

Stock code
2457

Phihong Technology Co., Ltd.

Year 2025

Annual Report

Websites for Annual Report Publication

Taiwan Stock Exchange Market Observation Post System:

<https://mops.twse.com.tw>

Company Website: <https://www.phihongtech.com/>

Published Date: May 13, 2026

I. Company's Spokesperson:

Spokesperson:

Name: Vincent Chien

Title: Vice President

Telephone Number: (03)327-7288

E-mail: spokesman@phihong.com.tw

Deputy Spokesperson:

Name: Lin, Chung-Min

Title: Chairman and CEO

Telephone Number: (03)327-7288

E-mail: spokesman@phihong.com.tw

II. Address of the Company:

Address: No.568, Fuxing 3rd Rd., Guishan Dist., Taoyuan City 333, Taiwan

Telephone Number: (03)327-7288

III. Common Share Transfer Agent and Registrar:

Name: The Transfer Agency Department of Chinatrust Commercial Bank

Address: 5/F, No.83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei
City 100, Taiwan

Telephone Number: (02)6636-5566

Website: <http://www.ctbcbank.com>

IV. Auditors

Name: Chih-Yi Chang and Hong, Kuo-Tien

Company: Deloitte & Touche

Address: 20F, Taipei Nan Shan Plaza No. 100, Songren Rd., Xinyi Dist.,
Taipei 110, Taiwan

Telephone Number: (02)2725-9988

Website: <https://www.deloitte.com>

V. Overseas Securities Exchange: None

VI. Phihong Technology Co., Ltd. Website:

<https://www.phihongtech.com/>

Table of Contents

I. Letter to Shareholders	1
II. Corporate Governance Report	6
1. Information on Directors, President, Vice Presidents, Assistant Vice Presidents, Heads of Departments, and Branch Offices Management	6
2. Remuneration to Directors, President, and Vice Presidents.....	14
3. Implementation of Corporate Governance	21
4. Information on CPA Professional Fees	92
5. Information on Replacement of CPAs	92
6. Chairman, President, or Any Managerial Officer in Charge of Financial or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the CPAs' Accounting Firm or at an Affiliate of Such Accounting Firm.....	92
7. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (in the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report) by Directors, Managerial Officers, or Shareholders with a Stake of More than 10%.....	93
8. Information of Shareholder Being a Related Party, Spouse or Relative within the Second Degree of Kinship of Another with number of shareholding ranked in top 10.....	94
9. The number of shares held by the company, its directors, managers, and businesses directly or indirectly controlled by the company in the same investee company, and the consolidated holding ratio	95
III. Fundraising Status	96
1. Capital and Shares	96
2. Corporate Bonds.....	99
3. Preferred Shares	100
4. Global Depository Shares.....	100
5. Employee share subscription warrants	100
6. New Restricted Employee Shares	100
7. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies	100
8. Status of fund deployment plan execution	100
IV. Overview of Operations.....	101
1. Description of Business.....	101
2. Analysis of Market as well as Production and Marketing Situation	114
3. Information on Employees for the Two Most Recent Fiscal Years and during the Current Fiscal Year Up to the Date of Publication of the Annual Report	134
4. Disbursements for Environmental Protection	134
5. Labor Relations	135
6. Cyber Security Management.....	140
7. Important Contracts	143

V. Review and Analysis of Financial Position and Performance, and Risk Factors	145
1. Financial Position	145
2. Financial Performance.....	146
3. Cash Flow.....	147
4. Effect Upon Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year	148
5. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year	148
6. Risks and Assessments for the Most Recent Year and up to the Date of Printing of the Annual Report	149
7. Other Important Matters	154
VI. Special Disclosure	155
1. Information on Affiliates.....	155
2. Private Placement of Securities during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report	165
3. Other Supplementary Information.....	165
4. Matters of Significant Effects on Shareholders' Interests or Securities Price Stipulated in Subparagraph 2, Paragraph 3, and Article 36 of the Securities and Exchange Act	165

I. Letter to Shareholders

Dear shareholders, ladies and gentlemen,

In 2025, the global economy exhibited highly volatile and divergent trends, impacted by three major headwinds: U.S. tariff policies, China's industrial overcapacity, and significant exchange rate fluctuations. First, the Trump administration's Q2 announcement of reciprocal tariffs on 60 countries triggered an immediate and substantial surge in front-loading shipments. However, this momentum proved short-lived. As inventories reached saturation, exports to the U.S. stagnated during the second half of the year. With investment and restocking efforts waning, the year concluded with heightened volatility in annual trade data. Second, the intensification of China's industrial overcapacity created a secondary ripple effect. Facing the dual pressures of a saturated domestic market and tariff hikes, low-priced Chinese goods flooded into third-party markets. This influx severely eroded the export competitiveness and profit margins of overlapping industries worldwide. Finally, the sustained strength of the U.S. dollar reversed after Trump took office. This shift prompted global financial institutions to accelerate currency hedging, which further exacerbated the dollar's depreciation. Consequently, the New Taiwan Dollar saw a rapid and significant appreciation in Q2, leading to substantial foreign exchange losses that weighed heavily on the operating profits of numerous companies.

The performance of the Zerova electric vehicle energy business fell short of expectations in 2025. Key factors included a contraction in the North American charging station market demand due to shifts in U.S. energy and EV subsidy policies, irrational price-cutting by competitors to clear excess inventory, and delays in new product launches. These challenges resulted in a marked decline in revenue, capacity utilization, and gross margins during the first half of the year. In response, the Company swiftly recalibrated its sales and operational strategies while implementing rigorous cost controls. By the second half of the year, operations had stabilized, with overall performance outperforming industry peers. The Power Supply Business achieved annual revenue growth of approximately 4% and a reduction in expenses of about 9%. However, the rapid and significant appreciation of the New Taiwan Dollar in Q2 triggered severe non-operating foreign exchange losses and eroded gross margins, weighing on overall results. Additionally, between September and December, the Company negotiated with customers to phase out high-volume, low-margin models to bolster future profitability. Furthermore, driven by the growing "China+" demand, the Vietnam facility's output now accounts for 51% of revenue and continues to rise. While the Group's 2025 performance did not meet original targets, management has proactively adjusted sales and product strategies, executed capacity consolidation, and applied rigorous cost-containment protocols. The benefits of these measures became evident in the second half of the year, positioning the Group for a return to profitability in 2026.

Global economic growth in 2026 is expected to remain resilient, though overall momentum may moderate or plateau compared to 2025. The economic outlook remains contingent on several pivotal variables: whether the AI industry sustains its rapid expansion or encounters a short-term market correction; the continued manifestation of U.S. tariff policy impacts; the resolution of China's industrial overcapacity; and the management of escalating raw material prices driven by geopolitical tensions and climate change. The global landscape will likely be defined by significant volatility, presenting a divergent array of risks and opportunities across regions and sectors. Management will remain vigilant in monitoring these developments, proactively capturing business opportunities, while maintaining the agility required to navigate ongoing uncertainties.

1. Financial Performance

(1) Implementation of Business Plan and Budget Execution

The Company's net operating revenue for 2025 was NT\$9,795,567 thousand, a decrease of approximately 10.11% compared to the net operating revenue of NT\$10,897,729 for 2024. The net loss after tax for 2025 was NT\$634,668 thousand, a decrease of approximately 407.61% compared to the net profit after tax of NT\$206,325 thousand for 2024. The overall operational performance for 2025 has met the internal targets set.

(2) Analysis of Financial Income and Expenditure and Profitability

1. Financial Income and Expenditure Analysis

Item \ Year	2024	2025	Changes %
Non-operating income and expenses	451,833	43,563	(90.36%)

The decrease in the Company's non-operating income and expenses in 2025 compared to 2024 was mainly due to a decrease in exchange gains resulting from exchange rate fluctuations in 2025.

2. Profitability Analysis

Item \ Year		2024	2025	
Profitability	Return on assets (%)	1.62	(3.96)	
	Return on equity (%)	2.13	(6.69)	
	Ratio to Paid-in Capital (%)	Net Operating Loss	(3.54)	(14.12)
		Net Profit (Loss) Before Tax	6.93	(13.09)
	Net Profit Margin (%)	1.89	(6.48)	
	Earnings (Loss) Per Share (NT\$)	0.48	(1.48)	

2. Research and Development Status

(1) Zerova Electric Vehicle Energy Business

- Bidirectional Power Technology Enabling V2G: Effectively utilizes EV battery capacity to enable electric vehicles nationwide to feed power back into the national grid or home energy storage systems via bidirectional power technology during emergencies; completed development of the DW50 series, offering simultaneous dual-port charging, support for bidirectional V2G (UL 1741/9741), and the capability to initiate EV reverse discharge during power outages; these units are available in freestanding, wall-mounted, or portable configurations and feature a 10-inch touchscreen to accommodate various application scenarios
- AD/DD Hybrid Charging and Storage Integrated Charging Station Technology: Supports energy storage systems and bidirectional V2G to enable the energy storage system to feed power back into the grid, thereby reducing power demand, facilitating peak shaving and valley filling to enhance grid efficiency and power stability, and supporting PCS functionality to lower overall costs
- High-Power Charging Product DQ 480: Supports up to 4 charging guns (including up to 2 water-cooled guns), with all 4 guns capable of parallel charging; reaches a charging current of 500A / Boost 750A; maintains a full 480kW power without derating at an ambient temperature of 50°C; equipped with an optional 21-inch advertising screen and a 7-inch control screen, making it ideal for high-power all-in-one charging stations or commercial applications requiring large-screen outdoor advertising charging stations
- MCS Megawatt Heavy-Duty Vehicle Charging Technology Development: Supports Level 2 MCS and CCS, available in dual-port and 16-port configurations to enable parallel

charging and Dynamic Power Sharing; supports MCS current output of 1500–3000 A / CCS with 600A boost capability; offers energy density that outperforms industry peer Alpitronic, saving installation space; compatible with all Zerova charging cabinets; designed for heavy-duty vehicles, including long-haul tankers, electric yachts, and mining transport vehicles; targets commercial, high-end private, and concessionary sectors

(2) Power Supply Business

By leveraging its core 3rd generation semiconductor product design and manufacturing technologies, as well as its strategic supply chain bargaining power, the Company delivers substantial value through high-efficiency, lightweight, and miniaturized solutions. Its focus on cost-effectiveness and ESG-aligned energy conservation and carbon reduction ensures sustained technological leadership and clear market differentiation.

