

GOVERNANCE

Integrity and Transparency

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2.1 Governance Structure

Governance Framework

The Company's Board of Directors is the highest governance body and is responsible for overseeing the Company's overall business strategies, risk management, and sustainable development direction. In accordance with applicable laws and regulations and the principles of ethical corporate management, the Company has established a sound corporate governance system to ensure transparent decision-making, clear allocation of authority and responsibilities, and due consideration of stakeholders' rights and interests. The Board of Directors has established three functional committees to assist the Board in fulfilling its oversight and review responsibilities. Management implements relevant policies in accordance with resolutions of the Board of Directors.



Board of Directors

72 Hours	18 Hours
The total training hours completed by all directors were 72 hours, including 27 hours of sustainability-related courses.	The corporate governance officer completed a total of 18 training hours, including 12 hours of sustainability-related courses.
For 11%	Attendance Rate of 97%
The Board consists of 9 directors, of whom female directors account for 11%	With an average director attendance rate of 97%

The Company's Board of Directors places strong emphasis on transparency, diversity, and professionalism to strengthen corporate governance effectiveness and improve decision-making quality. In performing its duties, the Board of Directors takes into account various aspects, including operational judgment, accounting and financial analysis, business management, crisis management, industry expertise, international market perspective, leadership, and decision-making capabilities, to ensure the Company's sound operations and sustainable development.

The current Board is the 18th Board of Directors, with a term from May 30, 2023 to May 29, 2026. The Board consists of 9 directors, of whom female directors account for 11%. The Board includes 3 independent directors, none of whom has served for more than three consecutive terms. By introducing independent directors with industry and professional backgrounds, the Board incorporates the perspectives of external stakeholders and enhances its oversight and guidance responsibilities.

In principle, the Board of Directors convenes at least one meeting each quarter to receive financial and business reports from the management team. In 2025, the Board convened a total of 5 meetings, with an average director attendance rate of 97%. The Board operates in accordance with the “Rexon Board of Directors Meeting Code of Conduct.” Board members uphold a high level of self-discipline and avoid any form of conflict of interest. To continuously strengthen directors’ professional capabilities and awareness of legal compliance, Rexon Industrial plans

courses each year related to business, legal affairs, finance, accounting, sustainable development, and the Company’s business operations, and arranges training content after voting by the directors. In 2025, the total training hours completed by all directors were 72 hours, including 27 hours of sustainability-related courses. The corporate governance officer completed a total of 18 training hours, including 12 hours of sustainability-related courses. Information on directors’ education and experience, professional backgrounds, independence, continuing education, and shareholding status has been fully disclosed in the Company’s 2024 annual report.

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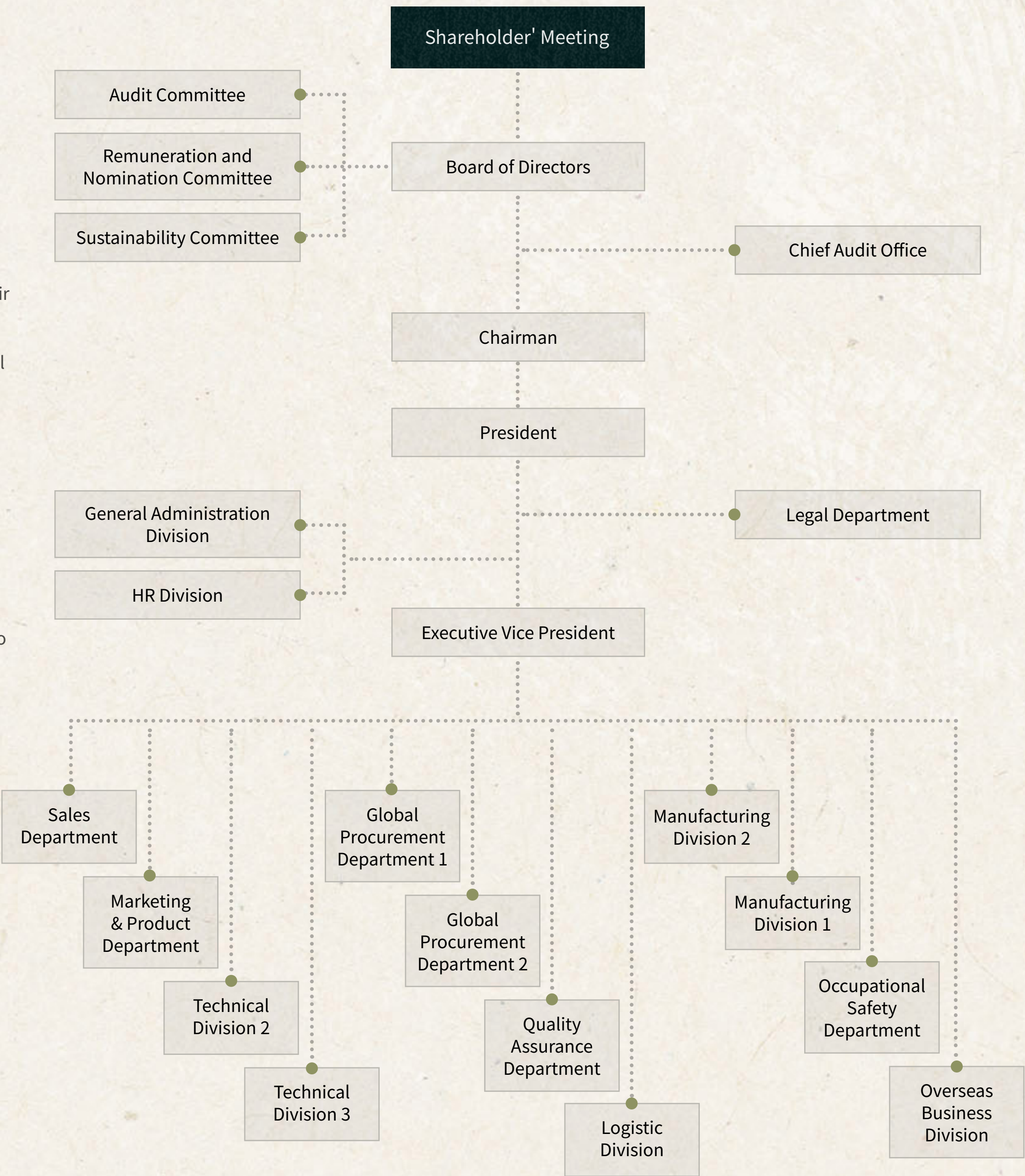
Mechanism for director recusal due to conflict of interest

To ensure the fairness and independence of Board decision-making and safeguard the rights and interests of the Company and all shareholders, members of the Company's Board of Directors shall comply with the Company's “Corporate Governance Best Practice Principles” and “Ethical Corporate Management Best Practice Principles” when performing their duties. These principles serve as important guidelines for directors and senior management in performing their duties and making decisions. Board members uphold a high level of self-discipline. During the operation of the Board of Directors and functional committees, they proactively disclose matters that may involve their personal interests or the interests of related parties. When a director or managerial officer engages in any act related to the Company's business scope or that may affect the Company's interests, approval from the shareholders' meeting must be obtained in advance in accordance with applicable laws and regulations, so as to avoid conflicts of interest and ensure the legitimacy of decision-making.

In 2025, the overall score for the Board of Directors was 5 points, and the assessment result was 4.98 points. The overall score for the functional committees, namely the Audit Committee, Compensation Committee, and Sustainable Development Committee, was 5 points, and the assessment result was 4.92 points. Overall score of the Board members: 5 points; evaluation result: 4.91 points. The assessment results showed that the Board of Directors duly fulfilled its responsibilities in guiding and supervising the Company's strategies, major business matters, and risk management, and was able to establish an appropriate internal control system. Overall operations were sound. The directors gave positive assessments of the efficiency and effectiveness of the operation of each indicator, and the functional committees operated soundly overall, effectively enhancing the functions of the Board.



▲ In 2025, the overall score for the Board of Directors



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Title	Name	Gender	Ability to Make Judgments About Operations	Accounting and Financial Analysis Ability	Business Management Ability	Crisis Management Ability	Knowledge of the Industry	International Market Perspective	Leadership Ability	Decision-Making Ability
Chairman	Wang Kuan-Hsiang	Male	✓	✓	✓	✓	✓	✓	✓	✓
Director	Wang Kuan-Chuan	Female	✓	✓	✓	✓	✓	✓	✓	✓
Director	Huang Ching-Hsiang	Male	✓	✓	✓	✓	✓	✓	✓	✓
Director	Chen Chun-Wei	Male	✓	✓	✓	✓	✓	✓	✓	✓
Director	Kuo Pu-Chao	Male	✓	✓	✓	✓	✓	✓	✓	✓
Director	Yang Ching-Chi	Male	✓	✓	✓	✓		✓	✓	✓
Independent director	Lee Cherng	Male	✓	✓	✓	✓		✓	✓	✓
Independent director	Wu Chwan-Chyuan	Male	✓	✓	✓	✓		✓	✓	✓
Independent director	Chen Li-Tsung	Male	✓	✓	✓	✓		✓	✓	✓

Functional Committees

Operations and Functions of Functional Committees :

To strengthen the supervisory functions of the Board of Directors, REXON Industrial has established the Audit Committee and the Remuneration and Nomination Committee under the Board of Directors. Each committee operates in accordance with its organizational charter and regularly reports its affairs and resolutions to the Board of Directors, so as to enhance management effectiveness and protect shareholders' rights and interests.

1 Audit Committee: Rigorous Oversight and Ethical Governance

REXON Industrial's Audit Committee is composed entirely of independent directors and is designed to implement professional division of responsibilities and strengthen supervisory functions. Upholding the principles of integrity and independence, the committee is responsible for overseeing the fair presentation of the Company’ s financial statements, the selection and independence of the attesting CPAs, the effective implementation of the Company’ s internal controls, and compliance with applicable laws and regulations.



