening customer partnerships, further reinforcing its market leadership.

## 5.4 Market, Production and Sales Outlook

### 5.4.1 Revenue Breakdown by Geography

Unit: Thousand NTD

Region	2024		2025	
	Amount	%	Amount	%
Taiwan	145,153	0.26%	118,071	0.22%
Europe	9,300,515	16.38%	7,150,632	13.24%
North America	34,302,323	60.40%	37,615,240	69.66%
Asia ex-Taiwan	13,040,771	22.96%	8,478,277	15.70%
Australia	0	0%	637,210	1.18%
Total	56,788,762	100.00%	53,999,430	100.00%

### 5.4.2 Market Share

	2025 Sercomm Production Volume (Thousand Units)	Market Share(%)
Global CPE Market	25,600	8-10%

Source: The company statistics and market research institutions' estimates

### 5.4.3 Future Supply and Demand in the Market and Potential for Growth

According to the Ericsson Mobility Report (November 2025), the global 5G market continues to expand and is transitioning from a phase of scale growth to one focused on quality enhancement and application development. By 2031, global 5G subscriptions are projected to reach approximately 6.4 billion, accounting for about two-thirds of total mobile subscriptions. Among these, the share of 5G standalone (SA) users is expected to continue increasing, indicating a gradual transition from non-standalone (NSA) to more advanced network architectures with higher performance and lower latency.

From a regional perspective, 5G penetration in mature markets such as North America, Western Europe, and the Gulf Cooperation Council (GCC) is expected to remain at high levels. These markets will continue to drive the development of high-bandwidth applications, differentiated services, and premium user experiences, serving as key drivers of global telecom investment and technological upgrades.

In terms of network deployment, there remains significant room for growth in global 5G infrastructure. The report indicates that, as of the end of 2025, 5G population coverage and mid-band coverage are not yet fully saturated, suggesting that telecom operators will continue to invest in capital expenditures to enhance network quality and capacity. In particular, upgrades in mid-band spectrum and 5G SA networks will serve as critical drivers of industry demand. This trend also reflects that market demand is driven not only by subscriber growth, but increasingly by the need for improved network performance and service differentiation.

In the fixed wireless access (FWA) segment, the Ericsson Mobility Report (November 2025) highlights that FWA has evolved from a complementary broadband solution into a key access technology. The proportion of telecom operators offering FWA services has reached 81%, and the number of speed-based service tiers continues to increase, indicating that operators are enhancing monetization through differentiated connectivity offerings. By the end of 2031, global FWA connections are projected to grow from approximately 185 million in 2025 to 350 million, with around 90% based on 5G technology, serving an estimated 1.4 billion people.

FWA is also expected to play an increasingly significant role in mobile data traffic. By 2031, it is projected to account for approximately 36% of total mobile data traffic, underscoring its importance as a key driver of broadband demand and network traffic growth.

Regarding data traffic, global mobile network traffic continues to grow rapidly. The report indicates that annual growth in mobile data traffic will reach a record high in 2025. The share of traffic carried

by 5G networks is expected to increase from 34% in 2024 to 43% in 2025, and further to 83% by 2031. This growth is driven by factors such as improved device performance, increased use of data-intensive applications, longer service usage time, and enhanced network performance. In regions with limited fixed broadband infrastructure, the adoption of FWA is also shifting household traffic from mobile devices to wireless broadband access, further driving overall data demand.

Overall, future market demand is shifting from “connectivity penetration” to “high performance and differentiated services.” Demand for high-speed broadband, low-latency applications, video streaming, and immersive experiences continues to increase, driving growth in network equipment, customer premises equipment (CPE), and related communication solutions.

On the supply side, as market competition intensifies and technologies evolve rapidly, equipment vendors face increasing pricing pressure while also needing to continuously enhance product performance, hardware-software integration capabilities, and differentiated service offerings. Only by meeting telecom operators’ demands for high-quality networks and diverse application scenarios can vendors capture future growth opportunities in the industry.

#### 5.4.4 Competitive Niche

##### **Providing All Round Telecom Broadband Solutions**

In many years, Sercomm devotes to the innovative research and development in the field of telecom broadband, and focuses on research and development of new communication technologies in order to strengthen our core competitive advantages. Furthermore, we constantly release innovative products ahead of our competitors in the same industry. With our strong research and development team, the Company has excellent performance in integrated development in software, hardware and firmware. We also strive to optimize the effectiveness, functions and cost structure of our products. With the our optimized and competitive design, firmware and hardware from the beginning to the product production, comprehensive testing, quality guaranteed at manufacturing, global technical support and network level management technology after sales, Sercomm provides all around telecom broadband solutions to meet different clients’ needs. The excellent innovation research and development result also earned Sercomm affirmation from first-tier international clients and made us the major development partner.

##### **Concentration on the Research and Development of Internet Protocol**

On Sercomm’s basis of research and development in software and firmware, it is devoted to the research and development of core technologies of Internet Protocol in the beginning of its establishment. Meanwhile, it continues to accumulate intellectual properties to create differentiation in values and improve the Company’s competitiveness. In response to the new era of digital convergence, the Company will continue to create, research and develop to apply new broadband technologies in all aspects of life and to assist our clients to gain more market share with excellent software integration technologies used to improve the hardware products’ added values.

##### **Providing Global Customers with Nearshore Manufacturing Services**

Sercomm continues to implement a globalized operational strategy to navigate geopolitical and market fluctuations. By leveraging global supply chain management, the company enhances operational resilience, flexibly integrating resources across its five major manufacturing bases in Taiwan, the Philippines, India, Mexico, and China. This approach ensures production flexibility and stable component supply to meet customer demands. As global network infrastructure upgrades drive rising demand for broadband equipment, Sercomm capitalizes on its technological strengths, focusing on product innovation and strategic market expansion. In addition to its core markets in North America, Europe, and the Asia-Pacific region, the company is actively expanding into emerging markets such as Southeast Asia, Latin America, and the Middle East. Simultaneously, Sercomm is scaling its direct sales operations to telecom operators, deepening customer partnerships, and further reinforcing its market leadership position.