By integrating years of expertise in computer simulation and physical design, along with big data collection, the Company ensures 100% design feasibility. This synergy shortens product development cycles, reduces development costs and resources, and secures the professional trust of its customers.

Targeting power battery charger applications, the Company continues to optimize and develop high-efficiency circuit platforms alongside innovative thermal management and waterproofing solutions. By integrating its software development capabilities, the Company is creating intelligent, high-power charging technologies to meet the demands for fast charging, lightweight design, miniaturization, and cost reduction, thereby strengthening its market competitiveness. Furthermore, it is leading the industry by introducing USB PD 3.1 Type-C 240W direct battery charging technology to help customers achieve long-term goals of cost reduction and improved energy conversion efficiency.

By introducing 3rd generation semiconductors, the Company has successfully developed a comprehensive range of USB PD chargers with power ratings of 65W, 100W, 140W, and 240W. The portfolio includes fixed-plug and plug-in wall chargers, as well as desktop chargers that cater to diverse customer needs and product applications, thereby expanding sales opportunities and distribution channels. Additionally, the Company provides both fixed and detachable output cable designs to comply with EU Type-C regulations.

POE Applications: The Company has completed the development of Fanless / Fan-cooled Open-Frame 100/260/460/550/950W models to penetrate the data center and network switch markets. Furthermore, it has pioneered the industry by developing bidirectional power and data conversion technology between POE and Type-C, enabling customers to build smart home and office applications. By leveraging its POE expertise, the Company has earned its customers' professional trust to begin the development of customized power supplies for low-Earth orbit satellite communications.

350-2000W Fully Digital Power Platform Technology and Product Development: Actively entering high-end niche markets such as 5G communications, data centers/network switches, network security systems, and gaming desktop power supplies.

3. Operating Policies and Objectives

(1) Corporate Development:

- Focus on maximizing corporate benefits and implement the 3-year growth strategy plan.
- Strengthen focus on strategy and capital allocation.
- Enhance corporate governance practices, implement pragmatic risk control, and strengthen ESG sustainable development.
- Prioritize shareholder returns and value.

(2) Zerova Electric Vehicle Energy Business:

- Build localized R&D, sales, product testing, and after-sales service teams.
- Introduce AI integration, third-party after-sales service partners, and new business model developments.
- Drive continuous R&D and innovation to improve CSR performance, reduce equipment footprint, advance multi-gun and MCS technologies, and integrate energy storage products to ensure long-term competitiveness.
- Strengthen global procurement capabilities to increase the ratio of transactions with original

- manufacturers for key components and achieve supply chain localization.
 - Establish a cost strategy team combining R&D, procurement, and production units for cost optimization.
 - Focus on quality, customer service, and global delivery capabilities.
 - Continue to build a resilient business model with diversified revenue streams.
- (3) Power Supply Business:
- Focus on improving the cost structure.
 - Continue production organization layout and integration to reduce costs and enhance competitiveness.
 - Deepen cultivation of strategic niche markets, customers, and product development.
 - Emphasize a business model focused on high-margin standard products.
 - Perfect production and service quality, enhance delivery capabilities and flexibility to win customer trust and loyalty.
 - Build 3rd generation semiconductors core technology and value.
 - Build simulation/physical design integration and software/hardware integration technical capabilities to demonstrate professional value.

4. Production and Sales Policy

We continue to cooperate closely with customers and the supply chain to accelerate global deployment and capacity allocation. When facing raw material shortages and price uncertainty, we actively adopt mutually beneficial solutions for shared prosperity. Key production and sales strategies are as follows:

- Deepen relationships with key strategic markets and customers, expanding the market share of the company's products through customer revenue growth and increased sales ratio to those customers.
- Continue to expand niche product application areas, increasing the revenue share of high-value-added products.
- Refine supply chain and capacity management, enhancing delivery flexibility to meet customer needs during peak/off-peak seasons and urgent orders.
- Continue to improve automated production techniques and intelligent process control capabilities to enhance production efficiency and quality.
- Consolidate factory capacity in response to market trends and effectively control operating expenses through the optimization of internal processes and human resources.
- Continue to perfect the local supply chain in Vietnam until it matures, achieving the ultimate goals of a short chain and cost reductions.

5. Impact of External Competitive Environment, Regulatory Environment, and Overall Business Environment

Regarding the regulatory environment, with rising awareness of environmental sustainability, internationally renowned brand customers have successively established high-standard supplier management codes, requiring supply chain compliance. Adhering to the spirit of sustainable development, the company integrates this spirit into the research, development, and mass production processes to achieve the operational goal of net-zero carbon emissions. The company continuously monitors changes in the legal environment and actively proposes countermeasures to mitigate operational risks.

The global economy remains resilient in 2026, though economic prospects continue to diverge across major regions. The US maintains robust growth, bolstered by strategic AI investment and supportive fiscal policy. Conversely, the Eurozone and the UK face diminishing momentum due to trade tariffs, competitive pressure from China, and tighter fiscal constraints. While Japan continues to promote investment in key industries, its export sector remains hamstrung by tariff barriers. Meanwhile, China faces significant pressure amid weak domestic demand and a sluggish housing market. Overall, the global economic outlook is defined by these divergent regional trends.

Looking ahead to 2026, the business environment remains characterized by complexity and uncertainty. Heightened geopolitical tensions, trade frictions, and volatile tariff policies have added significant pressure to supply chains and capital allocation. In response, the Company is prioritizing operational efficiency and cultivating a flexible, resilient, and smart framework to stay ahead of market volatility and mitigate potential risks. By strengthening its core competitiveness and deepening customer trust, the Company remains committed to sustained growth and profitability, while creating greater value for its customers and shareholders. In light of these product and operating strategies, the Company will refine its product portfolio in 2026, targeting a projected sale of 48 million units.

Finally, we once again sincerely thank all employees and shareholders for your long-term support and encouragement to the company. We extend our deepest gratitude!

We wish all our shareholders good health and all the best.

Chairman: Lin, Chung-Min Manager: Lin, Kuan-Hong Head of Accounting: Chiang, Yao-Lin

II. Corporate Governance Report

1. Information on Directors, President, Vice Presidents, Assistant Vice Presidents, Heads of Departments, and Branch Offices Management