Annual Operations

In 2025, the Audit Committee convened a total of 5 meetings, with an actual attendance rate of 93%.



Core Responsibilities

Reviewing annual financial reports and statements, reviewing major asset transactions and the effectiveness of the internal control system, and assisting the Board of Directors in performing supervisory duties under the Company Act, the Securities and Exchange Act, and other applicable laws and regulations.



2 Remuneration and Nomination Committee: System Reform and Professional Leadership

To align with corporate governance practices and enhance organizational effectiveness, the Company carried out an important organizational adjustment in 2025: Renaming and Transformation: In line with regulatory requirements and practical needs, the Board of Directors resolved on July 2, 2025 to officially rename the former “Compensation Committee” as the ** “Remuneration and Nomination Committee.” ** The Board of Directors further resolved on November 3, 2025 to approve adjustments to the relevant duties and authority, thereby further expanding the scope of the committee's functions.



Annual Operations

In 2025, the committee convened a total of 2 meetings, with an actual attendance rate of 88%.



Core Responsibilities

- Remuneration Management: Establishing and regularly evaluating remuneration policies and systems for directors and managerial officers to ensure that the remuneration structure is competitive and consistent with business ethics, while avoiding excessive risk-taking.
- Nomination and Development: Responsible for establishing the organizational structure of the Board of Directors and each committee, and proposing the list of director candidates.
- Performance Evaluation: Regularly conducting performance evaluations of the Board of Directors, functional committees, and individual directors, and reviewing the independence of independent directors to ensure the stability and outstanding leadership of the management team.

Committee Composition

The committee currently consists of 4 members, including 3 independent directors and 1 director, providing a structure with a high degree of independence and industry representation.

3 Remuneration Policy

The Company fully recognizes that a sound remuneration system is critical to promoting excellent governance. The remuneration policy is fully supervised by the “Remuneration and Nomination Committee,” and its core logic is built on three pillars: “performance orientation, risk control, and alignment of interests.” In 2025, we further deepened the linkage between remuneration and sustainability performance in accordance with the “Regulations for Linking Senior Executives’ Remuneration to ESG Performance.” Remuneration for directors and managerial officers takes into account not only financial indicators such as revenue and net income after tax, but also non-financial evaluation items such as the achievement rate of internal controls and the implementation of corporate social responsibility (such as the acquisition of ISO certifications and information security maintenance). Through annual performance evaluations of the Board of Directors and individual directors, the committee ensures that the remuneration structure appropriately reflects the management team’ s contribution to enhancing the Company’ s long-term value, while effectively preventing short-term expansion behaviors that exceed the bounds of business ethics, thereby ensuring the optimal balance between profitability and stability.

Committee	Responsibility	Wang Kuan-Hsiang (Male)	Wang Kuan-Chuan (Female) Representative of Kun Forever Co., Ltd.	Yang Ching-Chi (Male)	Lee Cherng (Male) Independent director	Wu Chwan-Chyuan (Male) Independent director	Chen Li-Tsung (Male) Independent director	Number of Meetings	Attendance Rate (%)	Setup Guidelines	
Audit Committee	1. Financial statement audit and accounting policies and procedures 2. Internal control system and related policies and procedures 3. Transaction involving material asset or derivatives. 4. Compliance with laws and regulations				✓	Convener	✓	5	93%	Audit Committee Organization Regulations	
Remuneration and Nomination Committee	1. Establish and regularly review the policies, systems, standards, and structure for performance evaluation and remuneration of directors, supervisors, and managerial officers. 2. Regularly assess and determine the remuneration of directors, supervisors, and managerial officers. 3. Nominate the recommended list of director candidates. 4. Establish and develop the organizational structure of the Board of Directors and each committee, conduct performance evaluations of the Board of Directors, each committee, and each director, and assess the independence of independent directors. 5. Establish and regularly review the continuing education plan for directors and the succession plans for directors and senior managerial officers.			✓	Convener	✓	✓	2	88%	Remuneration and Nomination Committee Organization Regulations	
Sustainability Committee	1. Formulation of the Company's sustainable development policies. 2. Review, tracking, and amendment of the implementation status and effectiveness of the Company's sustainable development, and regular reporting to the Board of Directors.	✓	Convener	✓	✓	✓	✓	2	92%	Sustainable Development Committee Organization Regulations	

For the Company's directors concurrently serving as directors and independent directors of other companies, refer to the 2024 Annual Report.

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2.2 Operational Performance

Rexon's operating strategy is centered on the twin pillars of “sustainable growth” and “technological innovation.” We are committed to creating long-term value for stakeholders by optimizing electromechanical integration technologies, deepening partnerships with global brand customers, and demonstrating strong supply chain resilience in the face of climate change and economic volatility. We continue to provide high-quality products and services to brand customers in order to solidify our market position and respond to market challenges.



Material Topics

Financial Performance



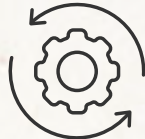
Description of Positive Benefits

- Actual positive:
1. Seize business opportunities arising from sustainable product trends by establishing a low-carbon materials database and conducting sampling and testing, while regularly promoting such materials to customers to increase sales opportunities and enhance operating performance.
 2. In response to geopolitical risks, continue to expand and diversify production bases to reduce operational risks and improve operational performance.



Description of Negative Benefits

- Actual negative impacts:
1. In the face of carbon tax policies in the U.S. and the E.U., insufficient knowledge of low-carbon materials may lead to higher OEM costs, thereby undermining operational competitiveness.
 2. Under uncertainties brought about by geopolitical tension, failing to develop response strategies and adapt to trend changes in a timely manner may result in missed business opportunities and have negative impacts on competitiveness.



Management Mechanisms/Measures

1. Proactively explore business opportunities in emerging trends and sustainable/innovative product proposals, and actively discuss cooperation projects with customers.
2. Exercise greater caution in planning and managing supply chains at production sites in Southeast Asia to address potential sourcing and cost-related issues.



Complaint/Communication Channels

The official website or the contact information of the sales representative is available for inquiries. We will keep all communications confidential.
Service Email: sales@rexon.com.tw
Contact: Customer Service Department

2025 Action Plan Implementation Results

Action Plan

1. In response to the market trends of "transitioning from fossil fuels to electricity" and the E.U. carbon tax in recent years, Rexon has actively developed innovative products and expanded its new business group. Examples are: e-bikes, drones, and battery-powered gardening tools. In 2025, the team continued to actively participate in major international events, including XPONENTIAL USA, Japan Drone, and the Taipei Aerospace & Defense Technology Exhibition for the drone industry, to showcase its strengths in electromechanical control integration.
2. Rexon actively proposes sustainable product designs to customers. For example, in a battery-powered desktop circular saw, co-developed with Europe’s largest power tool brand, we eliminated low-biodegradable styrofoam from the original packaging design to achieve the goal of creating sustainable products together.
3. In response to geopolitical risks, Rexon has established diversified production bases. We began by investing in Southeast Asia to provide existing customers with more flexible choices in production and supply chain options, thereby mitigating the systematic risks associated with geopolitical uncertainty.

Implementation Results

1. The new business group (e-bikes and drones) has completed the global sample deliveries to regions including North America, Europe, North Asia, and Southeast Asia. Its new products have also successfully entered mass production.
2. The battery-powered desktop circular saw co-developed with European customers officially entered mass production in Q4 2025.
3. The Southeast Asia construction project was officially launched, with production commencing in Q1 2026 and formal mass production expected to begin in Q2 2026, respectively.

Achievement status of 2025 Goals

Goals

1. The new business group (e-bikes and drones) successfully completed the delivery of at least 10 product samples.
2. Actively propose sustainable design solutions to existing customers and apply them to practical product development, with at least one successfully implemented.

Achievement Status

Goals achieved

1. The new business group successfully completed the delivery of **12** product samples. (E-Bikes: **7** ; drones: **5**)
2. The Company has completed the co-development of a battery-powered desktop circular saw with existing European customers, marking it as a successful sustainable design product for the year.

Short/Medium/Long-term Goals

Short-Term Goals (2026-2027 years)

1. In the drone sector, the Company completed sales of power systems and set a target to double the number of customers, aiming for continuous improvement.
2. To reduce geopolitical risks, Rexon has deployed diversified production locations to enhance supply chain resilience. Rexon’s power tools plant in Thailand officially commenced production in H1 2026, while its fitness equipment plant in Vietnam is expected to commence production in H2 2026.

Medium-Term and Long-Term Goals (2028-2032years)

The long-term goal in the drone sector is to expand from the power system to flight control, ultimately enabling the design and assembly of the complete drone according to customer requirements. The target by 2027 is to complete the delivery of 3 flight control units and complete machine samples.

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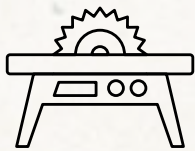
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Direct Economic Value Generated and Distributed by the Organization

The Company's current revenue is mainly derived from two major business segments: power tools and fitness equipment:



Power tools

In 2025, the Company faced the challenge of additional “reciprocal tariffs” imposed by the United States on Taiwan, which increased export costs for hand tools and mechanical parts and compressed profit margins. Rexion actively applied for the government's “R&D transformation subsidies” and “financial support measures,” and upgraded its products from traditional DIY tools to professional and high-performance models, offsetting tariff impacts through technological differentiation.



Fitness Equipment

In response to fitness equipment being included in the list of products subject to additional U.S. tariffs, Rexion shifted its strategic focus toward increasing the level of production automation and obtaining international certifications (such as ISO and ESG certifications). Despite tariff pressure, the Company continued to enhance product gross margin and brand customer stickiness through operational efficiency and product value-added, thereby maintaining its core position in the supply chains of brand customers.

Operating revenue in 2025 was NT\$5,419,291 thousand, representing a decrease of NT\$679,995 thousand compared with NT\$6,099,286 thousand in 2024. Consolidated net income after tax in 2025 was NT\$173,956 thousand, and earnings per share after tax were approximately NT\$0.97.