#### High Efficiency Manufacturing System of Advanced Manufacturing Process

Our factories are equipped with the series of advanced manufacturing processes and automatic equipment. By using a highly efficient operation management system, we continue to improve our manufacturing yield. Because of the great benefits of economies of scale, the manufacturing process can sufficiently utilize each area's complete electronic parts supply chain to timely provide clients broadband solutions that has effect and cost competitiveness and to improve the client's market advantages. In response to the blooming business opportunities brought by mobile broadband, the entire production ability will continue to expand to further elevate the Company's business scale and to sufficiently prepare for future growth.

#### Lowering the Possibility of Sudden Crises by Utilizing All Hedging Instrument

Sercomm purchased account payable insurance, where more than 90% of accounts payable are covered by insurance to prevent clients' payment failures. We also purchased directors' and supervisors' liability insurance, product liability insurance, transportation insurance, and property insurance. Furthermore, we utilize forward contract to avoid risks of exchange rate changes to enable the Company could conservatively respond to all risks in business operation.

#### Insistence on Quality Management and Environmental Sustainability

Efficient production and quality management have always been insisted by the Company. The rigorous quality control process commences from the material procurement, which lays a good foundation for superior quality. Meanwhile, we have established a designated environmental material testing laboratory to ensure that the materials and parts do not contain 6 major environmental restricted substances. Products of the entire series comply with safety standards of multiple countries and our factories in two places have passed many international standard certifications, including ISO9001, ISO14001, TL9000, OHSAS18001, RoHS and C-TPAT. Good quality guarantee system, except for pro-active prevention of quality issues, we conduct all around rigorous examinations on production lines to achieve high quality and high efficiency production.

### 5.4.5 Positive and Negative Factors in Long-Term Development

#### (A) Positive Factors

##### a. High flexibility in product combinations

As Sercomm considers its own long-term development strategy and market positioning, the path forward points towards an operational mode of placing equal emphasis on both commodity and niche products, consolidating the existing market and customers, and pursuing a stable growth of operations. The Company's business strategy will be to make timely adjustments in relation to the growth of the profits and revenue, and thereby expand its economic scale and enhance its market position. Sercomm's business portfolio is divided into large-scale volume production of lower-margin products and custom higher-margin niche products. It is Sercomm's intention to maintain a business model that balances volume commodity/niche products after taking the Company's long-term strategy and market positioning into account. Primary focus is given to consolidating existing markets and customers with the goal of pursuing steady growth while maintaining profit margins. This approach is aimed at strengthening and reinforcing the Company's operations. The Company's business strategy will also adjust profits and revenues as necessary in order to build up Sercomm's economies of scale and boost its market standing.

##### b. System integration ability

For many years, Sercomm devoted to research, development and integration ability. Through differentiation strategy, the Company grows a role in global telecommunications industry and builds a long-term partnership with international operators. The Company invests research and development resources to co-develop with our clients in the initial stage of design for many new technologies and new products due to our commitment and sense of responsibility to our

clients. Meanwhile, we improve customer satisfaction by optimizing the efficiency and quality in manufacturing, quality control and customer service.

**c. Providing Global Customers with Nearshore Manufacturing Services**

To adapt to the evolving international situation and supply chain, the Company is utilizing its global presence across five key locations in Taiwan, the Philippines, India, Mexico, and China. This enables Sercomm to offer nearshore manufacturing services to global customers, effectively expanding the Company's telecommunications direct sales.

**d. Transformation of Business Model**

Sercomm has provided comprehensive telecom broadband solutions by utilizing its distinguished ability in system integration. Telecommunication direct sales model has been adopted successfully which propelled us to become the long-term technical partner with the telecom operators. In addition, Sercomm has successively built technical teams in major markets around the world to keep abreast of the needs of telecommunication clients and provide immediate technical support, thereby further increasing our market share in the telecommunications industry.

**e. Diversity and International Talents**

Sercomm has over 10 locations in North America, Central and South America, Northeast Asia, Southeast Asia, South Asia, and Europe, with over 6,000 employees of up to 20 nationalities worldwide, in order to provide customers nearby with technical support services. As we develop under the culture of diversity, we not only put the right person in the right position, but also hope to uncover nurture more potential talents through the injection of a diverse range of resources, in order to welcome the future of 5G innovation.

**(B) Unfavorable Factors and Countermeasures**

Global telecom operators are actively investing in bandwidth infrastructure, but inflation, rising interest rates, and economic recession impact the consumer market, making inventory destocking adjustments and inventory management significant adverse factors for clients. Despite this, the generational shift to Wi-Fi 6/7 presents opportunities for operational momentum, and 5G FWA wireless fiber solutions also have a decent market share. Our company will continue to monitor market changes and their impact on operations, and develop necessary response measures to achieve our operational goals.

## 5.5 Main Product Applications

**Broadband CPE:** Provides high-speed internet access to home users, businesses, and other organizations; supports various applications such as HD video streaming, remote office, video conferencing, and cloud services.