(1) Director

April 13, 2026; Unit: shares %

Title	Nationality or Place of Registration	Name	Gender & Age	Date of Appointment	Term	Date of First Appointment	Shareholding at the Time of Appointment		Current Shareholding		Current Shareholding Held by Spouse & Minor Children		Shareholding in the Name of Others Shares		Education and Work Experience	Positions Concurrently Held at Other Companies	Executive, Director or Supervisor Who is Spouse or within the Second Degree of Kinship			Note
							Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)			Title	Name	Relationship	
Chairman	R.O.C.	Lin, Chung-Min	Male 71~ 80	June 9, 2023	3 years	June 15, 1981	51,703,063	13.78	54,541,837	12.84	4,240,081	1.00	0	0	Chairman of Phihong Technology Co., Ltd. Sales Engineer of I Yu Electric Co., Ltd. Electronic Equipment Maintenance Department, National Chia-Yi Industrial Vocational High School	Note 1	Director	Lin, Fei-Hong	Father & son	Note 3
																	Director	Lin, Kuan-Hong	Father & son	Note 2
Director	R.O.C.	Lin, Fei-Hong	Male 41~ 50	June 9, 2023	3 years	June 10, 2020	3,376,000	0.90	3,644,122	0.86	0	0	0	0	Executive Vice President, Spring City Resort Special Assistant to the Chairman of Phihong Technology Co., Ltd. BU Head of Electric Vehicle Energy BG of Phihong Technology Co., Ltd. Takushoku University	Note 3	Chairman	Lin, Chung-Min	Father & son	Note 1
		Director														Director	Lin, Kuan-Hong	Sibling	Note 2	
Director	R.O.C.	Kuan Feng Investment Ltd.	Not applicable	June 9, 2023	3 years	June 15, 2011	3,034,905	0.81	3,374,625	0.79	0	0	0	0	General Manager of H&Q Taiwan Co., Ltd. Master's in Business Management, National Chung Hsing University	Chairman, Black Marble Capital Management Co., Ltd. Chairman, Wan-Fu Venture Capital Co., Ltd. Chairman, MegaPro Biomedical Co., Ltd. Director, HT Precision Technologies, Inc. Independent Director, Qbic Technology Co., Ltd. Director, Ritek Corporation Director, Zhong Xuan Venture Capital Co., Ltd.	None	None	None	None
		Representative Chiang Wei-Feng (Note 5)	Male 61~ 70				0	0	0	0	0	0	0	0						
Director	R.O.C.	Kuan Feng Investment Ltd.	Not applicable	Jan. 1, 2025	3 years	Jan. 1, 2025	3,034,905	0.81	3,374,625	0.79	0	0	0	0	None	None	None	None	None	None
		Representative Lin, Kuan-Hong (Note 2)	Male 41~ 50				3,619,122	0.96	3,619,122	0.85	0	0	0	0						
Director	R.O.C.	Chen, Chun-Cheng (Note 7)	Male 61~ 70	June 10, 2025	3 years	June 10, 2025	435	0	435	0	0	0	0	0	CTO, Zerova Technologies Co., Ltd. Vice Chairman of R&D, Phihong Technology Co., Ltd. Department of Electronic Senior Director of Flextronics International (Taiwan) Ltd. Department of Electronic Engineering, Chung Yuan Christian University	Vice Chairman of Phihong Technology Co., Ltd.	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender & Age	Date of Appointment	Term	Date of First Appointment	Shareholding at the Time of Appointment		Current Shareholding		Current Shareholding Held by Spouse & Minor Children		Shareholding Held in the Name of Others		Education and Work Experience	Positions Concurrently Held at Other Companies	Executive, Director or Supervisor Who is Spouse or within the Second Degree of Kinship			Note
							Number of Shares	Shareholding (%) Ratio	Number of Shares	Shareholding (%) Ratio	Number of Shares	Shareholding (%) Ratio	Number of Shares	Shareholding (%) Ratio			Title	Name	Relationship	
Director	R.O.C.	Taiwan Cement Corporation Co., Ltd. (Note 8)	Not applicable	June 9, 2023	3 years	June 9, 2023	37,520,000	10.00	0	0	0	0	0	0	None	None	None	None	None	None
		Representative: Yu Ming-Jen (Notes 5, 8)	Male 51~60				0	0	0	0	0	0	0	0	CFO of Taiwan Cement Corporation Chief Financial Officer and Spokesperson of Taiguang Electronic Materials Co., Ltd. Chief Financial Officer of Hong Kong FIH Group /Executive Director of Group Director of Hong Kong United Group/President NYU Stern School of Business MBA Department of Economics, NTU	CFO of Taiwan Cement Corporation Independent Director of GlobalWafers Co., Ltd	None	None	None	None
Independent Director	R.O.C.	Hong, Yu-Yuan (Note 5)	Male 51~60	June 9, 2023	3 years	June 14, 2017	0	0	0	0	0	0	0	0	Chairman of Sam Kuei Construction Co., Ltd. PhD in Management, University of Sydney, Australia	Chairman of Sam Kuei Construction Co., Ltd. Director of Shun-An Development and Construction Co., Ltd. Chairman of Hong-Cheng Development and Construction Co., Ltd. Chairman of Cai-Fa Development and Construction Co., Ltd. Chairman of Sam Kuei Holding Co., Ltd. Chairman of Jinfa Development and Construction Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	Lin, Kuei-Hong (Note 5)	Male 51~60	June 9, 2023	3 years	June 14, 2017	20,578	0.01	20,578	0	0	0	0	0	Head of LOHAS Outdoor Products Enterprise Department of Public Administration, Tamkang University	Head of LOHAS Outdoor Products Enterprise	None	None	None	None
Independent Director	R.O.C.	Wu, Chung-Shu (Note 5)	Male 61~70	June 9, 2023	3 years	June 9, 2023	0	0	0	0	0	0	0	0	Chair Professor at Department of Economics, School of Business, Soochow University Adjunct Research Fellow at Institute of Economics, Academia Sinica Adjunct Professor at Department of Economics, National Taiwan University President of Chung-Hua Institution for Economic Research Ph.D. in Economics, Northwestern University	Chairman of the Taiwan Institute of Economic Research Independent Director of Cheng Shin Rubber Ind. Co., Ltd. Independent Director of Far Eastern New Century Corporation	None	None	None	None
Independent Director	R.O.C.	Kang, Hui-Mei (Note 6)	Female 51~60	Jun. 12, 2024	3 years	Jun. 12, 2024	0	0	0	0	0	0	0	0	President of IBF Securities Co., Ltd. Independent Director of Taiwan Liposome Co., Ltd. CEO of Polaris Securities Department of International Business and Trade, NTU EMBA, International Business, NTU	Director & General Manager of WiXtar Corporation Chairman of Wilmar International Investment Limited Independent Director of Wonder Pets Enters Co., Ltd.	None	None	None	None

Note 1: Chairman of Guang-Lai Investment Co., Ltd., Spring City Resort Co., Ltd., Phihong (Dongguan) Electronics Co., Ltd., Phihong Electronics (Suzhou) Co., Ltd., Jin-Sheng-Hong (Jiangxi) Electronics Co., Ltd., Chairman of Dongguan Shuang-Ying Electronics Co., Ltd.; President of PHIHONG VIETNAM CO., LTD.; Director of Phihong International Corp.; Representative of Director of Phitek International Co., Ltd.; Representative of Director of ASCENT ALLIANCE LTD.; Corporate Director Representative of Han-Yu Venture Capital Co., Ltd.; Corporate Director Representative of Zhong Xuan Venture Capital Co., Ltd.; Corporate Supervisor Representative of Taiwan Cultural & Creativity No. 1 Co., Ltd.; Chairman of Pu-Jen Electronic Technology (Shanghai) Co., Ltd.; Corporate Director Representative of BMC Venture Capital Investment Corporation; Corporate Director Representative of BMD Venture Capital Investment Corporation.

Note 2: (1) The Chairman and General Manager of the Company are relatives within the first degree of kinship. The reason, reasonableness, and necessity:

The Company's new President, Mr. Lin, Kuan-Hong, joined the Company's operational system immediately after graduation. He has experience in several important departments, including the European/American and American business groups. Starting as a sales representative in 2005, he was gradually promoted to section manager and manager. Since 2016, he has served as the director and senior director of the American Business Group and the Smart Power Business Group, accumulating rich international market experience and capabilities in power product development and promotion. Starting in 2023, he served as a special assistant to the Smart Power Business Group and concurrently as Vice President of the Production and Manufacturing Center, actively participating in company operations and decision-making, demonstrating high leadership potential and cross-departmental integration capabilities.

Mr. Lin, Kuan-Hong has a deep understanding of the Company's products, customers, market, and corporate culture, and also meets the company's requirements for successors regarding integrity, innovative thinking, and the ability to undertake challenges. His complete experience and outstanding capabilities meet the reasonableness and necessity requirements for assuming the position of President, and will contribute to the company's sustainable operation and stable development.

(2) Response Measures: The Company held a by-election at the 2024 Annual General Shareholders' Meeting to elect 1 independent director, Ms. Kang, Hui-Mei. Currently, there are 4 independent directors in total, and more than half of the directors do not concurrently serve as employees or managers, thereby continuously strengthening the board's supervisory functions and ensuring the sound operation of the corporate governance mechanism.

Note 3: Representative of Chairman of PHIHONG USA CORP, Representative Director of PHIHONG TECHNOLOGY JAPAN CO., LTD., Supervisor of Phihong Electronics (Suzhou) Co., Ltd., Supervisor of Zerova (Shanghai) Trade Services Co., Ltd., Representative of Director of Dongguan Shuang-Ying Electronics Co., Ltd., Representative of Director of Jin-Sheng-Hong (Jiangxi) Electronics Co., Ltd., Director of JD Power Co., Ltd.), Representative of Director of Zerova Technologies Holdings Limited, Representative of Director of Zerova Technologies SG Pte. Ltd., Chairman of Zerova Technologies Taiwan Limited, Representative of Director of Zerova Technologies (Dongguan) Co., Ltd., Supervisor of Zerova Trade Services (Dongguan) Co., Ltd.

Note 4: General Manager of Phihong Technology Co., Ltd., Corporate Director Representative of Guang-Lai Investment Co., Ltd., Director of Phihong Electronics (Suzhou) Co., Ltd., Chairman of Dongguan Phitek Electronics Co., Ltd., Director of Dongguan Shuang-Ying Electronics Co., Ltd.

Note 5: Mr. Chiang, Wei-Feng, Corporate Director Representative of Kuan Feng Investment Ltd., Mr. Yu Ming-Jen, Corporate Director Representative of Taiwan Cement Corporation; Independent Directors Hong, Yu-Yuan; Lin, Kuei-Hong and Wu, Chung-Shu were all newly elected at the Annual General Shareholders' Meeting on June 9, 2023.