Type	Item	2024	2025
Generated Direct Economic Value	Operating Revenue	6,099,286	5,419,291
	Non-Operating Revenue ^{Note1}	79,803	47,624
Distributed Economic Value	Operating Costs ^{Note2}	4,351,753	4,092,802
	Employee Salaries and Benefits	734,885	775,228
	Payments to Capital Providers	181,474	108,884
	Political Contributions	–	–
	Payments to Government (including business tax, income tax, property tax, etc.)	–	–
	Payments to Government (fines)	–	71
	Community Investments	10,684	2,004
Retained Economic Value	Retain Economic Value	900,293	487,925

Note 1 : Non-operating revenue includes interest income, dividend income, and rental income ; Note 2 : Operating costs include material costs, rental expenses, commission expenses, labor costs, and education and training expenses.

External Advocacy and Engagement

Upholding its core values of "co-prosperity, common good and sharing," Rexion Industrial actively participates in external associations and professional organizations. Through the exchange of knowledge, information sharing, and the transfer of practical experience, the Company contributes to upgrading the industrial value chain and fostering the positive development of the industry. The Company also actively responds to international trends and external initiatives. By exerting a positive influence through practical actions in the areas of environment, society, and economy, it remains committed to achieving the goal of sustainable development. We believe that through collaboration with external stakeholders, we can jointly create a sustainable future, strengthen our corporate social responsibility, and generate long-term value for the global industry and society.

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Name of Institution	Position
Taiwan Institute of Director	Member
Chinese International Economic Cooperation Association	Member
National Chung Hsing University Alumni Association	Permanent member
The Institute of Internal Auditors, Taiwan	Member
Wufeng Precinct Office, Greater Taichung Police Friends Association	Advisor
Taiwan Bicycle Association	Member
Taiwan Smart Electric Bicycle Association	Member
Wufeng District Reserve Servicemen Service Center	Counseling Team Leader
Taiwan Electrical and Electronic Manufacturers' Association	Member
Taiwan Defense Industry Development Association	Member
Taiwan Electrical and Electronic Manufacturers' Association	Member



Financial Assistance Received from the Government

Item	Subsidy Recipient	Subsidy Amount
1.Subsidy for the Occupational Accident Worker Assistance Implementation Program	Occupational Safety and Health Administration, Ministry of Labor	144,740
2.Subsidy for the Development and Field Verification Program for Domestically Produced Electric-Assist Mountain Bicycles	Department of Industrial Technology, Ministry of Economic Affairs	4,740,000
3.Subsidy for the Sustainable Supply Chain Upgrade and Transformation Program for the Fitness Equipment System (Rexon)	Industrial Development Administration, Ministry of Economic Affairs	10,498,833
4. Subsidy for the Enterprise Human Resources Enhancement Program	Workforce Development Agency, Ministry of Labor	199,350
5.Subsidy for the Sustainable Supply Chain Upgrade and Transformation Program for the Fitness Equipment System (Rexon Technology)	Industrial Development Administration, Ministry of Economic Affairs	2,445,491
Total		18,028,414

Note: 1. Subsidy for the Occupational Accident Worker Assistance Implementation Program: Dedicated to promoting care and assistance measures for workers affected by occupational accidents, including occupational accident prevention awareness, worker health care, and related occupational safety and health management operations, thereby strengthening workplace safety awareness and protecting workers’ physical and mental health.

2. Subsidy for the Development and Field Verification Program for Domestically Produced Electric-Assist Mountain Bicycles: Jointly develop a Taiwan-made three-electric system with partners, promote the localization of key components, and conduct carbon emissions calculation, small-volume trial production, and actual vehicle verification, demonstrating the Company’s commitment to sustainable product development and local supply chain cooperation.

3. Subsidy for the Sustainable Supply Chain Upgrade and Transformation Program for the Fitness Equipment System: With Rexion Industrial serving as the central factory, the Company works with suppliers to jointly promote the sustainable supply chain upgrade of the fitness equipment industry. The program covers the establishment of green value streams, introduction of energy-saving process equipment, and development of a digital energy management system for plant sites, thereby reducing carbon emissions, improving product quality, and achieving low-carbon transformation results.

4. Subsidy for the Enterprise Human Resources Enhancement Program: This program represents a subsidy applied for from the Workforce Development Agency, Ministry of Labor, with Rexion Technology as the applicant enterprise. It supports in-service employee training, expands training benefits, and enhances employee human resources development and education and training capacity.

5. Subsidy for the Sustainable Supply Chain Upgrade and Transformation Program for the Fitness Equipment System: In coordination with Rexion Industrial, the Company worked with various suppliers to promote the Sustainable Supply Chain Upgrade and Transformation Program for the Fitness Equipment System. The program introduced equipment for energy conservation and production efficiency improvement, together with improvement plans for existing equipment, to achieve the goals of “low carbon and energy conservation.”

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2.3 Tax Policy

Tax Policy and Principles

To address the tax challenges arising from geopolitical changes and international reciprocal tariffs in 2025, REXON has established cross-level supervision and communication mechanisms:



Principle of Legal Compliance	We adhere to tax laws and legislative principles, accurately declare and pay taxes, and maintain proper documentation.
Principle of Comprehensive Decision-Making	We monitor local and international tax law changes, assess their impacts comprehensively, and develop appropriate strategies in response.
Principle of Information Transparency	We regularly disclose tax information through public channels such as financial reports and annual reports to ensure transparency.
Principle of Proactive Communication	We maintain open and honest communication with tax authorities, assisting in improving the tax environment and system.
Principle of Reasonable Tax Planning	We utilize legal and transparent tax incentives and refrain from engaging in tax planning methods that violate the spirit of the law.
Principle of Reasonable Structures	Our corporate structures and transaction arrangements align with economic substance and do not exploit special arrangements for tax avoidance purposes.
Principle of Risk Management	When formulating and implementing tax decisions, we assess relevant risks and adopt appropriate strategies.
Principle of Business Substance	Transactions with related parties reflect economic substance, with decision-makers assuming risks and receiving reasonable returns.
Principle of Arm's Length Transactions	Prices and conditions of transactions with related parties should be comparable to those of similar transactions with unrelated parties.

2025 Operating Activities Allocation Summary by Tax Jurisdiction: Unit: NTD thousand

Tax Jurisdiction (Country)	Non-Related Party Income	Net Earnings	Profit or Loss Before Income Tax	Income Tax Paid	Current Income Tax	Number of Employees
Taiwan	5,414,771	84,674	201,535	0	39,334	738
China	416,520	-99,077	-87,020	0	0	200
The United States	5,371	-1,607	-1,607	0	0	6

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2.4 Customer relationship management



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Customer Relationship Management



Description of Positive Benefits

Actual positive:

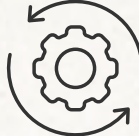
1. Increase the added value of products through innovation and sustainable product development, and help customers maintain their competitive advantages in the market.
2. Implement and utilize a customer relationship management (CRM) system to build stronger customer relationships, ensure effective understanding and fulfillment of customer needs, improve service quality, and enhance customer satisfaction.
3. Established a comprehensive mechanism for protecting customer business confidentiality, properly managing customer contracts, product drawings, and information related to exclusive production lines (or dedicated areas), reduced the risk of information leakage, strengthened customer trust in the company, and helped deepen long-term cooperative relationships.



Description of Negative Benefits

Potential negative:

1. Failure to keep up with the trend or to increase the added value of products may cause the Company to be easily eliminated by the market, resulting in a decline in orders.
2. If the customer relationship management (CRM) system is not implemented and utilized, it could lead to errors or loss of customer information. This would not only hinder relationship maintenance and service quality but also make it difficult to effectively track interaction records, potentially resulting in lost business and cooperation opportunities.
3. Establish a comprehensive mechanism for protecting customers' trade secrets, and properly manage customer contracts, product drawings, and information on dedicated production lines (designated areas), thereby reducing the risk of information leakage, strengthening customers' trust in the Company, and helping deepen long-term cooperative relationships.



Management Mechanisms/ Measures

1. Introduce the VAVE (Value Analysis/Value Engineering) strategy to actively propose product optimization solutions to customers to enhance market competitiveness.
2. In response to global inflation, the Board of Directors resolved to invest in Southeast Asia and built a new plant in Thailand and Vietnam to increase production flexibility and meet diverse market needs.
3. Strengthen the application of the CRM system and provide employee training to systematically manage customer data, ensuring information integrity while improving business efficiency and cooperation opportunities.
4. Establish a system for protecting customers' trade secrets, and implement tiered access controls, document access records, and internal confidentiality rules for customer contracts, product drawings, and dedicated production lines (designated areas). Regular employee education and training is also conducted to ensure that customer information is used only by authorized personnel.



Complaint/ Communication Channels

For any questions regarding products, customers may contact the Company through its official website or through the contact information of each customer's sales representative. All communication content and related documents are properly kept confidential in accordance with the Company's internal rules to protect customers' trade secrets and rights and interests.

Service Email: sales@rexon.com.tw

Contact: Customer Service Department

2025 Action Plan Implementation Results

Action Plan

1. Introduce the customer relationship management (CRM) system to centrally manage customer information, systematically track historical records, ensure consistency of external communication, and enhance internal team efficiency as well as customer satisfaction.
2. Deployment in Southeast Asia enables flexible production base options based on customers' product categories and market positioning, thereby enhancing the resilience and competitiveness of the supply chain.

Implementation Results

1. Average customer satisfaction is above **82 points**, reflecting stable service quality and efficient supply chain management.
2. On-time product delivery and the stable quality have increased customer satisfaction, which in turn attracts new customers and encourages existing customers to expand their cooperation. The price inquiry ratio increased by **4%** in Q4 2024 (covering both new and old customers), indicating market's strong confidence in Rexon's product and a growth in demand.