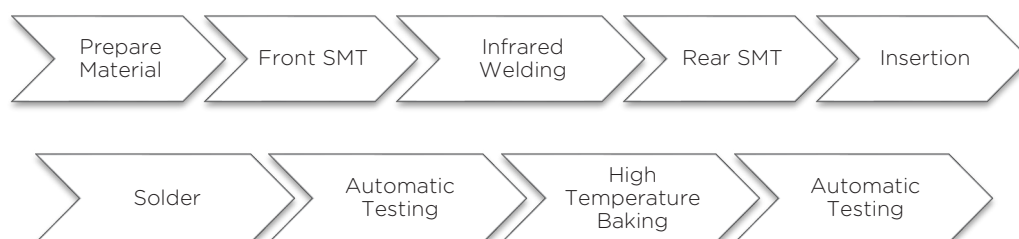
**Enterprise Products:** Offer powerful network performance and security for businesses, meeting a variety of network needs, including data center operations, enterprise resource planning (ERP), customer relationship management (CRM), and other business-critical applications.

**Infrastructure & IoT:** These devices and technologies enable cities to become smarter, supporting applications such as smart homes, smart agriculture, Industrial Internet of Things (IIoT), and smart city construction. They optimize resource use, increase efficiency, and improve service quality through data collection and analysis.

### 5.5.1 Product Manufacturing Process

The manufacturing processes for our Company’s products are divided into PCB assembly and final product assembly.

PCB assembly includes the SMT process and the DIP insertion process. The process is as follows:



The final product assembly process is as follows:



### 5.5.2 Customers that Accounted for at Least 10% of Annual Consolidated Net Revenue

Unit: Thousand NTD

Customers	2024			2025			Relations to Sercomm
	Sales Revenue	As % of Total Net Revenue	Relations to Sercomm	Customers	Sales Revenue	As % of Total Net Revenue	
A	10,932,298	19.25	None	A	9,491,470	17.58	None
B	5,609,687	9.88	None	B	6,149,332	11.39	None
C	8,624,792	15.19	None	C	2,302,624	4.26	None
Others	31,621,985	55.68	—	Others	36,056,004	66.77	—
Net Revenue	56,788,762	100.00	—	Net Revenue	53,999,430	100.00	—

Note 1: As of the date of the annual report printing, there is no data for 2026 that has been audited or reviewed by accountants.

## 5.6 Environmental Expenditure

Total value of losses or penalties due to environmental pollution in the most recent year and up to the date of publication: None

Future response strategies and potential expenditure:

The Company belongs to the electronic high-tech industry, and the major production process is assembly, testing and packing of finished and semi-finished products. There is no release of wastewater and air pollution during the production process, and the noise is minimal without public nuisance also without the restriction and violation against relevant environmental laws and regulations. According to the waste management policies and procedures, Sercomm improves waste reduction and pollution prevention in order to achieve the goal of green design, production and management.

Based on the balance between environmental protection and sustainable operations of the Company, Sercomm is actively devoted to the global environmental protection project. We not only introduced the strict non-lead production process in all aspects, and excluded restricted substances by adopting "green design" in the research and development stage, but also achieved the goal of lowering environmental impact by complying with the 3R principles (reduce, recycle and reuse) set by EU. In the meantime, we extended our requirements for environmental protection to parts and raw materials through "green procurement" and introduce the management and evaluation of green product management of suppliers. Through the green procurement, Sercomm extends the environmental protection requirements to components, product utilization process and disposition of the waste in order to comply with the international environmental protection standards and to fulfill the green manufacturing policy.

## 5.7 Employer-employee Relationships

### 5.7.1 Employees

The number of employees, average years of service, average age, and educational background distribution are shown in the table below.

Year	2024	2025	As of 2026/04/13
Headcount	5,431	6,586	6,742
Average Age	35.1	34.6	34.6
Average Seniority (years)	5.1	4.6	4.7
As Total Employees %			
Ph. D.	0%	0%	0%
Master	13%	12%	12%
College	54%	54%	54%
Senior High School	14%	18%	18%
Junior High School or Lower	19%	16%	16%

The implementation of an employee welfare policy, continuing education and training, retirement system, and labor-management coordination and the protection of the rights of the employees:

#### Employee welfare policy

The Company provides the National Health Insurance, labor insurance and group insurance in accordance with Labor Standards Act and relevant laws /regulations to increase the protection of the rights of the employees. The premiums are undertaken by the Company. Additionally, budget is planned every year for employees' education and training. The Company established the Employee Welfare Committee, which was approved by the Department of Labor, Taipei City Government in October 1996. For compensation & benefits, not only marriage, funeral and maternity subsidies are provided to employees, but also Company outings and various recreational activities are regularly

organized for employees with physical and mental relaxation.

### **Learning and Development**

The Company believes that providing employees with appropriate education and training opportunities, complemented by their self-development efforts, enables them to continuously realize their potential, which is a fundamental responsibility of the Company. Accordingly, it has been the Company's consistent policy to enhance employees' skills through various training and development programs, ensuring that their performance not only meets operational needs but also supports the achievement of their personal goals.

The Company has established a comprehensive training system and allocates an annual budget for employee training. In 2025, the Company conducted various training programs and awareness initiatives for employees across the Group. The statistics on participation and training hours are as follows:

Business Ethics (including insider trading): 199.25 total training hours; 5,091 participants

Business Management: 4,032.36 total training hours; 3,026 participants

Information Security Management: 585.63 total training hours; 10,615 participants

### **Pension plan and implementation situation**

The Company has formulated a pension plan for the employees who are formally employed, and since February 4, 1997 has maintained a Business Entity Supervisory Committee of Labor Retirement Reserve in accordance with the Labor Standards Act. It appropriates labor pension reserve funds at a certain percentage of the total monthly wages of the Company's employees and deposits this amount in a designated pension fund account at the Central Trust of China.