Note 6: Independent Director Kang, Hui-Mei was newly elected in a by-election at the Annual General Shareholders' Meeting on June 12, 2024.

Note 7: At the Company's Annual General Shareholders' Meeting held on June 10, 2025, one director position was filled through a by-election. Chen, Chun-Cheng was newly appointed as a director of the Company and was subsequently elected as Vice Chairman of the Company by a resolution of the Board of Directors on November 7, 2025.

Note 8: Taiwan Cement Corporation resigned as a corporate director of the Company on August 14, 2025, and simultaneously dismissed its appointed director representative, Mr. Yu Ming-Jen.

1. Major Institutional Shareholders

April 13, 2026

Name of Institutional Shareholder	Major Institutional Shareholders	Percentage of Ownership (%)
Kuan Feng Investment Ltd.	Lin, Kuan-Hong	16.67%
	Lin, Chung-Min	16.67%
	Chien, Shu-Nu	16.67%
	Lin, Yang-Hong	16.66%
	Lin, Fei-Hong	16.67%
	Lin, Hsin-Yi	16.66%

The major shareholder of an institutional shareholder is a representative of the institutional shareholder: None.

2. Disclosure of Directors' Professional Qualification and Independent Director's Independence Status

April 13, 2026

Name		Qualifications	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as Independent Director Number of Directors
Chairman	Lin, Chung-Min		<ul style="list-style-type: none"> ● Professional qualification: As the Chairman of the Company, he possesses expertise in business, finance, and accounting, as well as those required by the Company's operations. ● Experience: Founder of the Company; he has been Chairman of Phihong Technology for over 49 years. 	Not applicable	None
Director	Lin, Fei-Hong		<ul style="list-style-type: none"> ● Professional qualification: He is the Company's Director and the BU Head of the EV Energy Business of the Company, and he possesses expertise in business, finance, and accounting, as well as those required by the Company's operations. ● Experience: He held positions as the Executive Vice President of Spring City Resort Co., Ltd. and the BU Head of the EV Energy Business of Phihong Technology for over five years. 	Not applicable	None
Director	Kuan Feng Investment Ltd.		<ul style="list-style-type: none"> ● Professional qualification: He is the Company's Director and the Chairman of Black Marble Capital Management Co., Ltd., and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations. 	Not applicable	None
Representative	Chiang, Wei-Feng	<ul style="list-style-type: none"> ● Experience: He held positions as and the of Black Marble Capital Management Co., LTD. and Chairman of MegaPro Biomedical Co., Ltd. for over five years. 			
Director	Kuan Feng Investment Ltd.		<ul style="list-style-type: none"> ● Professional qualification: He is the Company's Director, Group President, and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations. 	Not applicable	None
Representative	Lin, Kuan-Hong	<ul style="list-style-type: none"> ● Experience: He has over 20 years of industrial experience and more than five years of senior management experience as the Vice President of the Manufacturing Center and the Special Assistant of the Intelligent Power Solution BU. of the Company. 			
Director	Chen, Chun-Cheng		<ul style="list-style-type: none"> ● Professional qualification: He is a Director of the Company and Group Vice Chairman, and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations. ● Experience: He has over 20 years of industrial experience and more than five years of senior management experience as the R&D Vice Chairman of the Company and CTO of Zerova Technologies Co., Ltd. 	Not applicable	None

Qualifications		Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as Independent Director
Name				
Independent Director	Hong, Yu- Yuan	<ul style="list-style-type: none"> ● Professional qualification: He is the Company's Independent Director and the Chairman of board of directors of Sankuei Construction Co., and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations. ● Experience: Associate Professor and Chair of the Department of International Business, College of Management, Toko University. He held positions as the Chairman of Sam Kuei Construction Co., Ltd. and Chairman of Hong-Cheng Development and Construction Co., Ltd. for over five years. 	None of the circumstances stated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" occurred two years prior to the election and during the term of office.	None
Independent Director	Lin, Kuei- Hong	<ul style="list-style-type: none"> ● Professional qualification: He is an Independent Director of the Company, and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations. ● Experience: He held the position as the Head of LOHAS Outdoor Products Enterprise for over five years. 	None of the circumstances stated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" occurred two years prior to the election and during the term of office.	None
Independent Director	Wu, Chung-Shu	<ul style="list-style-type: none"> ● Professional qualification: He is an Independent Director of the Company, and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations. ● Experience: Chairman of the Taiwan Institute of Economic Research for over five years. 	None of the circumstances stated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" occurred two years prior to the election and during the term of office.	2 company
Independent Director	Kang, Hui-Mei	<ul style="list-style-type: none"> ● Professional qualification: She is the Company's Independent Director and concurrently serves as a Director & General Manager of WiXtar Corporation, Chairman of Wilmar International Investment Limited, an Independent Director of Wonder Pets Enters Co., Ltd., and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations. ● Experience: Over 5 years of experience as General Manager of IBF Securities Co., Ltd., and CEO of Polaris Securities. 	None of the circumstances stated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" occurred two years prior to the election and during the term of office.	1 company

Note 1: None of the directors have been involved in any of the circumstances set forth in Article 30 of the Company Act.

Note 2: Independent directors should specify their independence status, including but not limited to whether oneself, relatives of Spouse, within the Second Degree of Kinship, etc. serve as directors, supervisors, or employees of the company or its affiliated companies; oneself, relatives of Spouse, within the Second Degree of Kinship, etc. (using the name of others) hold the number and proportion of shares of the company; whether they serve as directors, supervisors, or employees of companies with specific relationships with the company (refer to the Section 5 to 8, Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies"); provide the company or its affiliated companies with business, legal affairs, financial and accounting in the last 2 years The amount of remuneration obtained for accounting and other services.

3. Board Diversity and Independence:

(1) Diversity of the Board:

The Company's Board of Directors has established the Corporate Governance Best Practice Principles, which describes the Board's diversity policy. Paragraph 3, Article 20 of the Corporate Governance Best Practice Principles specifies that members of the Board of Directors should be diverse, such as having professional backgrounds (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Following the general election at the shareholders' meeting on June 9, 2023, the Company's Board of Directors is composed of 9 directors (including 5 directors and 4 independent directors). One of the Independent Directors resigned on Sep. 1, 2023 and a by-election was completed on Jun. 12, 2024 at the regular shareholders' meeting

The implementation status of board diversity is as follows:

- Professional Knowledge and Skills: Board members come from diverse backgrounds, covering professional fields such as finance, business management, law, information technology, and possess extensive experience and expertise.
- Age distribution of directors: one aged 71~80, three aged 61~70, three aged 51~60, and two aged 41~50.
- Gender diversity of directors: 1 female independent director was by-elected at the Jun. 12, 2024 regular shareholders' meeting.

However, the representation of each gender on the Company's board has not yet reached one-third of the board seats. We will actively seek suitable female candidates for the board and strive to have at least three female directors.

Implementation status of Board diversity of the company:

Item		Basic Information				Industry Experience				Expertise			
		Gender	Nationality	Concurrent Employee	Age	Electronic Technology	Product Design	Assets Management	Others	Operations and Management	Accounting, Finance, Commerce	Law	Information Technology
Director	Lin, Chung-Min	Male	R.O.C.	V	71~ 80	V			V	V	V		V
	Lin, Fei-Hong	Male	R.O.C.	V	41~ 50	V	V		V	V	V		
	Chiang, Wei-Feng (Representative of Kuan Feng Investment Ltd.)	Male	R.O.C.		61~ 70	V		V	V	V	V		V
	Lin, Kuan-Hong (Representative of Kuan Feng Investment Ltd.)	Male	R.O.C.	V	41~ 50	V		V	V	V	V		V
	Chen, Chun-Cheng	Male	R.O.C.	V	61~ 70	V	V		V	V			V
Independent Director	Hong, Yu-Yuan	Male	R.O.C.		51~ 60	V			V	V	V		V
	Lin, Kuei-Hong	Male	R.O.C.		51~ 60	V	V		V	V	V		
	Wu, Chung-Shu	Male	R.O.C.		61~ 70				V	V	V		
	Kang, Hui-Mei	Female	R.O.C.		51~ 60	V			V	V	V		V

(2) Independence of the Board:

The Company's Board of Directors currently consists of 9 directors, of which 4 are independent directors (44.4%), 5 are non-employee directors (55.5%), and 3 are related to each other within two degrees of kinship (33.3%). There are no spouses or relatives within two degrees of kinship among the independent directors, or between a director and an independent director, which is in compliance with the provisions of Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act.