Achievement status of 2025 Goals

Goals

Average customer satisfaction scored above 82 points

Achievement Status

Goals achieved

1. Average customer satisfaction was scored **82.65** points;
2. Power tool: **82.3** points;
3. Fitness device: **83** points.

Short/Medium/ Long-term Goals

Short-Term Goals (2026-2027 years)

2026: Improvement in average customer satisfaction rate by 1%

2027: Improvement in average customer satisfaction rate by 1.5%

Medium-Term and Long-Term Goals (2028-2032years)

Average customer satisfaction rate improved by 2% or more

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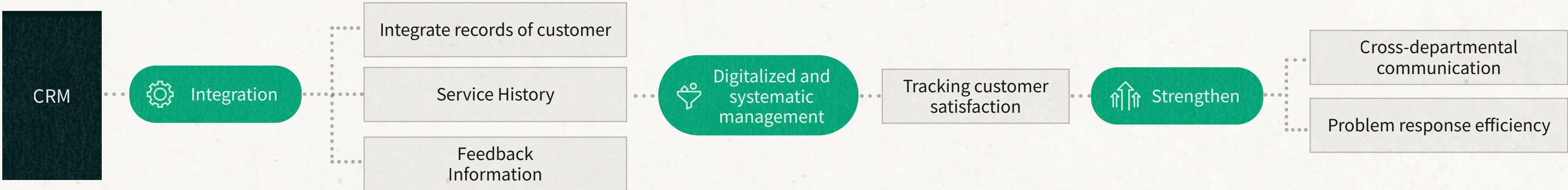
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Appendix



CRM

In 2024, the Company officially introduced a customer relationship management system (CRM) to integrate records of customer interactions, service history, and feedback information. Through digitalized and systematic management, the Company is able to track customer satisfaction trends in real time and strengthen cross-departmental communication and the efficiency of issue response. Through the CRM platform, the sales and service teams are able to understand customers' key needs and provide a consistent and precise service experience. For customer feedback and grievance cases, REXON has established standardized handling procedures that clearly define response timelines and the allocation of responsibilities, ensuring that issues are responded to promptly and that the effectiveness of improvements is continuously tracked. Relevant improvement measures are also regularly communicated back to customers to enhance their trust and cooperation stickiness. Going forward, REXON will continue to refine its customer satisfaction management mechanism by integrating digital tools and internal education and training, deepen a customer-centric corporate culture, and respond to the expectations of the market and stakeholders with high-quality products and services, with a commitment to becoming customers' most trusted long-term partner.



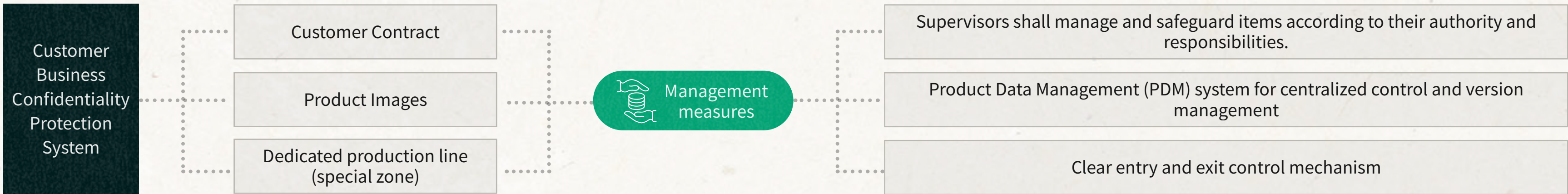
Customer Satisfaction

REXON Industrial regards customer satisfaction as one of the key indicators for measuring operating performance and sustainable operations. Through institutionalized management and continuous improvement mechanisms, REXON ensures that the quality of its products and services meets customer expectations and establishes long-term and stable cooperative relationships. To effectively understand customer needs and feedback, REXON collects customer evaluations of product quality, delivery performance, after-sales service, and overall cooperation experience through regular customer communication, project feedback mechanisms, and customer complaint management procedures. Relevant feedback is compiled and analyzed by the dedicated unit and serves as an important basis for optimizing internal processes and improving service quality.



Customer Privacy

To ensure the proper protection of customer information privacy and trade secrets, REXON Industrial has established a comprehensive customer trade secret protection system. For key information such as customer contracts, product drawings, and dedicated production lines (designated areas), tiered access controls, document access record management, and internal confidentiality rules are implemented based on the sensitivity of the information. In terms of specific management measures, written customer contracts are kept and managed by managers at or above the managerial level based on their respective authority and responsibilities. Product drawings are centrally controlled and managed by version through the product data management system (PDM), ensuring that access to and changes in drawings are traceable. In addition, for customer-dedicated production lines (designated areas), the Company has established clear access control mechanisms to prevent unauthorized personnel from accessing relevant processes and information. The above measures are supplemented by regular employee education and training to strengthen all employees' awareness of information security and confidentiality responsibilities, ensure that customer information is used only by authorized personnel, and reduce the risk of unauthorized access. At the same time, in accordance with the annual audit implementation plan developed by the internal audit unit, the Company conducts regular risk assessments of potential information security and customer privacy risks, and formulates and implements relevant internal control systems accordingly, so as to continuously strengthen the effectiveness of information security management. Based on the effective operation of the above management mechanisms, as of 2025, there had been no complaints involving breaches of customer privacy or loss of customer data, fully demonstrating REXON Industrial's strong emphasis on, and long-term commitment to, customer information security and privacy protection.



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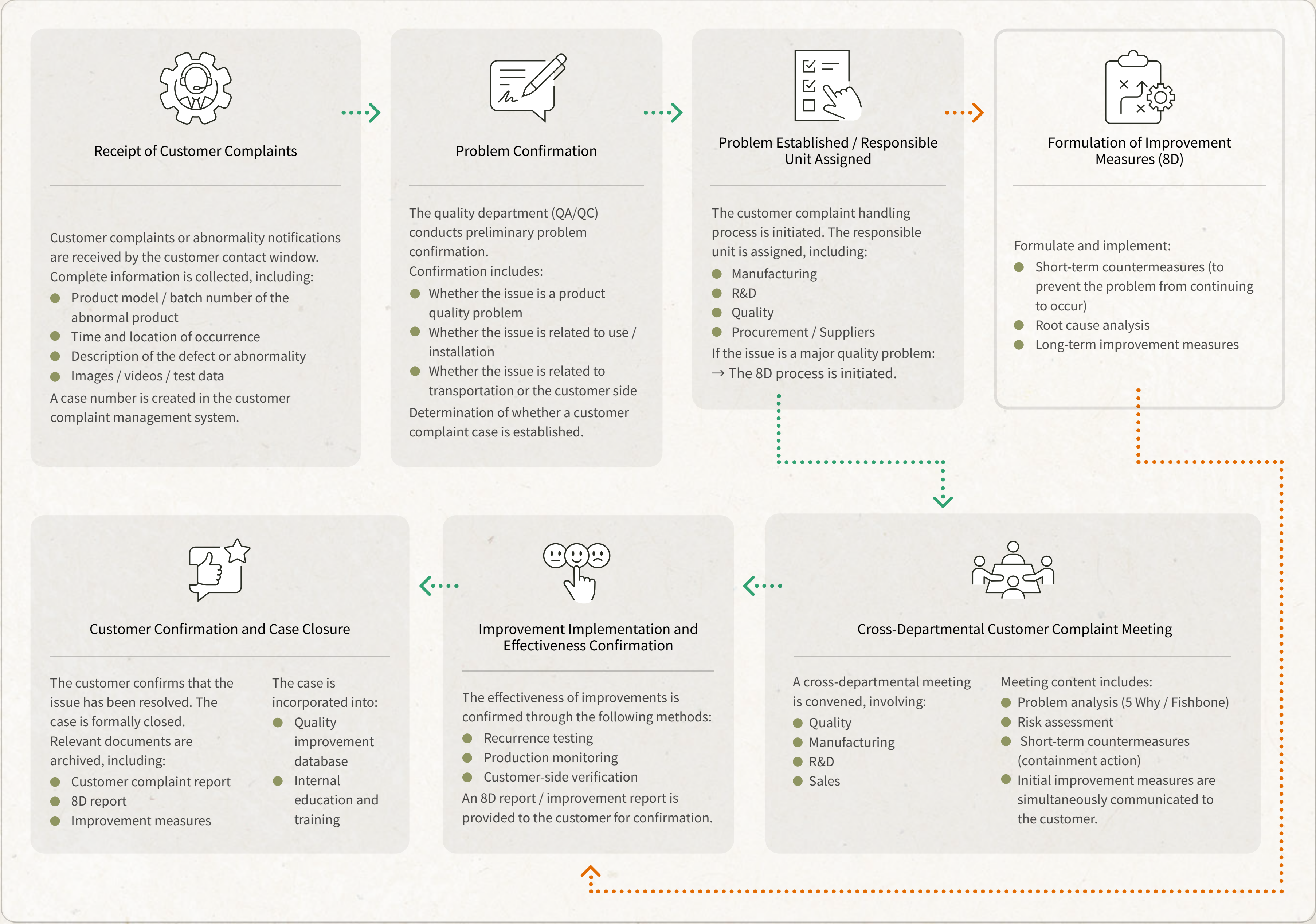
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Handling of Customer Complaints