The Labor Pension Act came into force in July 1, 2005, and adopted a defined contribution plan. As a result of the implementation of the Act, employees may choose to apply the provisions in respect to pensions prescribed in the Labor Standards Act. The amount of labor pension borne by the employer shall not be less than six percent of the worker's monthly wage.

### **Labor-management consultation**

The rights and obligations of both parties of the workers and employers shall be governed by the Labor Standards Act and its relevant laws and regulations, as well as the provisions of the Company's administrative regulations. Since its establishment the Company has maintained good worker-employer relationships. In order to maintain good worker-employer relationships, the Company implements a humanistic management approach and works hard to strengthen two-way communication between employees and the employer to create a better future.

### **Employee interest maintenance measures**

The Company established a labor retirement reserve fund committee and holds worker-employer coordination meetings with the labor representatives elected by the employees to discuss relevant affairs and operations. Meanwhile, the Company provides employees with health examinations every two years and, for staff engaged in special operations, adds special health examination items. The Company also established and promulgated the Sexual Harassment Prevention Act, and grants employee's paternity leave and unpaid parental leave in accordance with the Gender Equality in Employment Act. For employees whose work is not considered satisfactory, the Company will give them appropriate work improvement plans, and if they fail to meet the job requirements again, will transfer them to other positions depending on the actual situation, or will proceed with the termination of their employment according to the law.

## 5.8 Information Security Management

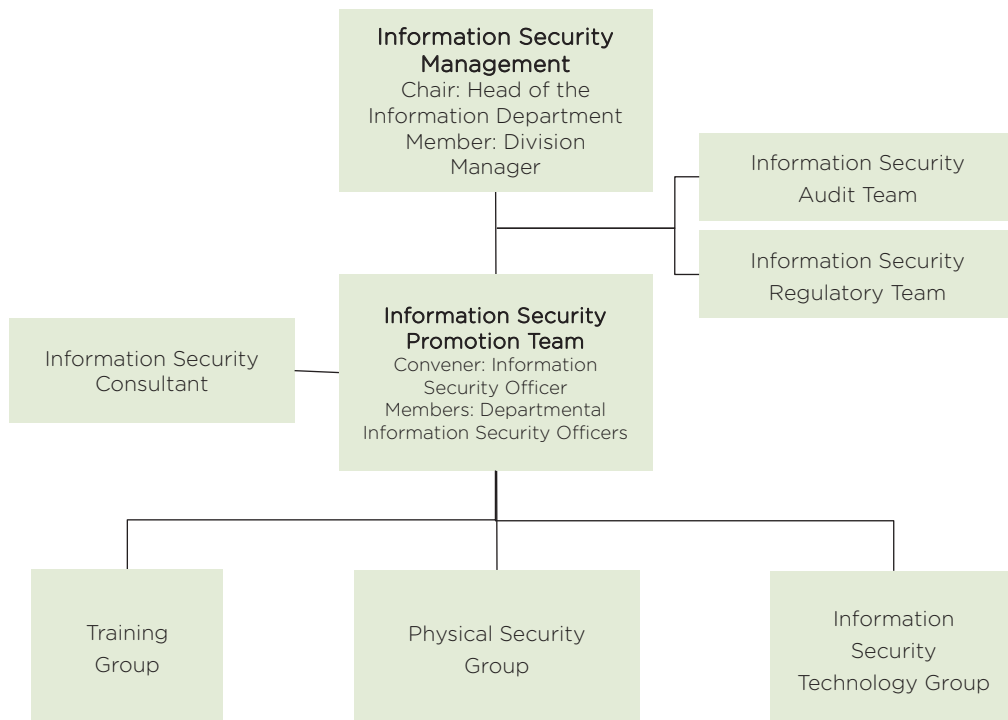
### 1. Architecture of information security management

#### (1) Corporate governance of information security

In 2015, the Company set up the Information Security Committee, under which an information security team was built to coordinate information security, formulate/execute protection related policies, carry out risk management and verify compliance. The convener of the Information Security Committee annually reports information security management outcomes, issues and orientations about information security to the Board of Directors. Our Information Security Committee is accountable for supervising and governing corporate information security. It supervises, evaluates and verifies information security management mechanisms and orientations.

To implement the information security strategies established by the corporate information security organization and ensure internal compliance with relevant standards, procedures, and regulations, the Company has established the “Sercomm Corporation Information Security Committee.” The Committee is chaired by the Chief Operating Officer, with members appointed from the Legal, Human Resources, R&D, and Information Technology departments. Regular meetings are held annually to review and approve information security and protection policies, ensuring the effectiveness of the Company’s information security management measures.

#### (2) Structure of Information Security Committee



### 2. Information security policies

#### (1) Corporate information security management strategies and architecture

The Corporate Information Security Committee effectively implements cybersecurity management through the Information Security Task Force, which includes units across Taiwan facilities and overseas subsidiaries. Regular meetings are held to assess the applicability of information security policies and protection measures based on the Plan-Do-Check-Act (PDCA) management cycle, with periodic performance reports submitted to the Information

Security Committee.