(2) President, Vice Presidents, Assistant Vice Presidents, and Heads of All Departments and Branches

April 13, 2026

Unit:share; %

Title	Nationality	Name	Gender	(of the) which will be adopted as Date Appointment Date	Shareholding		Shareholding Held by Spouse & Minor Children		Shareholding Held in the Name of Others		Education and Work Experience	Positions Concurrently Held at Other Companies	Managerial Officer who Is Spouse or within the Second Degree of Kinship			Note
					Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)			Title	Name	Relationship	
Chairman and CEO	R.O.C.	Lin, Chung-Min	Male	June 15, 1981	54,541,837	12.84	4,240,081	1.00	0	0	Chairman of Phihong Technology Co., Ltd. Sales Engineer of I Yu Electric Co. Ltd. Electronic Equipment Maintenance Department, National Chia-Yi Industrial Vocational High School	Note 1	Group President	Lin, Kuan-Hong	Father & son	Note 3
Vice Chairman and Deputy CEO	R.O.C.	Chen, Chun-Cheng (Note 2)	Male	November 7, 2025	435	0.00	0	0	0	0	Senior Deputy General Manager, Zerova Technologies Co., Ltd. Department of Electronic Engineering, Chung Yuan Christian University	None	None	None	None	None
Group President	R.O.C.	Lin, Kuan-Hong (Note 5)	Male	Jan. 01, 2025	3,619,122	0.85	0	0	0	0	President of Phihong Technology Co., Ltd. Vice President of Manufacturing Center and Special Assistant of Intelligent Power Solution BU. , Phihong Technology Co., Ltd. San Jose State University International Business	Note 4	Chairman and CEO	Lin, Chung-Min	Father & son	Note 3
Technology R&D Center Vice President	R.O.C.	Chang, Yuan-Shun	Male	October 1, 2014	28,091	0.01	0	0	0	0	Vice President of Phihong Technology Co., Ltd. Leader of Manufacturing Department, Lianli Machinery Research Assistant of Manufacturing Department, Pan Yes Electronics Ltd. Maintenance Engineer, Manufacturing Department, Hwa Fong Telecommunication Ind. Ltd. Master's, University of North Alabama, USA	None	None	None	None	None
Power R&D Center Vice President	R.O.C.	Chien, Wen-Sung	Male	September 1, 2020	0	0	0	0	0	0	Vice President of Phihong Technology Co., Ltd. Marketing Director of Zippy Technology Corp Deputy General Manager, R&D, Bestec Power Electronics Co., Ltd. Project Manager, HP R&D Manager of Asian Power Devices Inc. R&D Manager of Skynet Electronic Co., Ltd. Electrical Engineer of Formosa Petrochemical Corporation Master's, Electrical and Computer Engineering, National Jiaotong University	None	None	None	None	None
Terminal & Enterprise BU Assistant Vice President	R.O.C.	Liu, Jia-Xiang (Note 5)	Male	June 1, 2022	0	0	0	0	0	0	Assistant Vice President of Phihong Technology Co., Ltd. Senior Specialized Manager of Foxconn Sales Director of AVC Aalto University school of Business EMBA	None	None	None	None	None

Title	Nationality	Name	Gender	(of the) which will be adopted as Date Appointment Date	Shareholding		Shareholding Held by Spouse & Minor Children		Shareholding Held in the Name of Others		Education and Work Experience	Positions Concurrently Held at Other Companies	Managerial Officer who Is Spouse or within the Second Degree of Kinship			Note
					Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)			Title	Name	Relationship	
Head of Finance	R.O.C.	Li, Pei-Yi	Female	November 6, 2020	0	0	0	0	0	0	Senior Manager, Finance Department Pihong Technology Co., Ltd. Section Chief, Wonderland Group Senior Specialist, LITE-ON Technology Corp. Specialist, Citibank Taiwan Bachelor's in Finance, Department of Finance, National Chengchi University	Representative of Director of BMC Venture Capital Investment Corporation Representative of Director of Paradigm Venture Capital Company Representative of Director of BMD Venture Capital Investment Corporation	None	None	None	None
Head of Accounting	R.O.C.	Chen, Kuei-Chih (Note 6)	Female	November 6, 2020	0	0	0	0	0	0	Senior Manager, Accounting Department, Pihong Technology Co., Ltd. Head of Auditing Team, Deloitte & Touche Department of Accounting, Soochow University	None	None	None	None	None
Head of Accounting	R.O.C.	Chiang, Yao-Lin (Note 7)	Male	August 31, 2025	0	0	0	0	0	0	Division Chief of Accounting Department, Zerova Technologies Corp. Overseas Controller, TPV Technology Finance Controller, ASML Served with PwC Taiwan and other corporate organization Department of Accounting, National Chung Hsing University EMBA, University of North Carolina at Charlotte	None	None	None	None	None

Note 1: Chairman of Guang-Lai Investment Co., Ltd., Spring City Resort Co., Ltd., Pihong (Dongguan) Electronics Co., Ltd., Pihong Electronics (Suzhou) Co., Ltd., Jin-Sheng-Hong (Jiangxi) Electronics Co., Ltd., Dongguan Shuang-Ying Electronics Co., Ltd., President of Pihong Vietnam Co., Ltd., Director of Pihong International Corp., Representative of Director of Phitek International Co., Ltd., Representative of Director of ASCENT ALLIANCE LTD., Corporate Director Representative of Han-Yu Venture Capital Co., Ltd., Corporate Director Representative of Zhong-Xuan Venture Capital Co., Ltd., Corporate Supervisor Representative of Taiwan Cultural & Creativity No. 1 Co., Ltd., Chairman of Pu-Jen Electronic Technology (Shanghai) Co., Ltd., Corporate Director Representative of BMC Venture Capital Investment Corporation, Corporate Director Representative of BMD Venture Capital Investment Corporation.

Note 2: At the Company's Annual General Shareholders' Meeting held on June 10, 2025, one director position was filled through a by-election. Chen, Chun-Cheng was newly appointed as a director of the Company and was subsequently elected as Vice Chairman of the Company by a resolution of the Board of Directors on November 7, 2025.

Note 3: (1) Mr. Lin, Kuan-Hong has assumed the position of President of the Company and serves as the corporate director representative of Kuan Feng Investment Co. Ltd. since January 1, 2025.

(2) The Chairman and General Manager of the Company are relatives within the first degree of kinship. The reason, reasonableness, and necessity:

The Company's new President, Mr. Lin, Kuan-Hong, joined the Company's operational system immediately after graduation. He has experience in several important departments, including the European/American and American business groups. Starting as a sales representative in 2005, he was gradually promoted to section manager and manager. Since 2016, he has served as the director and senior director of the American Business Group and the Smart Power Business Group, accumulating rich international market experience and capabilities in power product development and promotion. Starting in 2023, he served as a special assistant to the Smart Power Business Group and concurrently as Vice President of the Production and Manufacturing Center, actively participating in company operations and decision-making, demonstrating high leadership potential and cross-departmental integration capabilities.

Mr. Lin, Kuan-Hong has a deep understanding of the company's products, customers, market, and corporate culture, and also meets the company's requirements for successors regarding integrity, innovative thinking, and the ability to undertake challenges. His complete experience and outstanding capabilities meet the reasonableness and necessity requirements for assuming the position of President, and will contribute to the company's sustainable operation and stable development.

(3) Response Measures: The company held a by-election at the 2024 Annual General Shareholders' Meeting to elect 1 independent director, Ms. Kang, Hui-Mei. Currently, there are 4 independent directors in total, and more than half of the directors do not concurrently serve as employees or managers, thereby continuously strengthening the board's supervisory functions and ensuring the sound operation of the corporate governance mechanism.

Note 4: Corporate director representative of Guang-Lai Investment Co., Ltd., Director of Pihong Electronics (Suzhou) Co., Ltd., Chairman of Dongguan Phitek Electronics Co., Ltd., Director of Dongguan Shuang-Ying Electronics Co., Ltd.

Note 5: Assistant Vice President Liu, Jia-Xiang left the Company on July 18, 2025.

Note 6: Due to a job rotation within the Company, Chen, Kuei-Chih resigned from the position of Head of Accounting on August 31, 2025.

Note 7: Due to a job rotation within the Company, Chiang, Yao-Lin began serving as Acting Head of Accounting on August 31, 2025, and was subsequently approved by the Audit Committee and the Board of Directors to assume the role of Head of Accounting on November 7, 2025.

2. Remuneration to Directors, President, and Vice Presidents

(1) Remuneration to Directors, President, and Vice Presidents

1. Remuneration of General Directors and Independent Directors

Unit: NT\$ thousand/ thousand shares

Title	Name	Remuneration paid to directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (Note 8)		Remuneration of concurrently as employee								Ratio of total remuneration (A+B+C+D+E+F+G) to net Income (%) (Note 8)		Remuneration Received from Invested Companies Other than Subsidiaries or the Parent Company
		Base Compensation (A) (Note 2)		Retirement Pension (B) (Note 3)		Director Compensation (C) (Note 4)		Professional Practice Fee (D) (Note 5)				Salary, Bonus, and Allowance etc. (E) (Note 6)		Retirement Pension (F) (Note 3)		Employee Compensation (G) (Note 4)						
		The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company		All consolidated entities (Note 7)		The Company	All consolidated entities			
												Cash Amount	Stock Amount	Cash Amount	Stock Amount							
Chairman	Lin, Chung-Min	0	0	0	0	0	0	0	0			16,667	25,086	0	87	0	0	0	0			None
Vice Chairman	Chen, Chun-Cheng (Note 9)	0	0	0	0	0	0	0	0			0	4,915	0	0	0	0	0	0			None
Director	Lin, Fei-Hong	0	0	0	0	0	0	0	0			0	11,560	0	0	0	0	0	0			None
Director	Kuan Feng Investment Ltd.	0	0	0	0	0	0	0	0			0	0	0	0	0	0	0	0			None
	Representative Lin, Kuan-Hong	0	0	0	0	0	0	0	0			9,197	13,693	108	108	0	0	0	0			None
	Representative Chiang, Wei-Feng	0	0	0	0	0	0	242	242			0	0	0	0	0	0	0	0			None
Director	Taiwan Cement Corporation (Note 10)	0	0	0	0	0	0	0	0	1,352	1,352	0	0	0	0	0	0	0	0	27,324	56,801	None
	Representative Yu Ming-Jen (Note 10)	0	0	0	0	0	0	30	30	-0.2130%	-0.2130%	0	0	0	0	0	0	0	0	-4.3052%	-8.9497%	None
Independent Director	Hong, Yu-Yuan	0	0	0	0	0	0	270	270			0	0	0	0	0	0	0	0			None
Independent Director	Lin, Kuei-Hong	0	0	0	0	0	0	270	270			0	0	0	0	0	0	0	0			None
Independent Director	Wu, Chung-Shu	0	0	0	0	0	0	270	270			0	0	0	0	0	0	0	0			None
Independent Director	Kang, Hui-Mei	0	0	0	0	0	0	270	270			0	0	0	0	0	0	0	0			None