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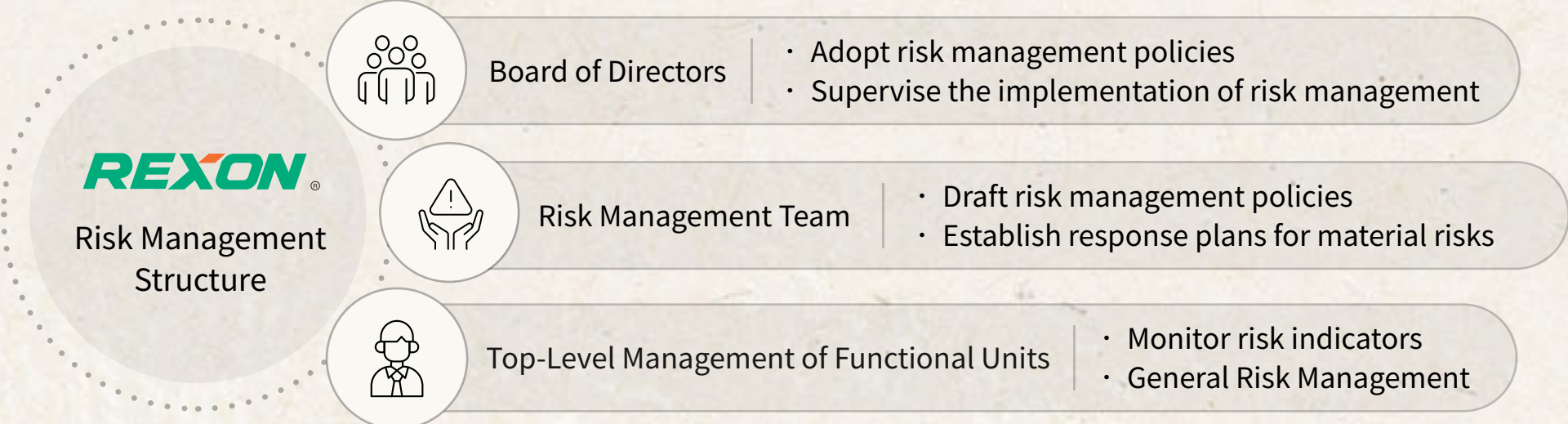
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2.5 Risk management



Management System

To ensure that decision-making is based not only on experience, but also on foreseeable and controllable foundations, in 2024 the Company formulated its “Risk Management Best Practice Principles” with reference to the Regulations Governing Establishment of Internal Control Systems by Public Companies and the Risk Management Best Practice Principles for TWSE/TPEX Listed Companies, with the aim of pursuing innovation while maintaining prudence and preserving long-term value amid changes. The principles were officially implemented in 2025. The Board of Directors is the Company’s highest risk management body. The unit responsible for risk management is the Risk Management Team, which is convened by the President, with the highest-ranking officers of each functional organization serving as team members. The highest-ranking officers of each functional organization serve as risk management implementation personnel and are responsible for general risk management, including monitoring risk indicators in daily management.



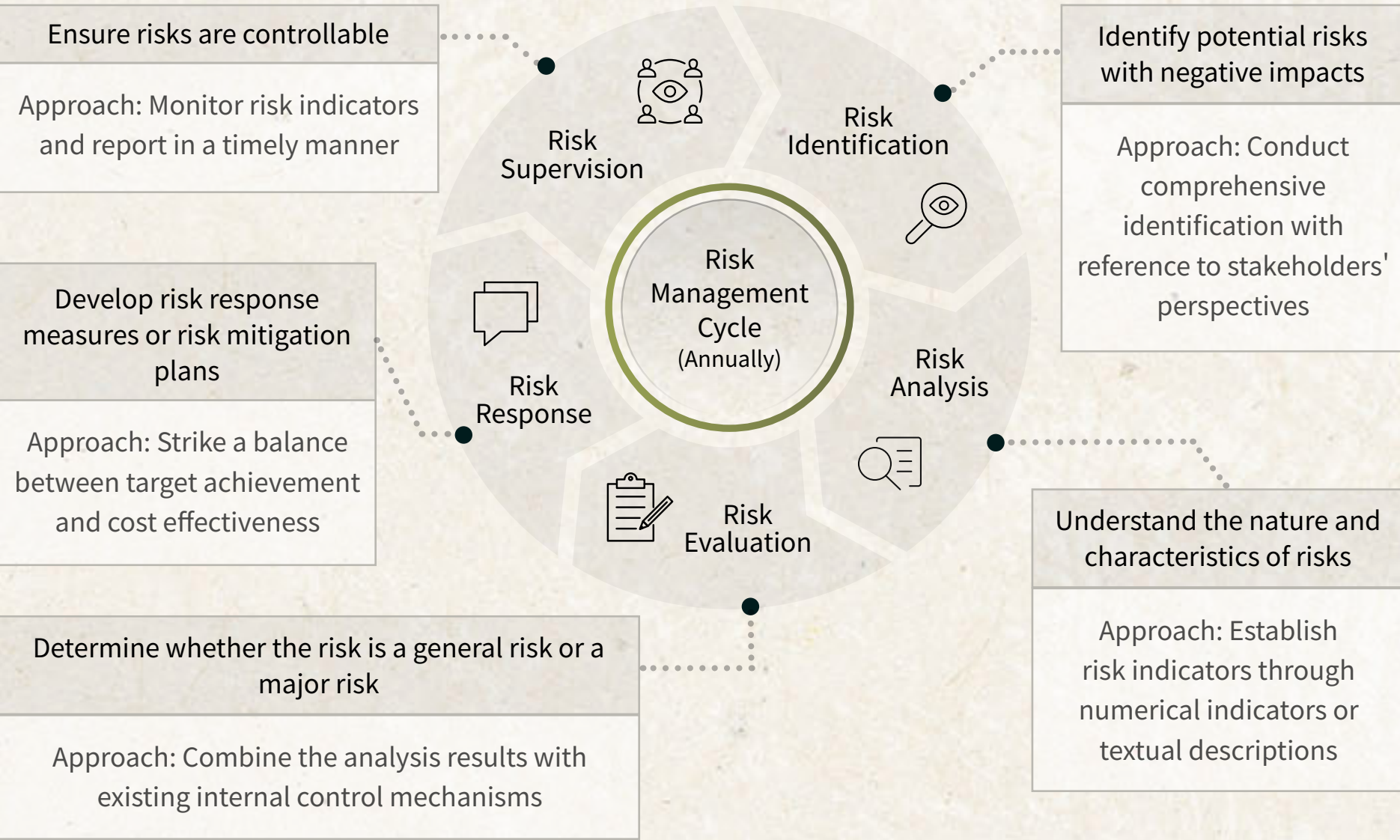


Implementation Results

The risk management process for the year was launched in August. Opinions were collected from the highest-ranking officers of each functional organization through questionnaires. The results were compiled in September, and the top 12 risks were selected. Following further discussion, these risks were consolidated into five major risks, which were finalized by resolution at the Vice Presidents’ meeting on December 19 and subsequently submitted to the Chairman for confirmation and approval of the implementation results for the year, as detailed in the table below.

Risk Event	Description	Potential Operational Impact (Example)	Countermeasures
Geopolitical Risk	The sales volume or costs of major product markets may be affected by political intervention.	U.S. reciprocal tariffs and the U.S.-China trade war.	All units work together, with management conducted through weekly Vice Presidents’ meetings and monthly business review meetings. Response measures are developed for abnormal fluctuations.
Exchange Rate Fluctuations	Exchange gains or losses may arise due to differences between the currencies of receipts and payments.	Significant appreciation of the NTD against the U.S. dollar in May 2025.	Led by the General Administration Division. When abnormal fluctuations occur, response measures are proposed and submitted to the Chairman and President.
Product Risk	● Products fail to meet customers' quality standards. ● Production yield is too low.	● Customer complaints may damage business reputation. ● Costs may increase or shipments may be delayed.	Led by the Technology Division. Reviews are conducted at weekly quality meetings, and reports are submitted at monthly Vice Presidents' meetings.
Market risk	● Sales are highly concentrated in a single customer. ● The customer's management team undergoes significant changes. ● Substitute products emerge or consumer trends change.	The Company's sales performance may fluctuate significantly.	Led by the Sales Division. Management is conducted through weekly Vice Presents' meetings and monthly business review meetings, and response measures are developed for abnormal fluctuations.
R&D and Technology Risk	● Lack of new technologies or materials makes it difficult to improve the precision of existing processes or reduce costs. ● Slow product innovation reduces customers' willingness to cooperate. ● Development time exceeds expectations.	The Company may be unable to gain a leading position in market competition, and customers may choose other partners.	Led by the Technology Division. Management and proposals are conducted through weekly Vice Presidents' meetings and monthly Green Innovation Committee meetings.

The Company conducts a complete risk management process once each year, consisting of five stages: risk identification, risk analysis, risk assessment, risk response, and risk monitoring and review, as detailed in the figure below.



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2.6 Information Security

The legal and regulatory basis of the information security policy is primarily derived from the ISO/IEC 27001 international standard, which serves as the core framework for technology and management, ensuring the systematic management of information security risks and maintaining the confidentiality, integrity, and availability of information assets. The scope of ISO/IEC 27001 certification covers only information security management activities of REXON Industrial, including core systems, information server rooms, and network service operations and maintenance management. REXON Technology is not included in the certification scope.



Material Topics

Information Security

Description of Positive Benefits

(Actual and Potential)

- Actual benefits: Passing the ISO 27001 audit each year strengthens information security protection, ensures operational continuity, protects customer data and trade secrets, and enhances the Company's reputation and market competitiveness.
- Potential benefits: Compliance with regulatory requirements (such as the Personal Data Protection Act and the Cyber Security Management Act) reduces the risk of legal or regulatory penalties and attracts customers and investors who value information security governance.

Description of Negative Benefits

(Actual and Potential)

Potential impacts: As the Company implements ISO 27001 management procedures and has established sound systems and hardware architecture, no actual negative impacts occurred in 2025. However, insufficient information security awareness among personnel or technological gaps may increase potential risks to corporate operating costs and management.

Management Mechanisms/ Measures

- Information Security Management System (ISMS): Establish, implement, maintain, and continuously improve the ISMS in accordance with ISO 27001 standards.
- Policies and regulations: Establish and announce the "Information Security Policy" and related management rules to ensure confidentiality, integrity, and availability.
- Risk management: Regularly conduct information security risk assessments, information security health checks, and vulnerability scans, and introduce multi-layered technical protection measures (such as WAF, NDR, and EDR).
- Incident response: Establish and regularly conduct drills for information security incident response plans (BCP/DRP) to ensure rapid and effective response when incidents occur.
- Education and training: Regularly conduct information security and personal data protection education and training for all employees to enhance information security awareness.