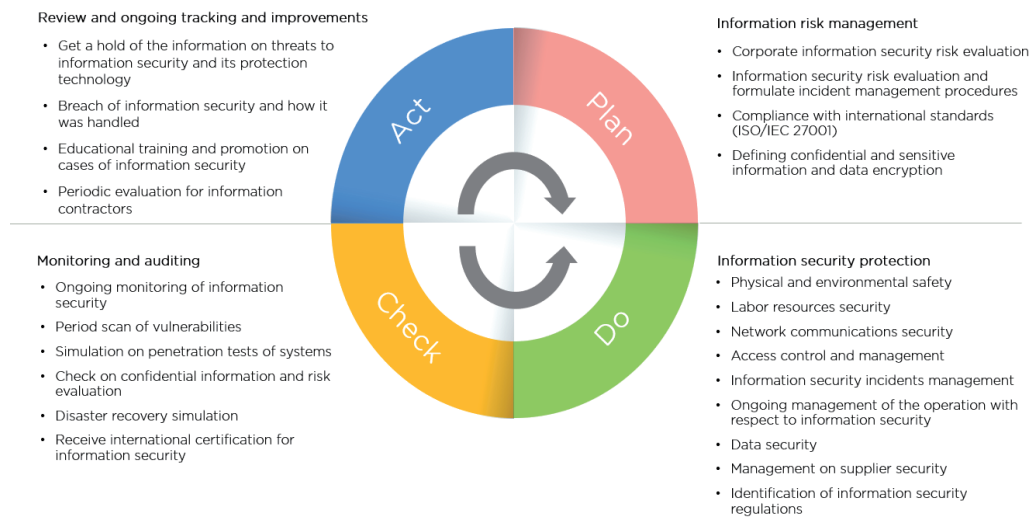
During the Planning Phase, the focus is on cybersecurity risk management, establishing a comprehensive Information Security Management System (ISMS), and ensuring continuous ISO/IEC 27001:2022 certification across all facilities. This phase addresses cybersecurity threats from system, technical, and procedural perspectives, ensuring the highest standards of confidential information protection aligned with customer requirements.

In the Execution Phase, a multi-layered security defense is implemented, integrating innovative security defense technologies and embedding security control mechanisms into daily operations, including IT maintenance and supplier security management. Systematic monitoring ensures the confidentiality, integrity, and availability of the company's critical assets.

The Checking Phase focuses on actively monitoring the effectiveness of cybersecurity management, utilizing security performance indicators and quantitative analysis. Regular simulations and penetration testing are conducted to evaluate cybersecurity maturity.

The Action Phase emphasizes continuous review and improvement, ensuring ongoing supervision and audits to maintain effective security compliance. In cases of security violations, disciplinary actions are taken in accordance with the company's cybersecurity violation handling procedures, which may impact an employee's performance evaluation or lead to legal action, depending on the severity of the violation. Additionally, based on performance metrics and maturity assessments, the company regularly reviews and enhances cybersecurity measures, employee training, and awareness programs. Periodic information asset inventory assessments are conducted, with all critical confidential information encrypted to prevent data leaks and safeguard corporate security.

(2) Corporate Information Security Risk Management and Constant Architecture Improvement



3. Information Security Management and Resource Allocation

A. Information Security Governance and Management Framework

Item	Description
Management System	The Company operates in accordance with the ISO 27001:2022 Information Security Management System (ISMS) and conducts regular internal audits, management reviews, and third-party certifications to ensure compliance and continuous improvement.
Governance	In 2025, the Company established a dedicated information security

Item	Description
Structure	department with assigned personnel responsible for information security strategy planning, policy implementation, incident monitoring, and risk management, continuously enhancing overall governance maturity.
Overall Investment	In 2025, total information security training hours reached 585.63 hours, with 10,615 participant attendances.

B. Specific Information Security Measures

Category	Measures
Network Security	Deployed network behavior detection systems and implemented physical segmentation between office networks and production networks to reduce security risks.
Device Security	Implemented a Network Access Control (NAC) mechanism to prevent unauthorized device access and deployed Endpoint Detection and Response (EDR) systems to enhance endpoint protection.
Application Security	Established system development and maintenance control procedures to ensure all stages comply with relevant security requirements.
Supplier Security Management	Conducted regular supplier evaluations and required the signing of confidentiality agreements to strengthen supply chain information security management.
Data Protection and Encryption	Performed regular inventory of information assets and risk assessments, and applied encryption measures based on data classification levels.
Security Assessment and Testing	Conducted penetration testing in accordance with standards such as ISECOM OSSTMM and OWASP Testing Guide, and engaged third parties for risk analysis and assessment.
Threat Intelligence Sharing	Joined the Taiwan CERT/CSIRT Alliance to enhance threat intelligence sharing, incident reporting, and coordinated defense capabilities.

C. Security Drills and Training

Item	Description
Security Drills	A total of 9 information security drills were conducted in 2025, covering data backup and recovery, network redundancy, penetration testing, social engineering, and blue team attack-defense simulation (BAS), to validate system recovery and incident response capabilities.
Training	Information security training programs (e.g., Information Security at Sercomm, Code of Conduct and Information Security Training) were delivered via the e-learning system, with assessments conducted to evaluate learning effectiveness.
Awareness Initiatives	Regular phishing awareness campaigns and social engineering exercises were conducted to enhance employees' security awareness and risk identification capabilities; 100% of new hires completed information security commitment signing.

D. Certifications and Audit Status

Item	Description
International Certification	Certified under ISO 27001:2022 Information Security Management System (valid from January 8, 2025 to January 8, 2028).
Supply Chain Security	Certified under C-TPAT to strengthen supply chain security management.
External Audits	Passed customer information security audits for product development and manufacturing systems to ensure compliance with relevant security requirements.