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid:

(1) Independent directors' remuneration paid is based on the provisions of the Company's Articles of Incorporation and the actual period of serving as an independent director and the degree of responsibilities attached to the position.

(2) The performance appraisal and reasonableness of the remuneration to independent directors are reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system is reviewed based on the actual operating conditions and relevant laws and regulations to meet the Company's sustainable development and to ensure balance of risk control.

2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): None.

Note 1: Due to an after-tax loss in the Company's 2025 financial statements, separate disclosure has been adopted.

Note 2: This refers to director base compensation in 2025 (including director salary, duty allowances, severance pay, and various rewards and incentives, etc.).

Note 3: The amount accrued for the expensing of directors' severance and retirement benefits in 2025. No actual payments of severance or retirement benefits were made to directors in 2025.

Note 4: In accordance with the provisions of the Articles of Incorporation, as the Company incurred a net loss after tax for 2025, it is proposed that no employee compensation or director remuneration be distributed.

Note 5: This refers to director expenses and perquisites in 2025 (including travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc.).

Note 6: This includes any remuneration received by a director for concurrent service as an employee in 2025 (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee) including salary, duty allowances, severance pay, rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 7: Disclose the total amount of remuneration in each category paid to the directors of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 9: At the Company's Annual General Shareholders' Meeting held on June 10, 2025, one director position was filled through a by-election. Chen, Chun-Cheng was newly appointed as a director of the Company and was subsequently elected as Vice Chairman of the Company by a resolution of the Board of Directors on November 7, 2025.

Note 10: Taiwan Cement Corporation resigned as a corporate director of the Company on August 14, 2025, and simultaneously dismissed its appointed director representative, Mr. Yu Ming-Jen.

Range of Remuneration

Range of Remuneration Paid to Directors	Name of Director			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G)	
	The Company	All Companies in Financial Statements H	The Company	All Companies in Financial Statements I
Less than NT\$1,000,000	Lin, Chung-Min Chen, Chun-Cheng Lin, Fei-Hong Hong, Yu-Yuan Lin, Kuei-Hong Wu, Chung-Shu Kang, Hui-Mei Kuan Feng Investment Ltd. Representative: Lin, Kuan-Hong Kuan Feng Investment Ltd. Representative: Chiang, Wei-Feng Representative of Taiwan Cement Corporation: Yu Ming-Jen	Lin, Chung-Min Chen, Chun-Cheng Lin, Fei-Hong Hong, Yu-Yuan Lin, Kuei-Hong Wu, Chung-Shu Kang, Hui-Mei Kuan Feng Investment Ltd. Representative: Lin, Kuan-Hong Kuan Feng Investment Ltd. Representative:: Chiang, Wei-Feng Representative of Taiwan Cement Corporation: Yu Ming-Jen	Chen, Chun-Cheng Lin, Fei-Hong Hong, Yu-Yuan Lin, Kuei-Hong Wu, Chung-Shu Kang, Hui-Mei Kuan Feng Investment Ltd. Representative: Chiang, Wei-Feng Taiwan Cement Corporation Representative: Yu Ming-Jen	Hong, Yu-Yuan Lin, Kuei-Hong Wu, Chung-Shu Kang, Hui-Mei Kuan Feng Investment Ltd. Representative:: Chiang, Wei-Feng Taiwan Cement Corporation Representative : Yu Ming-Jen
NT\$1,000,000 (inclusive) ~ NT\$2,000,000(excluded)	-	-		
NT\$2,000,000 (inclusive) ~ NT\$3,500,000(excluded)	-	-		
NT\$3,500,000 (inclusive) ~ NT\$5,000,000(excluded)	-	-		Chen, Chun-Cheng
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (excluded)	-	-	Representative of Kuan Feng Investment Ltd: Lin, Kuan-Hong	
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (excluded)	-	-		Lin, Fei-Hong Kuan Feng Investment Ltd. Representative: Lin, Kuan-Hong
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (excluded)	-	-	Lin, Chung-Min	Lin, Chung-Min
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (excluded)	-	-		
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (excluded)	-	-		
More than NT\$100,000,000	-	-		
Total	10 persons	10 persons	10 persons	10 persons

2. Remuneration to supervisors: Not applicable.
3. Remuneration to President and Vice President

Unit: NT\$ thousand/ thousand shares

Title	Name	Salary (A) (Note 1)		Retirement Pension (B) (Note 2)		Bonus, and Allowance etc. (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of total remuneration (A+B+C+D) to after-tax net profit (%) (Note 6)		Remuneration Received from Invested Companies Other than Subsidiaries or the Parent Company
		The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company		All consolidated entities (Note 5)		The Company	All consolidated entities (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman and CEO	Lin, Chung-Min	12,768	19,587	0	87	3,899	5,499	0	0	0	0	34,312 -5.41%	55,229 -8.23	None
Vice Chairman and Deputy CEO	Chen, Chun-Cheng	0	3,253	0	0	0	1,662	0	0	0	0			
Group President	Lin, Kuan-Hong	5,580	10,076	108	108	3,617	3,617	0	0	0	0			
Technology R&D Center Vice President	Chang, Yuan-Shun	2,520	2,520	108	108	457	457	0	0	0	0			
Power R&D Center Vice President	Chien, Wen-Sung	3,600	3,600	108	108	1,547	1,547	0	0	0	0			

Note 1: This includes salary, duty allowances, and severance pay to the Chairman and CEO, President, and Vice President in 2025.

Note 2: The amount of appropriation or contribution of post-employment pension expensed for the Chairman and CEO, General Manager, and Vice President in 2025.

Note 3: This refers to the remuneration, including the bonuses, incentives, transportation expenses, special allowances, other allowances, accommodation, and Company cars, paid to the Chairman and CEO, General Manager, and Vice President in 2025. Any salary recognized under IFRS 2 Share-Based Payment, including employee share subscription warrants, new restricted employee shares, and share subscription for cash, should also be included in the remuneration.

Note 4: In accordance with the provisions of the Articles of Incorporation, as the Company incurred a net loss after tax for 2025, it is proposed that no employee compensation or director remuneration be distributed.

Note 5: Disclose the total amount of remuneration in each category paid by all companies in the consolidated financial report (including the Company).

Note 6: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Range of Remuneration

Range of Remuneration Paid to General Manager and the Vice Presidents	Name of General Manager and Vice President	
	The Company	All consolidated entities
Less than NT\$1,000,000	Chen, Chun-Cheng	
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (excluded)		
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (excluded)	Chang, Yuan-Shun	Chang, Yuan-Shun
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (excluded)		Chen, Chun-Cheng
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (excluded)	Chien, Wen-Sung Lin, Kuan-Hong	Chien, Wen-Sung
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (excluded)		Lin, Kuan-Hong
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (excluded)	Lin, Chung-Min	Lin, Chung-Min
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (excluded)		
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (excluded)		
More than NT\$100,000,000		
Total	5 persons	5 persons

4. If a listed public company has any of the circumstances described in Article 10, Paragraph 1, Subparagraph 3-1 or 5 of the Regulations Governing Information to be Published in Annual Reports of Public Companies, it shall disclose the compensation information of the top five highest paid executives individually:

Due to the net loss reported in the Company's 2025 financial statements, it shall disclose the individual remuneration paid to each of its five highest remunerated management personnel:

Unit: NT\$ thousand / thousand shares

Job title	Name	Salary (A) (Note 1)		Retirement pay and pension (B) (Note 2)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 5)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman and CEO	Lin, Chung-Min	12,768	19,587	0	87	3,899	5,499	0	0	0	0	34,312 -5.41%	52,229 -8.23%	None
Group President	Lin, Kuan-Hong	5,580	10,076	108	108	3,617	3,617	0	0	0	0			
Technology R&D Center Vice President	Chien, Wen-Sung	3,600	3,600	108	108	1,547	1,547	0	0	0	0			
Vice Chairman and Deputy CEO	Chen, Chun-Cheng	0	3,253	0	0	0	1,662	0	0	0	0			
Power R&D Center Vice President	Chang, Yuan-Shun	2,520	2,520	108	108	457	457	0	0	0	0			

Note 1: This refers to the salary, duty allowances, and severance pay of each of the five highest remunerated management personnel in 2025.