Complaint/ Communication Channels

The Company provides anonymous, confidential, and traceable grievance and feedback channels to ensure that suggestions or incidents related to information security concerns can be responded to and handled in a timely manner.

Internal complaint: https://www.tovery.net/guestbook.asp?user=rexon_hr&page=1 (Rexon Whisper Message Zone)

External complaint: invest@rexon.com.tw

2025 Action Plan Implementation Results

Action Plan

Continue to conduct **ISO 27001 surveillance review operations** and make improvements based on audit results.

Implementation Results

Successfully passed the **ISO 27001** surveillance review.

Achievement status of 2025 Goals

Goals

0 information security incidents (no information security incidents with material operational impact).

Achievement Status

Goals achieved
Achieved. No material information security incidents occurred during the year.

Short/Medium/ Long-term Goals

Short-Term Goals (2026-2027 years)

2026: Pass the ISO 27001 surveillance review.
2027: Extend the certification scope from the information department to the development department to strengthen information protection in R&D processes.

Medium-Term and Long-Term Goals (2028-2032years)

2028 to 2029: Continue to promote ISO 27001 information security governance and deepen information security resilience.
2030 to 2032: Promote the enhancement of information security governance levels, bring information security investment to international benchmark levels, and meet the expectations of customers and suppliers.

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I. Organizational Structure



The Information Security Committee is convened by the highest-ranking information officer, with department heads serving as members. The committee is responsible for reviewing matters related to information security management and convening cross-departmental resource coordination meetings as needed. It is also responsible for coordinating the allocation of resources required for the implementation of the information security management system.

Implementation Results

Executive Secretary

Information Security Audit Team

Information Security Implementation Team

Emergency Response Team

II. Implementation Measures



Education and Training

Conduct information security education and training to promote employees' awareness of information security and strengthen their understanding of related responsibilities.



Information Protection

Protect information relating to the Company's business activities from unauthorized access and modification to ensure its accuracy and completeness, and ensure that the Company's key core systems maintain a certain level of system availability.



Regular Audits

Conduct audits each year and improve identified deficiencies to ensure information security.

III. Results and Cases

1 Education and Training

Course Title	Number of Participants	Number of Qualified Participants	Completion Rate
Information Security Awareness on Phishing and Online Fraud Prevention	93	89	95%
Trojan Attacks	98	98	100%
Account Theft, Personal Data Leakage, and Disinformation Attacks! What Should You Do in the Face of Information Warfare?	94	90	95%
Do Your Part Be Cyber Smart	78	76	97%
The Temptation of Apps	53	52	98%
Why Software Updates Are Important	80	78	97%
Use AI Tools with Caution Information Security Risks of AI Tools	106	105	99%
Information Security Crisis in the AI Era What Are the Risks of Generative AI?	47	43	91%



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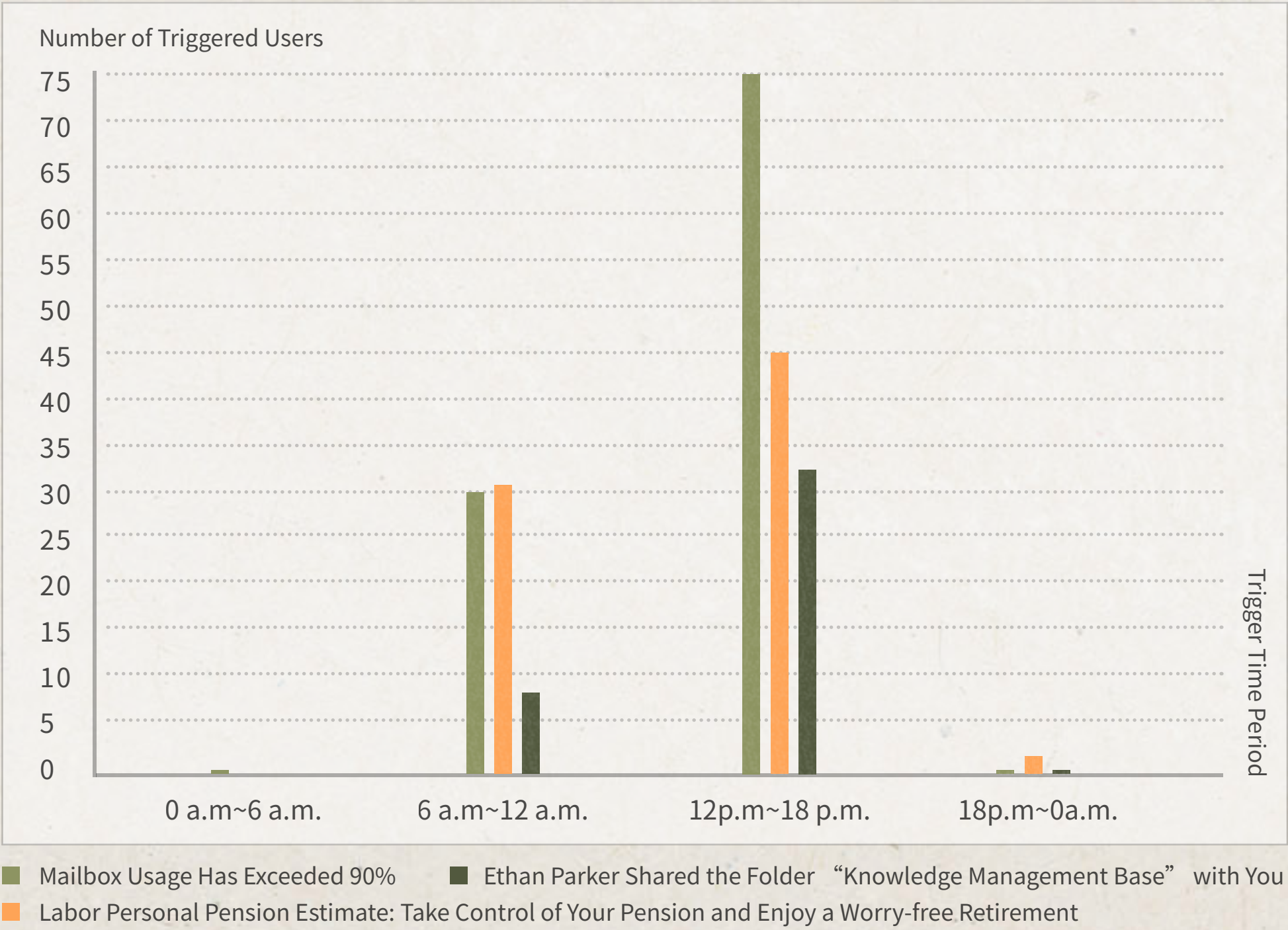
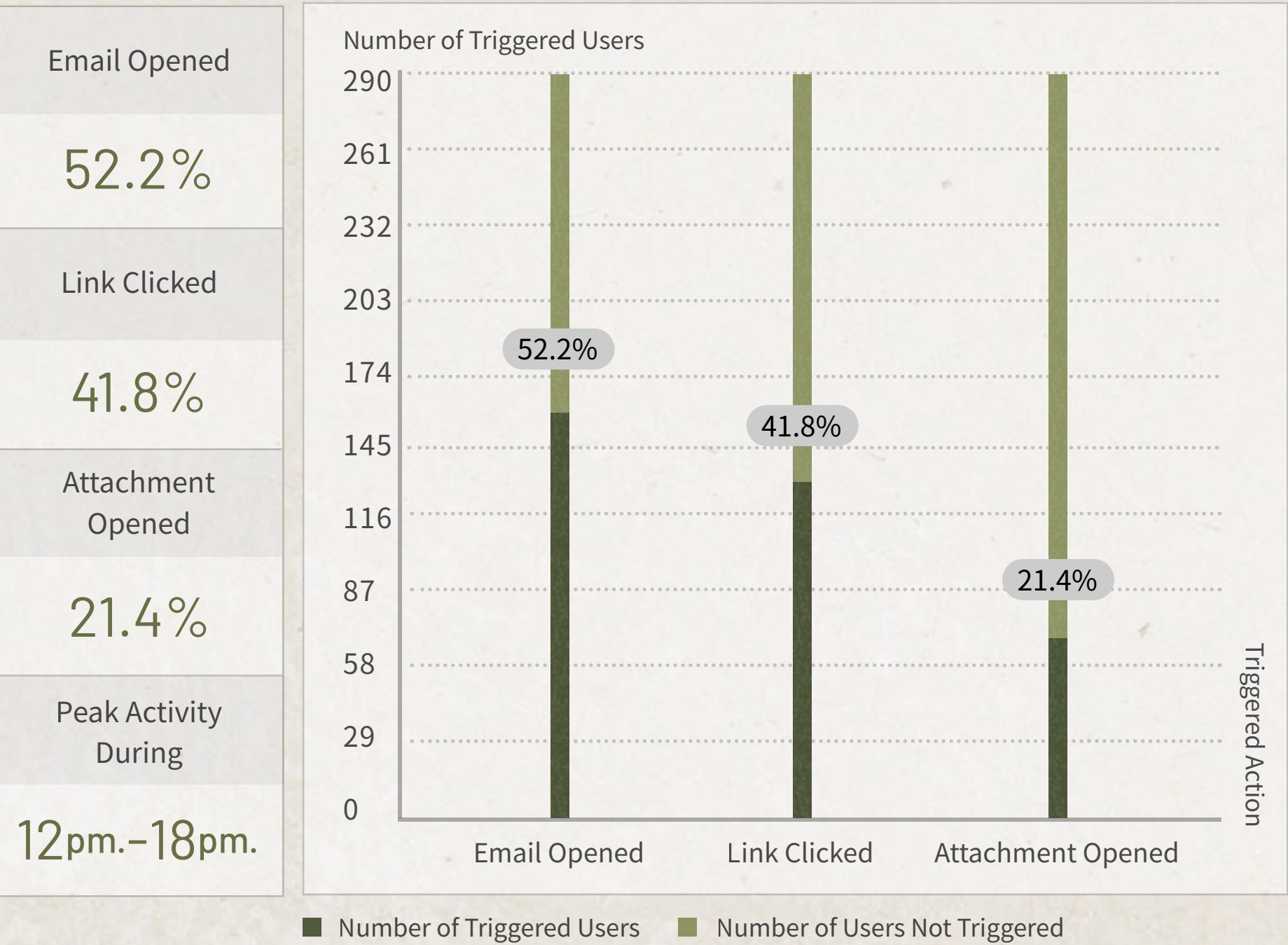
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III. Results and Cases

2 Information Protection

- According to the “Network and System Security Management Manual,” both internal and external personnel are required to complete relevant applications before they may access the Company's systems. In 2025, maintenance contracts were signed for all key core systems to ensure system availability.
- In July 2025, backup and restoration drills were conducted for two key core systems.
- In August 2025, a social engineering drill was conducted to test employees' sensitivity to phishing emails, identify which types of emails were more likely to be triggered, and require employees who triggered the test to receive education and training. (How to connect with the figure below)



3 Regular Audits



This year, one restoration drill for the ERP and PLM systems was completed to ensure business continuity.