## 5.9 Important Contracts

Contract Nature	Parties Involved	Contract Start and End Date	Main Content	Restrictive Clauses
Licensing Agreement	Cable Television Laboratories, Inc.	2008/4/29, to the date either party intends to terminate the contract	Technology Usage License	No Special Restrictive Clauses
Licensing Agreement	MediaTek Inc.	2012/8/9, to the date either party intends to terminate the contract	Software Use License	No Special Restrictive Clauses
Licensing Agreement	Via Licensing Corporation	2011/11/21, to the date either party intends to terminate the contract	Patent Use License	No Special Restrictive Clauses
Licensing Agreement	Dolby Laboratories Licensing Corporation	2017/11/28, to the date either party intends to terminate the contract	Patent Use License	No Special Restrictive Clauses
Licensing Agreement	HDMI Licensing Administrator, Inc.	2020/7/22, to the date either party intends to terminate the contract	Patent Use License	No Special Restrictive Clauses
Licensing Agreement	Access Advance LLC (HEVC)	2020/7/31, to the date either party intends to terminate the contract	Patent Use License	No Special Restrictive Clauses
Licensing Agreement	Mpeg LA, L.L.C.	2020/9/17, to the date either party intends to terminate the contract	Patent Use License	No Special Restrictive Clauses
Licensing Agreement	Qualcomm Technologies, Inc.	2020/11/16, to the date either party intends to terminate the contract	Software Use License	No Special Restrictive Clauses
Licensing Agreement	Qualcomm Incorporated	2021/4/26, to the date either party intends to terminate the contract	Patent Use License	No Special Restrictive Clauses
Licensing Agreement	Atlas Global Technologies LLC	2023/10/11, to the expiration date of the licensed patent	Patent Use License	No Special Restrictive Clauses
Licensing Agreement	RPX Corporation	2024/4/25, to the expiration date of the licensed patent	Patent Use License	No Special Restrictive Clauses
Licensing Agreement	Qualcomm Incorporated	2024/10/1, to the date either party intends to terminate the contract	Patent Use License	No Special Restrictive Clauses
Purchase and Sale Agreement	Airties Group US Inc.	2025/6/17, to the occurrence of termination events as stipulated in the contract	Business Transfer	No Special Restrictive Clauses

## VI. Financial Status and Performance Review, and Risk Assessment

### 6.1 Financial Status and Performance Review

#### 6.1.1 Financial Position

Unit: Thousand NTD

Item	2024	2025	Difference	Change (%)
Current Assets	33,402,275	39,258,857	5,856,582	17.53
Non-Current Assets	8,589,541	9,073,604	484,063	5.64
Total Assets	41,991,816	48,332,461	6,340,645	15.10
Current Liabilities	22,121,613	28,789,737	6,668,124	30.14
Non-Current Liabilities	3,550,816	3,599,280	48,464	1.36
Total Liabilities	25,672,429	32,389,017	6,716,588	26.16
Capital Stock	3,000,496	3,043,426	42,930	1.43
Capital Surplus	6,354,493	6,572,515	218,022	3.43
Retained Earnings	7,449,030	7,282,042	(166,988)	-2.24
Other Equity	(356,140)	(520,509)	(164,369)	46.15
Treasury Stock	(119,517)	(421,810)	(302,293)	252.93
Total Shareholders' Equity	16,319,387	15,943,444	(375,943)	-2.30

Significant Changes (Analysis of Changes with an Increase or Decrease Percentage Over 20%):

- (1) Current Liabilities: Primarily due to an increase in accounts payable in 2025 as a result of higher inventory procurement.
- (2) Total Liabilities: Primarily due to an increase in accounts payable in 2025 as a result of higher inventory procurement.
- (3) Other Equity: Mainly attributable to changes in exchange differences arising from the translation of financial statements of foreign operations.
- (4) Treasury Shares: Primarily due to the acquisition of treasury shares.

#### 6.1.2 Financial Performance

Unit: Thousand NTD

Item	2024	2025	Difference	Change (%)
Revenues	56,788,762	53,999,430	(2,789,332)	-4.91
Operating Costs	46,712,533	45,524,332	(1,188,201)	-2.54
Gross Profit	10,076,229	8,475,098	(1,601,131)	-15.89
Operating Expenses	7,142,391	6,870,134	(272,257)	-3.81
Operating Income	2,933,838	1,604,964	(1,328,874)	-45.29
Non-Operating Income	(110,657)	(99,253)	11,404	-10.31
Income before Tax	2,823,181	1,505,711	(1,317,470)	-46.67

Significant Changes (Analysis of Changes with an Increase or Decrease Percentage Over 20%):

- (1) Operating Income: Primarily due to a decline in gross margin, resulting in a decrease in net income.
- (2) Income Before Tax: Primarily due to a decline in gross margin, resulting in a decrease in net income. Expected sales volume for the next fiscal year and the basis for the company's expectation of continued growth in sales volume: Please refer to the expected sales volume and basis of the annual report.

### 6.1.3 Cash Flow Analysis

Item	2024	2025	Change (%)
Cash Flow Ratio (%)	12.34	6.00	-51.38%
Cash Flow Adequacy Ratio (%)	28.05	24.25	-13.55%
Cash Reinvestment Ratio (%)	5.35	1.54	-71.21%

Analysis of the Change in Percentage Ratios:

- (1) Cash Flow Ratio: The decrease is mainly due to an increase in inventory, which led to a decline in net cash from operating activities compared to 2024.
- (2) Cash Reinvestment Ratio: The decrease is mainly attributable to the reduction in net cash from operating activities compared to 2024.

### 6.1.4 Projected Cash Flow

Beginning Cash Balance	Cash Flows from Operating Activities	Cash Flows from Investing & Financing Activities	Projected Ending Cash Balance	Year 2026; Unit: Thousand NTD Source of Funding for Cash Shortfall	
				Investing Plan	Financing Plan
5,759,324	1,865,557	1,643,851	5,981,030	Not Applicable	

Analysis of Cash Flow Changes for the Current Fiscal Year:

- (1) Operating Activities: Net cash inflow of NT\$1,865,557 thousand, primarily due to an increase in accounts payable resulting from extended payment terms.
- (2) Investing Activities: Net cash outflow of NT\$864,524 thousand, mainly attributable to the acquisition of property, plant and equipment.
- (3) Financing Activities: Net cash outflow of NT\$779,327 thousand, primarily due to the distribution of cash dividends.