Note 2: This refers to the amount set aside or contributed for the expensing of retirement pensions for the five highest-paid management personnel for 2025.

Note 3: This refers to the amount of all rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, and other remuneration of the five highest remunerated management personnel in 2025. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 4: In accordance with the provisions of the Articles of Incorporation, as the Company incurred a net loss after tax for 2025, it is proposed that no employee compensation or director remuneration be distributed.

Note 5: Disclose the total amount of remuneration in each category paid by all companies in the consolidated financial report (including the Company).

Note 6: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

5. Employee compensation distributed to managerial officers

December 31, 2025; Unit: NT\$ thousand

Managerial officers	Title	Name	Stock Amount	Cash Amount (Note 1)	Total	Ratio of total remuneration to net profit after tax (%)
	Chairman and CEO	Lin, Chung-Min				
	Vice Chairman and Deputy CEO	Chen, Chun-Cheng (Note 1)				
	Group President	Lin, Kuan-Hong				
	Power R&D Center Vice President	Chang, Yuan-Shun				
	Marketing Planner Vice President	Chien, Wen-Sung	0	0	0	0
	Terminal & Enterprise BU Assistant Vice President	Liu, Jia-Xiang (Note 2)				
	Head of Finance	Li, Pei-Yi				
	Head of Accounting	Chiang, Yao-Lin (Note 3)				
	Head of Accounting	Chen, Kuei-Chih (Note 4)				

Note 1: At the Company's Annual General Shareholders' Meeting held on June 10, 2025, one director position was filled through a by-election. Chen, Chun-Cheng was newly appointed as a director of the Company and was subsequently elected as Vice Chairman of the Company by a resolution of the Board of Directors on November 7, 2025.

Note 2: Assistant Vice President Liu, Jia-Xiang left the Company on July 18, 2025.

Note 3: Due to a job rotation within the Company, Chiang, Yao-Lin began serving as Acting Head of Accounting on August 31, 2025, and was subsequently approved by the Audit Committee and the Board of Directors to assume the role of Head of Accounting on November 7, 2025.

Note 4: Due to a job rotation within the Company, Chen, Kuei-Chih resigned from the position of Head of Accounting on August 31, 2025.

Note 5: In accordance with the provisions of the Articles of Incorporation, as the Company incurred a net loss after tax for 2025, it is proposed that no employee compensation or director remuneration be distributed.

- (2) Comparative analysis of the total remuneration, as a percentage of net profit after tax, paid by the Company and All Companies in Financial Statements during the past two fiscal years to Directors, President, and Vice Presidents

Unit: NT\$ thousand, %

Year	The Company		All consolidated entities	
	Total	Ratio to Net Income After Tax (%)	Total	Ratio to Net Income After Tax (%)
2024	41,235	19.99	75,565	36.62
2025	35,664	-5.62	65,141	-10.26

Note: The decrease in total remuneration of Directors, President, and Vice President in 2025 as compared to 2024 was due to the Company's unsatisfactory operational performance in 2025.

- (3) Remuneration Policies, Standards, and Packages, Procedures for Determining Remuneration, and Linkage Thereof to Operating Performance and Future Risk Exposure

- Remuneration Policies, Standards, and Packages
 1. In accordance with Article 21 of the Company's Articles of Incorporation, the remuneration of the directors for the performance of their duties shall be determined by the Board of Directors with reference to the usual standards in the industry according to the degree of participation and value of the contribution of individual directors. In addition, in accordance with Article 21 of the Company's Articles of Incorporation, not more than 2% of the Company's profit for the year shall be distributed as directors' remuneration.
The remuneration of the general manager and vice president of the Company is a combination of fixed items, such as base salary, annual bonuses and benefits, and variable items, such as bonuses, remuneration (cash/stock), and stock options. Fixed items are based on the principle of maintaining the Company's average competitive level in the industry; variable items are distributed based on a combination of the Company's and individuals' operating performance, and the better the Company's and individuals' operating performance, the higher the ratio of variable to fixed items. The assessment indicators for the above variable items are as follows:
 - A. Financial indicators: including turnover, profit margin, growth rate, achievement rate, etc.
 - B. Non-financial indicators: including market, customer service indicators (e.g. Customer satisfaction), organization/internal processes (e.g. Quality management), etc. The targets and their weights are determined at the beginning of the year based on the internal and external operating environment and consideration of future risks. The achievement of targets will be evaluated regularly. The variable bonus amount will be proposed according to the achievement rate of the targets and approved by the Remuneration Member of market trends through and the Board of Directors. The better the operating performance, the higher the variable bonus.
 2. The Company's remuneration package, as defined by the Remuneration Committee Organizational Charter, includes cash compensation, stock options, stock dividends, retirement benefits or severance pay, allowances, and other tangible incentives. The scope is consistent with the Regulations Governing Information to be published in Annual Reports of Public Companies with respect to director and managerial officer remuneration.
- Procedures for Determining Remuneration:
 1. The remuneration of the Chairman and General Manager is determined with reference to the operating performance indicators of the industry and related companies, and is reviewed by the Board of Directors. In order to fully demonstrate the achievement of the operating performance indicators, the Chairman's performance is measured based on the operating, governance, and financial results, and the evaluation scope includes the following indicators: net profit before tax, revenue growth rate, and customer satisfaction; the General Manager's performance measurement scope includes the following performance objectives: operating efficiency and effectiveness, supervising the implementation of financial targets, revenue management, and implementing quality assurance and management. The Company evaluates the performance of the directors and managerial officers regularly and uses the evaluation results as the basis for remuneration or adjustment.
 2. The Company conducts regular performance appraisals of the directors and managerial officers and evaluates the reasonableness of their remuneration, taking into account not only the individual's performance achievement rate and contribution to the Company, but also the overall operational performance of the Company, future risks and development trends of the industry, as well as a timely review of the remuneration system in light of actual operating conditions and relevant Act and regulations. Adjustments to salary for management are reviewed by the Remuneration Committee and approved by the Board. The actual amount of remuneration for directors and managers for each fiscal year shall be distributed only after being reviewed by the Remuneration Committee and approved by the Board.

- Linkage to operating performance and future risk exposure:
 1. The Company's payment standards related to the remuneration policy and system are reviewed based on the overall operation of the Company, and the payment standards are approved based on the performance achievement rate and contribution, in order to enhance the effectiveness of the Board of Directors and managers. We also make reference to industry salary standards to ensure that our management's salaries are competitive in the industry in order to retain outstanding management and health management.
 2. Based on the results of risk measurement, the Company sets performance targets for managers to ensure that possible risks within the scope of duties and responsibilities can be controlled and prevented, and links the results of performance appraisal with human resources and salary and remuneration policies. The important decisions made by the Company's management are based on the evaluation of various risk factors, and the performance of these decisions is reflected in the Company's profitability, therefore, the remuneration of the management is related to the performance of risk management.

3. Implementation of Corporate Governance

(1) Board of Directors

A total of 7 meetings of the Board of Directors (A) were held during the most recent year. The attendance of the directors is as follows:

Title	Name	Times of Attendance in Person (B)	Times of Attendance by Proxy	Attendance Rate (%) (B/A)	Note
Chairman	Lin, Chung-Min	7	0	100.00	Required to attend 7 meetings in 2025.
Director	Kuan Feng Investment Ltd. Representative: Lin, Kuan-Hong	7	0	100.00	Required to attend 7 meetings in 2025.
Director	Lin, Fei-Hong	7	0	100.00	Required to attend 7 meetings in 2025.
Director	Kuan Feng Investment Ltd. Representative: Chiang, Wei-Feng	7	0	100.00	Required to attend 7 meetings in 2025.
Director	Taiwan Cement Corporation Representative: Yu, Ming-Jen (Note 1)	5	0	83.33	Required to attend 6 meetings in 2025.
Director	Chen, Chun-Cheng	3	0	100.00	Elected in a by-election at the shareholders' meeting on June 10, 2025; required to attend 3 meetings in 2025.
Independent Director	Hong, Yu-Yuan	7	0	100.00	Required to attend 7 meetings in 2025.
Independent Director	Lin, Kuei-Hong	7	0	100.00	Required to attend 7 meetings in 2025.
Independent Director	Wu, Chung-Shu	7	0	100.00	Required to attend 7 meetings in 2025.
Independent Director	Kang, Hui-Mei	7	0	100.00	Elected in a by-election at the shareholders' meeting on June 12, 2024 and required to attend 7 meetings in 2025.

Note 1: Taiwan Cement Corporation resigned as a corporate director of the Company on August 14, 2025, and simultaneously dismissed its appointed director representative, Mr. Yu Ming-Jen.

Other information required to be disclosed:

1.If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(1)Any matter under Article 14-3 of the Securities and Exchange Act: Not applicable as the Company has established its Audit Committee; please refer to the operating status of the Audit Committee in the annual report.

(2)In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution: None.