Each year, deficiencies are improved based on corrective action forms, and the effectiveness of improvements is tracked regularly to reduce the Company's information security risks.



According to the “Information Security Target Effectiveness Measurement Form,” there were zero incidents of unexpected interruption exceeding 8 hours in a single occurrence.



No material information security incidents occurred this year.

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2.7 Integrity and Ethics

To implement ethical conduct and ethical corporate management and facilitate sustainable development, Rexon Industrial has established and maintained a sound corporate governance system. The Company has adopted regulations relating to employee ethical conduct, including the “Corporate Governance Best Practice Principles,” “Sustainable Development Best Practice Principles,” “Code of Ethical Conduct,” “Rexon Group Employee Code of Conduct,” and “Ethical Corporate Management Best Practice Principles,” which serve as relevant standards and behavioral norms for the Company in fulfilling its corporate social responsibility. The corporate governance unit is responsible for formulation, supervision and implementation of ethical management policies and prevention plans. It provides periodical education and training for employees and stakeholders, signs self-discipline documents, provides complaint channels, and enhances the importance of the anti-corruption policy to help employees and stakeholders understand the ethical management policy of the Company and the consequence and risk of violation.



Material Topics

Ethical Corporate Management



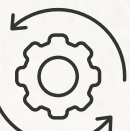
Description of Positive Benefits
(Actual and Potential)

The Company upholds “integrity” as a core value of corporate management and has established comprehensive Ethical Corporate Management Best Practice Principles and an internal audit system to ensure that all business activities comply with laws, regulations, and ethical standards. During the reporting period, the Company maintained sound corporate governance performance, with no material corruption, misconduct, or legal proceedings, fines, or sanctions arising from violations of ethical principles, demonstrating the Company's determination to continuously implement ethical corporate management and transparent management. Through institutionalized risk control mechanisms and employee education and training, the Company not only strengthens internal controls, but also continues to enhance the trust and reputation of external stakeholders in the enterprise, laying a solid foundation for sustainable operations.



Description of Negative Benefits
(Actual and Potential)

Once an integrity-related incident occurs, regardless of its severity, it may seriously damage the Company's corporate image as an international professional manufacturer and undermine customer trust. Any corruption or fraudulent conduct would result in misallocation of resources and improper transfer of benefits, weaken the fairness of decision-making and operational efficiency, and in turn affect the Company's competitiveness and innovation momentum. Therefore, the Company continues to strengthen internal control audits, education and training, and the development of an integrity culture to prevent any potential misconduct and ensure that corporate governance continues to advance toward transparency, integrity, and accountability.



Management Mechanisms/ Measures

The Company upholds the business philosophy of integrity, openness, transparency, and responsibility. It has formulated ethical corporate management policies and implements its ethical conduct and ethical corporate management systems based on the principles of “fairness, honesty, trustworthiness, and transparency,” actively preventing any unethical conduct. The Company's “Ethical Corporate Management Best Practice Principles,” “Code of Ethical Conduct,” and “Reporting and Grievance Procedures” have all been reviewed and approved by the Board of Directors, and are regularly reviewed and amended to ensure that the policy direction keeps pace with current developments, demonstrating the commitment of the highest governance level to ethical corporate management.



Complaint/ Communication Channels

The Company has established diversified internal and external communication and grievance mechanisms to protect the anonymity and immunity rights and interests of whistleblowers. Cases are accepted and follow-up handling results are tracked by an independent unit to ensure that all cases are handled based on the principles of fairness, impartiality, and confidentiality.

- Professional Ethics and Integrity**
Grievance channel email: audit@rexon.com.tw
Written correspondence: No. 261, Renhua Rd., Dali Dist., Taichung City
Responsible Department: Chief Audit Office
- Corruption and Bribery**
Phone: 04-24914141#6211
Email: GSCM@rexon.com.tw
Responsible Department: Procurement Department
- Reporting and Grievances**
Grievance channel email: audit@rexon.com.tw
Written correspondence: No. 261, Renhua Rd., Dali Dist., Taichung City
Responsible Department: Chief Audit Office

2025 Action Plan Implementation Results

Action Plan

- All new employees are required to receive pre-employment training on integrity and ethics on the day of onboarding.
- At least one integrity and anti-corruption awareness course is held each year (including online learning).
- The implementation results and promotion status of ethical corporate management for the year are reported to the Board of Directors on a regular basis each year.

Implementation Results

- In 2025, all new employees completed pre-employment integrity and ethics training on the day of onboarding, **totaling 91 participants.**
- Ethical corporate management education and training was held, with a **total of 496 participants.**
- The implementation results of ethical corporate management were reported to the Board of Directors on November 3, 2025.

Achievement status of 2025 Goals

Goals

- All new employees complete pre-employment training on integrity and ethics on the day of onboarding.
- At least one integrity and anti-corruption awareness course is held (including online learning).
- The implementation results and promotion status of ethical corporate management are reported to the Board of Directors on a regular basis each year.

Achievement Status

Goals achieved

- Completed. All **91 participants** completed the training.
- Completed. **A total of 496 participants attended.**
- Completed. The report was submitted to the Board of Directors on November 3, 2025.

Short/Medium/ Long-term Goals

Short-Term Goals (2026-2027 years)

- Achieve a 100% completion rate for ethical corporate management courses for new employees.
- Achieve 70% coverage of employee integrity education and training.
- Maintain zero violations of ethical corporate management.

Medium-Term and Long-Term Goals (2028-2032years)

- Achieve 100% coverage of employee integrity education and training.
- Continue to maintain zero violations of ethical corporate management.
- Strengthen the internalization of integrity culture and establish it as a core value of corporate governance.

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Compliance with Laws and Regulations

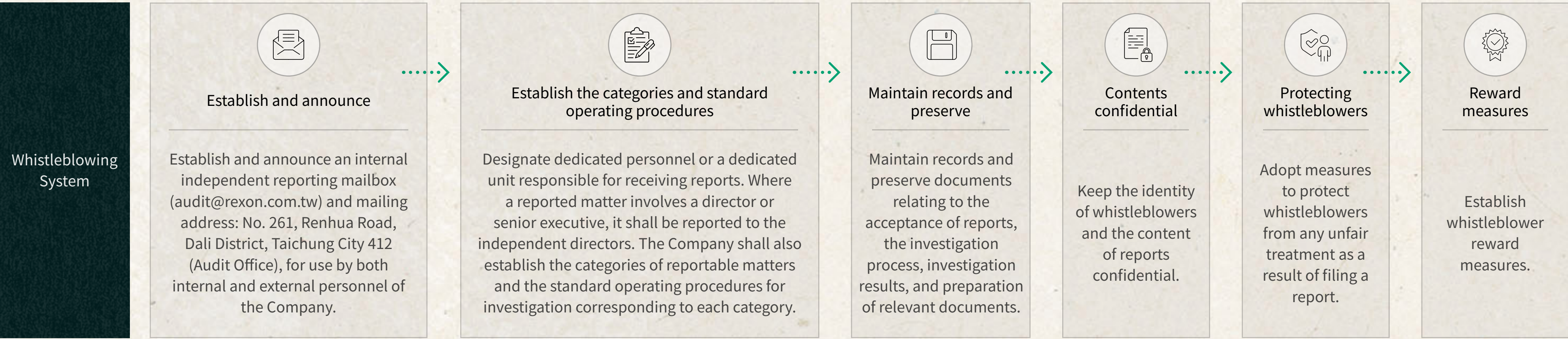
During the reporting period, REXON Industrial complied with relevant laws and regulations in all operating activities, and no material violations occurred (please refer to the notes below for the definition of material violations). However, certain violations occurred in 2025 (summarized in the table below). After the occurrence of each incident, the Company promptly conducted cause analysis and internal review in accordance with its existing legal compliance and risk management mechanisms, and implemented source management from the system and process perspectives. Based on these efforts, the Company formulated and implemented specific improvement plans and preventive measures to strengthen the effectiveness of legal compliance management and reduce the risk of similar incidents in the future. During the reporting period, total fines amounted to NT\$71,132.