Expected Measures to Cover Cash Shortfall and Liquidity Analysis: NA

### 6.1.5 Long-term Investment Policy and Results

Sercomm's investments are focused on long-term strategic purposes. However, when we evaluate that an investment no longer has significant strategic value, we may view it as a financial investment. Sercomm will continue to focus on strategic investments and manage investment plans carefully.

## 6.2 Risk Assessment

### 6.2.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

#### Interest Rate Fluctuation

The effect on income may be categorized into that on the revenue and on capital cost. For the interest revenue, Sercomm focuses the evaluation on low-risk and high-liquidity investment, and deposits residual capital at bank under time deposit, and mitigates the impact produced by interest rate fluctuation in a conservative and stable manner. Accordingly, the future financial management policy remains unchanged. For the capital cost, Sercomm's bank loan and payable leasehold payment are referred to as the debt subject to floating interest rate. Therefore, the market interest rate fluctuation, if any, will result in fluctuation of the effective interest rate for the bank loan and payable leasehold payment and thereby cause the future cash flow to fluctuate. Notwithstanding, upon evaluation, the interest rate fluctuation renders no material effect on the fluctuation of Sercomm's income.

#### Foreign Exchange Volatility

In recent years, export sales of Sercomm products have accounted for at least 90% of our total revenue. Hence, exchange rate risk arises from the purchase or sales of goods denominated in non-

functional currencies. However, Sercomm adopts the principles of natural hedging and uses forward exchange contracts to hedge against exchange rate risk. Forward exchange contracts involve the purchase or sale of foreign currencies that are similar to those of the hedged items. Therefore, Sercomm mainly adopts natural hedging and forward exchange contracts to respond to the impact of changes in exchange rates. The relevant response measures are listed as follows:

- A. Pay attention to domestic and overseas political and economic situation at all times to quickly keep abreast of developments in the foreign exchange market, and control whether the payment of account receivables and payables is to be brought forward or delayed according to the movement of denominated currencies.
- B. Consider factors affecting fluctuations in exchanges rates when quoting customers and negotiating purchase conditions, in order to protect our reasonable profits and costs.
- C. Establish natural hedging for the long or short position held and try to use the same currency for both purchases of goods and business quotations to reduce currency translation risk.
- D. Regularly estimate the requirements for net position of imports and exports in foreign currencies, analyze domestic and foreign economic and trade-related information and recommendations from correspondent banks, study the trend of foreign exchange markets, hedge against risks through forward exchange contracts in accordance with the procedures stipulated in the "Procedures for Acquisition of Disposal of Assets."

#### Inflation

Sercomm's materials whose costs are directly and indirectly affected by fluctuations in raw material prices include CPU, SDRAM, FLASH, PCB, module, connector, and other important parts. In terms of selling price, Sercomm's products are custom-made rather than standardized products with high homogeneity, and are differentiated products tailor-made to meet customer needs, so Sercomm enjoys a more advantageous position when it comes to product pricing and bargaining with customers. In order to reduce the impact of factors affecting price fluctuations on our profits, we take the following response measures:

- A. Strengthen cost control (design for cost) from the R&D stage; introduce modular design and converge specifications for purchases of goods in the design part; reduce procurement costs with the advantage of bulk procurement; and develop streamlined, rugged, and practical structural designs with core technical advantages in the mechanism design part to reduce the volume and weight of mechanisms and minimize the consumption of metal and plastic parts.
- B. Implement policy-based project procurement plan for raw materials that are expected to experience large fluctuations in market prices, shortages or price hikes to ensure the smooth supply of raw materials and effective control of material costs.
- C. Analyze the cost structure of manufacturers' quotations, assist suppliers in improving efficiency and reducing losses to reduce costs, as well as provide forecast to improve the visibility of procurement needs, increase manufacturers' willingness to cooperate, and increase bargaining chips for negotiation.
- D. Continue to strengthen the production, sales, and procurement information communication platform, accelerate the speed of response to market information, and adjust procurement plans and sales quotations in a timely manner.

### 6.2.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

The Company adopts a prudent and conservative financial management policy and follows the Company's "the Operational Procedures for Acquisition and Disposal of Assets "," the Operational Procedures for Loaning of Company Funds" and " the Operational Procedures for Endorsements and Guarantees" for related operations and reporting.

The Company did not engage in any high-risk, highly leveraged investments in recent years. The Company only endorses and guarantees the bank loans of the subsidiaries included in the consolidated financial statements in response to operational needs, which has limited impact on the Company. Derivatives are mainly for hedging purposes and are not traded in other high-risk derivatives.

### 6.2.3 Future Research & Development Projects and Corresponding Budget

The Company continues to communicate with manufacturers on product performance improvement solutions and continues to strengthening integrated capability to provide local technical support to global telecom operators in order to grow and create a win-win situation. It is expected that the investment in research and development will account for 4-6% of operating revenue in 2026.

### 6.2.4 Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

Please refer to Letter to Shareholders in this annual report for details on “The Effects of External Competition, Regulation and the Overall Business Environment”. The Company continuously monitors key domestic and international policies and legal developments and promptly assesses and formulates necessary response measures to align with operational needs.

### 6.2.5 Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales

In recent years, the rapid advancement of frontier technologies such as Generative AI, 5G, and Wi-Fi 7 has accelerated the global digital transformation and driven increasing demand for end-user devices, smart home solutions, and IoT applications, thereby expanding the broadband and telecommunications market. As customers place greater emphasis on the performance and intelligence of connected devices, the Company has actively responded to these technological shifts by expediting product innovation, technological upgrades, and application integration. In addition, the Company continues to expand its business footprint in emerging markets such as Southeast Asia, the Middle East, and Latin America, supporting steady growth in global operations.