Factory Area	Competent Authority Imposing the Penalty	Description of Violation	Violated Laws and Regulations	Countermeasures	Amount of Fines (NT\$)
Taiwan - Renhua Plant	Energy Administration, Ministry of Economic Affairs	Late submission of corrected documents for the 2023 energy audit system declaration form.	Article 24, Subparagraph 1 and Article 21, Subparagraph 3 of the Energy Administration Act	1. Strengthen education and training for internal personnel on declaration procedures to improve timeliness and accuracy. 2. Establish a review and reporting mechanism to ensure the complete implementation of the process.	50,000
Taiwan - Renhua Plant	Land Administration Bureau, Taichung City Government	Public petition concerning illegal land use.	Article 15 of the Regional Plan Act	1. Implement source management mechanisms and conduct a comprehensive land use inventory at the same time to confirm compliance with current laws and regulations and reduce potential violation risks. 2. For land parcels involving violations, initiate legal procedures for land use change in accordance with relevant laws and regulations to ensure that land use complies with regulatory requirements.	21,132

Note: Material violations refer to incidents involving violations of the Criminal Code or administrative laws and regulations, fines of NT\$1 million or more, unlawful conduct by senior management, or material adverse impacts such as suspension of business or loss of operating qualifications.

Whistleblowing System and Whistleblower Protection Mechanism

The Company's "Ethical Corporate Management Best Practice Principles" expressly set forth the relevant mechanisms for reviewing and amending ethical corporate management policies and measures, as well as for providing recommendations on organizational integrity: "The Company shall at all times monitor the development of domestic and international regulations relating to ethical corporate management, and encourage directors, managerial officers, and employees to provide recommendations, based on which the Company shall review and improve its ethical corporate management policies and measures, so as to enhance the effectiveness of implementation of ethical corporate management." The principles also expressly set forth the reporting mechanism under the "reporting system" for violations of employee ethical conduct, and the Company is committed to ensuring that whistleblowers will not be subject to any unfair treatment as a result of filing a report:



According to statistics, in 2025, REXON Industrial did not receive any reported cases involving violations of ethical corporate management through the above reporting system.

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Assessment
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Communication
and Training



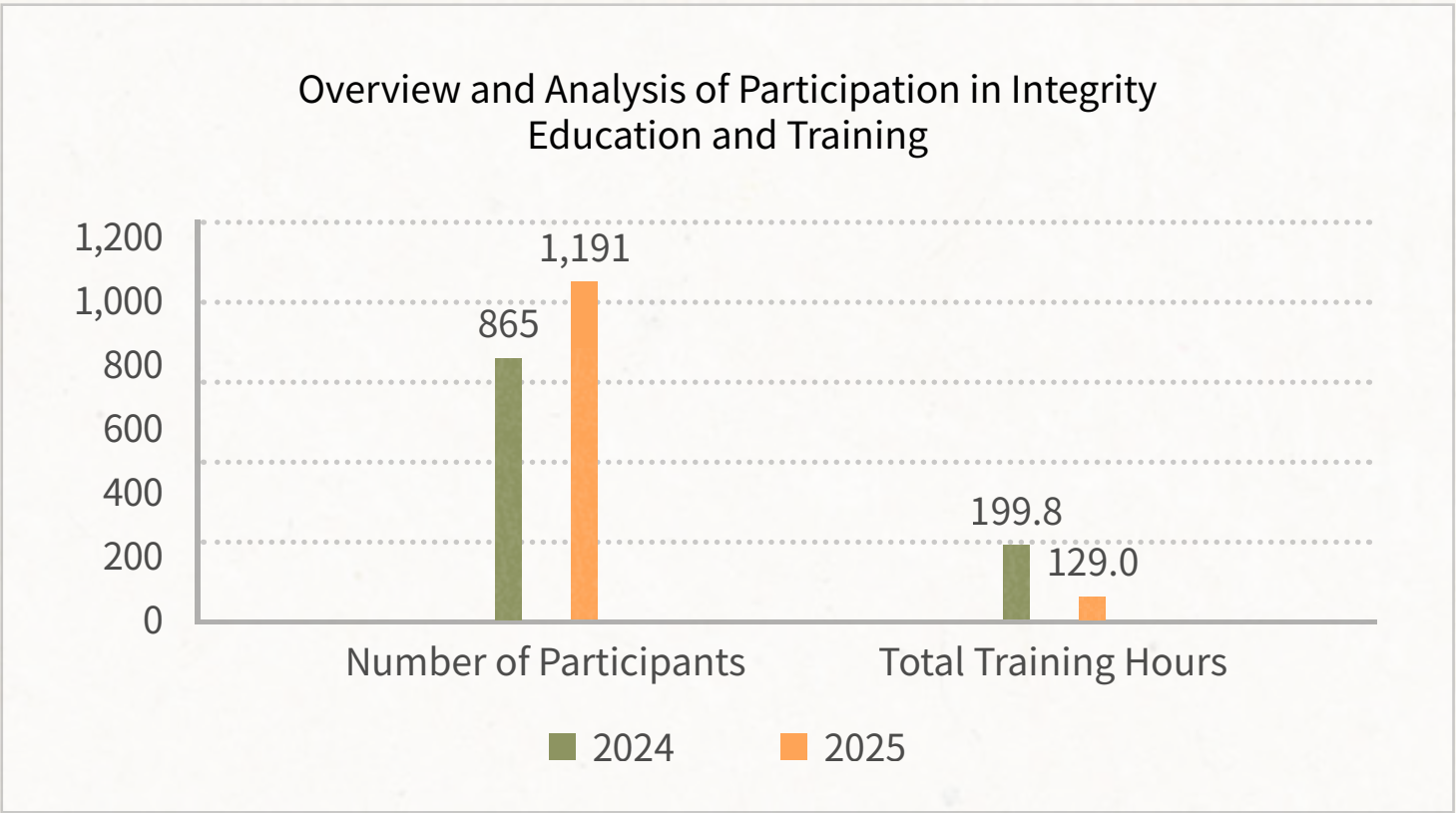
Specific Results

The 2025 assessment covered operating sites including REXON Industrial (main plant), REXON Technology, and Tongxiang REXON. REXON Vietnam was still under construction in 2025 and was therefore not included in the assessment scope. Assessment is expected to be conducted after production commences. The 2025 assessment focused on anti-corruption, misconduct prevention, and strict discipline. Corruption incidents were supervised and audited through the internal control and internal audit systems, and internal control risk assessments were conducted to identify business activities with significant corruption risks. Based on the results, internal audit formulated the annual internal control audit plan. Internal control self-assessments and legal compliance self-assessments are also conducted each year to ensure that the design and implementation of the internal control system remain effective and to prevent unethical conduct.



For senior managerial officers and middle- and entry-level supervisors, REXON Industrial conducted approximately 84 hours of awareness activities related to corporate governance and ethical corporate management. Through videos and digital materials on the internal REXON Academy education and training platform, the Company ensured that participants fully understood its commitment to ethical corporate management, related policies, prevention programs, and the consequences of unethical conduct. For general employees, awareness is promoted through bulletin boards to ensure that all employees jointly comply with the philosophy of ethical corporate management. The coverage rate of related regulatory awareness and training was 100%, covering a total of 656 employees.

Region	Number of Employees Familiar with the Company's Anti-Corruption Policy and Procedures	Number of Employees	Percentage	Method
Senior Executives	18	18	100%	Through the internal education and training platform of REXON Academy
Middle Managers	30	30	100%	
Front-line Supervisors	59	59	100%	
General Employees	94	549	100%	Notice Board Announcements and Promotion
	455			



1. Corruption-related Risk Assessment :
In 2025, corruption-related risk assessment was conducted only for the parent company, REXON Industrial, with a completion rate of 33%. In 2025, no employees of REXON Group were dismissed or subject to disciplinary action due to corruption, and no contracts with business partners were terminated or not renewed due to corruption-related violations. No incidents involving violations of ethical corporate management or ethical conduct occurred.
2. Internal Control Audit :
The Company has fully computerized its operations and uses information systems to connect six major management functions, namely human resources, finance, sales, production, materials, and R&D. The Audit Office develops relevant audit plans based on the result of the risk assessment, including the target, scope, items, and frequency of the audit, and checks the compliance of the prevention plan accordingly. In 2025, audit items covered 56 items, including sales and collection, procurement and payment, production, payroll, financing, fixed assets, computer information, investments, and other management cycles, to assess operating effectiveness and efficiency, reliability of financial reporting, and legal compliance. The actual audit results identified 18 deficiencies, all of which were clerical omissions or incomplete information, with no material deficiencies. The deficiencies with respect to the internal control system and abnormalities identified during the audit have been documented and subjected to follow-up actions. All the deficiencies have been rectified with a completion rate of 100%.



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Related Perspectives		Complaint Channels		Investigation Process
 Professional Ethics and Integrity	>	Email: audit@rexon.com.tw Address: No. 261, Renhua Rd., Dali Dist., Taichung City Responsible Department: Audit Office	>	1. Complaint Receipt and Filing. 2. Fact Investigation. 3. Investigation Results and Disposition Recommendations. 4. Finalization and Response to the Complainant.
 Corruption and Bribery	>	Phone: 04-24914141#6211 Email: GSCM@rexon.com.tw Responsible Department: Procurement Department	>	1. Each complaint case is handled by a designated person/project team. 2. Cases are assigned to the relevant departments or discussed by the Appraisal Committee based on the nature of the case, and a response is required to be provided to the complainant within the specified time limit. 3. If the situation is deemed significant, it will be submitted to the Chairman for review; if it involves senior executives, it will be reported to the Board of Directors for handling.
 Product and Services	>	Phone: 04-24914141 Email: sales@rexon.com.tw Responsible Department: Customer Service Department	>	1. Customer feedback is recorded in the Customer Feedback Handling System. Dedicated contacts in the Customer Service Department or Customer Business 2. Representatives will contact customers within 24 hours and provide handling solutions.
 Human Rights-Related Issues	>	Phone: 04-24914141#6181 Anonymous QR Code Whisper Zone Responsible Department: Human Resources Department	>	1. Complaint cases are handled by a designated person/project team. 2. Cases are assigned to the relevant departments based on the nature of the case, and a response is required to be provided to the complainant within the specified time limit. 3. If the situation is deemed significant, it will be submitted to the President and Chairman for review.