On the information security front, the proliferation of digital services and AI applications has introduced increasingly diverse and complex cybersecurity threats, including ransomware, supply chain attacks, and data breaches, which pose significant risks to corporate reputation and operational stability. To strengthen cyber resilience and mitigate potential operational and financial risks, the Company established an Information Security Committee in 2015, chaired by the Chief Operating Officer. The committee convenes regularly to review and approve information security policies and management mechanisms. The Company has implemented and obtained ISO/IEC 27001 certification, and in 2023, expanded its certification scope to cover major global operating sites under the updated ISO/IEC 27001:2022 standard. Furthermore, the Company promotes internal awareness of cybersecurity by establishing an Information Security Task Force that applies the PDCA (Plan-Do-Check-Act) management cycle. Online training programs, social engineering drills, and phishing simulations are conducted to strengthen employees' ability to identify and respond to cyber threats. Based on supply chain characteristics, the Company has also reinforced supplier cybersecurity management and incorporated security review mechanisms to enhance overall operational resilience and reduce potential financial risk.

In summary, in the face of rapidly evolving technologies and heightened cybersecurity risks, the Company remains committed to advancing its technological capabilities and product competitiveness, prudently adjusting its operational strategies, and strengthening cybersecurity governance and resilience management to ensure sustainable business development and long-term shareholder value.

### 6.2.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

Sercomm's core value has been the development of software and firmware for broadband networks, complemented by hardware manufacturing services, to provide a full range of telecommunications broadband solutions. The Company has become a world-class broadband equipment leader. Headquartered in Taipei, Taiwan, Sercomm has established R&D centers on both sides of the Taiwan Strait and has developed four manufacturing sites to supply global sales demand. In addition, the Company is actively expanding internationally, with marketing locations in North America, Europe, China and Asia Pacific, Latin America, and South Asia, with a total of over 6,500 employees worldwide.

Sercomm has continued to leverage its core competencies to achieve operational successes through generational changes in the technology industry, and has taken its technology development, product quality and customer service to the next level.

Our customers include first-tier telecom operators in Europe, the US and emerging markets. Besides, we have been successfully promoted to the ranks of international suppliers. Sercomm not only enhances the added value of hardware products with excellent software integration technology, which helps customers increase their market share, but also invests R&D resources and works with customers in the early stage of design for many new technologies and products based on our commitment and responsibility toward our customers. At the same time, we strive to optimize efficiency and quality in manufacturing, quality control, and customer service, thereby comprehensively improving customer satisfaction.

In response to the new era of digital convergence, Sercomm will continue to engage in innovation and R&D, actively expand into new markets, and integrate new broadband technologies into a wide variety of life applications. Besides, we are committed to creating value differentiation and improving Sercomm's competitiveness through the blue ocean strategy, thus creating a brand new corporate value for Sercomm.

### **6.2.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans**

The company's merger and acquisition strategy primarily considers the potential synergies related to the networking industry. However, there are currently no plans for mergers and acquisitions.

### **6.2.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans**

To adapt to the evolving international situation and supply chain, the Company is utilizing its global presence across five key locations in Taiwan, the Philippines, India, Mexico, and China. This enables Sercomm to offer nearshore manufacturing services to global customers, effectively expanding the Company's telecommunications direct sales.

The company's expansion or construction of new plants is subjected to necessity and feasibility assessments by dedicated task teams, along with related benefits and financial analyses, to grasp potential risks and corresponding measures.

### **6.2.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration**

To ensure a diversified supply and increase price flexibility, the Company has adopted a decentralized purchasing strategy by purchasing from multiple distributors in order to increase bargaining power and reduce the risk of material shortage, in addition to the brands specified by our sales customers. Since there are many items of parts and components required for our products, the amount and proportion of purchase from each manufacturer are not high, so there is no risk of over-concentration of supply sources.

In terms of sales, the Company's core competitive advantage lies in its highly efficient integration and development capability to develop and mass-produce products that meet the needs of customers or the market, in order to capture market opportunities and orders, maintain a stable and good co-prosperity relationship with our major customers. Our product development capability is well recognized by our customers. We have signed annual sales contracts with our major customers and have mutually beneficial terms and conditions to help protect the sales of both parties. In recent years, the business model has been transformed, gradually replacing SI vendors and directly supplying telecommunications providers.

The company does not face the risk of excessive concentration in purchases or sales.

#### 6.2.10 Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%

There are no such circumstances.

#### 6.2.11 Risks Relating to and Response to the Changes in Management Rights

There is no unusual transfer of ownership in the market and there should be no risk of change in management rights.

#### 6.2.12 Litigation or Non-litigation Matters

Major ongoing lawsuits, non-lawsuits or administrative lawsuit: None.

Major ongoing lawsuits, non-lawsuits or administrative lawsuits caused by directors, supervisors or shareholders with over 10% shareholdings: None.

## VII. Special Disclosures

### 1.1 Information on Related Enterprises

In accordance with the Regulations for the Preparation of the Consolidated Business Report, Consolidated Financial Statements of Affiliated Enterprises, and the Affiliation Report set by the Financial Supervisory Commission, the latest Consolidated Business Report of Affiliated Enterprises, Consolidated Financial Statements of Affiliated Enterprises, and the Affiliation Report have been prepared. For inquiries, please refer to the Affiliated Enterprises Section on the Market Observation Post System (<https://mops.twse.com.tw>).

### 1.2 Private Placement of Securities

No private placement of securities has been conducted in the most recent year or up to the publication date of this annual report.

### 1.3 Other Necessary Explanations: None

**SERCOMM**