2.Regarding recusals of directors from voting due to conflicts of interest, the names of the directors, contents of motions, reasons for recusal, and results of voting should be specified:

Board meeting date	Content of motion	Cause for recusal and voting result
March 11, 2025	The Company's subsequent public offering of privately placed common shares issued in 2021	The corporate director (represented by Director Yu Ming-Jen) was the subscriber for the Company's 2021 private placement of common shares and therefore had a conflict of interest in this matter. In accordance with the Company Act, Director Yu recused himself from the discussion and voting. Following the Chairman's inquiry, the remaining directors present raised no objections, and the motion was passed.
	Review of the General Manager's company car leasing arrangement	In accordance with regulations, General Manager Lin Kuan-Hong recused himself from the discussion and voting due to a conflict of interest. Following the Chairman's inquiry, the remaining directors present raised no objections, and the motion was passed.
August 12, 2025	Review of remuneration for directors concurrently serving as employees of Zerova	In accordance with regulations, Director Chen Chun-Cheng recused himself from the discussion and voting due to a conflict of interest regarding his remuneration for concurrently serving as a subsidiary employee. Said remuneration has been handled in compliance with the Company's internal policies. Following the Chairman's inquiry,

Board meeting date	Content of motion	Cause for recusal and voting result
		the remaining directors present resolved to approve the motion as presented.
	The Company's 2024 directors' remuneration distribution plan	As this matter concerned individual director remuneration, all interested parties recused themselves from the discussion and voting in accordance with regulations. The remaining directors, having no conflict of interest, proceeded with the deliberation and resolution. Following the Chairman's inquiry, the remaining directors present resolved to approve the motion as presented.
November 7, 2025	Review of the permanent appointment of the Company's head of accounting	In accordance with the recusal rules under Article 206 of the Company Act, Division Manager Chiang Yao-Lin recused himself from the discussion and voting due to a conflict of interest. Following the Chairman's inquiry, the remaining directors present resolved to approve the motion as presented.
	The Company's 2024 managerial remuneration distribution plan	In accordance with regulations, Chairman Lin Chung-Min, Director Lin Kuan-Hong, Senior Manager Li Pei-Yi, and Division Manager Chiang Yao-Lin recused themselves from the discussion and voting due to a conflict of interest. Similarly, Director Lin Fei-Hong and Lin Yang-Hong (General Manager of Phihong USA) recused themselves due to their status as second-degree relatives of the aforementioned directors. To maintain the principle of salary confidentiality, all other affected attendees also withdrew from the deliberation. Following an inquiry by the Acting Chairman, the remaining directors present raised no objections, and the motion was passed.
	Review of the 2024 remuneration for directors and managers concurrently serving in management roles at Zerova	In accordance with regulations, Chairman Lin Chung-Min, Director Lin Fei-Hong, Director Chen Chun-Cheng and Senior Manager Li Pei-Yi recused themselves from the discussion and voting due to a conflict of interest. Similarly, Director Lin Kuan-Hong and Lin Yang-Hong (General Manager of Phihong USA) recused themselves due to their status as second-degree relatives of the aforementioned directors. To maintain the principle of salary confidentiality, all other affected attendees also withdrew from the deliberation. Following an inquiry by the Acting Chairman, the remaining directors present raised no objections, and the motion was passed.

3. Information on the cycle and period, scope, method, and content of the Board's self-evaluation of the Company.

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Content of Evaluation
Annually	Jan. 01, 2025~ Dec. 31, 2025	Include the respective performances of the Board of Directors, individual directors, and functional committees.	Include the self-evaluation of the Board of Directors, the self-evaluation of individual directors, and otherwise appropriately.	<ol style="list-style-type: none"> 1. Performance of the Board of Directors: participation in the operation of the Company, improvement of the quality of the Board of Directors' decision-making, composition and structure of the Board of Directors, election and continuing education of directors, and internal control. 2. Performance of individual directors: alignment of the goals and missions of the Company, awareness of the duties of directors, participation in the operation of the Company, management of internal relationship and communication, professionalism and continuing Purchase of Article of directors, and internal control. 3. Performance of functional committees: participation in the operation of the Company, awareness of the duties of functional committees, improvement of the quality of functional committees' decision-making, composition of functional committees and election of members, and internal control.

4. Evaluation of objectives and execution status for strengthening board functions in the current and recent fiscal years:
The performance appraisal of the Board of Directors, individual directors, and functional committees is conducted once a year. The results of the performance appraisal of the Board for 2025 were reviewed by the Nomination Committee and reported to the Board on March 12, 2026, and were disclosed on the Company's website for investors' reference.
The Company's Board meets at least once a quarter to discuss important business strategy issues and review operational performance. The Company held a total of 7 Board meetings in 2025, with a Directors' attendance rate of 98.46%. Important resolutions would be announced immediately after the meeting to enhance information transparency.
The Company established Audit Committee to strengthen the board functions and assist the board in monitoring the fair presentation of financial statements and the effectiveness of internal control systems. For information about the operating status of the Audit Committee, please refer to pages 23 to 26.

(2) Operating Status of the Audit Committee

The Audit Committee is composed the current of four members to assist the Board in supervising the quality and fairness of accounting, auditing, financial reporting procedures, and financial control.

1. Items deliberated by the Audit Committee in 2025 include:

- Formulation or amendment to the internal control system and important regulations.
- Evaluation of the effectiveness of the internal control system.
- Major investment cases.
- Major capital loans and endorsement guarantees.
- Appointment, remuneration, and independent evaluation of CPAs.
- Annual financial statements and quarterly financial statements.
- The Company's Annual Business Report and earnings distribution.
- Audit Plan.
- Operational budget proposal.
- Subsequent public offering of privately placed common shares.
- Repurchase and cancellation of treasury shares.
- Review of the Head of Accounting.

2. Operating Status of the Audit Committee:

A total of 7 meetings of the Audit Committee (A) were held during the most recent Year. The attendance of the independent directors is as follows:

Title	Name	Times of Attendance in Person (B)	Times of Attendance by Proxy	Attendance Rate (%) 【B/A】	Note
Independent Director	Hong, Yu-Yuan	7	0	100.00%	Required to attend 7 committee meetings in 2025.
Independent Director	Lin, Kuei-Hong	7	0	100.00%	Required to attend 7 committee meetings in 2025.
Independent Director	Wu, Chung-Shu	7	0	100.00%	Required to attend 7 committee meetings in 2025.
Independent Director	Kang, Hui-Mei	7	0	100.00%	Elected in a by-election at the shareholders' meeting on June 12, 2024 and required to attend 7 meetings in 2025.

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

Date of the Audit Committee	Content of Motion	Matters referred to in Article 14-5 of the Securities and Exchange Act	Resolution	Handling of the Audit Committee's Opinions
January 15, 2025	The Company's 2025 Operating Budget Proposal.	None	Passed without objection	Passed without objection
	Appointment of the Company's 2025 CPAs and Audit fees.			
	The Company's 2025 "Pre-Approved Non-Assurance Services".			
	Evaluation of the Independence and Suitability of the Company's CPAs.			
	Amendment to the "Rules Governing Financial and Business Matters Between the Company and its Related Parties".			
	Disposal of Phihong Technology Japan's Toyochi Office.			
March 11, 2025	The Company's 2024 Business Report and Financial Statements (including consolidated and individual).	None	Passed without objection	Passed without objection
	The Company's 2024 Profit Distribution Proposal.			
	The Company's 2024 "Statement on Internal Control Systems".			
	The Company's subsequent public offering of privately placed common shares issued in 2021.			
	Amendments to the Company's "Articles of Incorporation".			
	Loan of Company Funds to Zerova's 100%-owned overseas direct and indirect subsidiaries.			
	Loan of Zerova (Singapore) Funds to 100%-owned overseas direct and indirect subsidiaries.			
April 10, 2025	Proposal to conduct the 5th share repurchase and share cancellation in accordance with the law.	None	Passed without objection	Passed without objection
	Amendments to the Company's "Articles of Incorporation".			
May 13, 2025	The Company's Consolidated Financial Statements for Q1 2025.	None	Passed without objection	Passed without objection
July 24, 2025	The Company's 2025 Operating Budget Proposal.	None	Passed without objection	Passed without objection
	Setting the capital reduction record date for the Company's repurchased treasury shares.	None	Passed without objection	Passed without objection
August 12, 2025	The Company's Consolidated Financial Statements for Q2 2025.	None	Passed without objection	Passed without objection
	The Company's Guarantee for Phihong Vietnam.			
	Adjustment of interest rates on the loan from subsidiary "Phihong Electronics (Suzhou) Co., Ltd." to "Dongguan Phitek Electronics Co., Ltd."			
November 7, 2025	The Company's permanent appointment of the Head of Accounting.	None	Passed without objection	Passed without objection
	The Company's Consolidated Financial Statements for Q3 2025.			
	The Company's loan of funds to Phihong Japan (PHJ).			
	Subsidiary Phihong Suzhou (PHZ)'s loan of funds to Phihong Dongguan (PHC).			
	The Company's 2026 Audit Plan.			
	Amendments to the "Payroll Cycle Control Operating Procedures" and "Payroll Audit Procedures".			
	Subsidiary Phihong Vietnam (PHV)'s investment in Vietnamese land.			
	The Company's cash capital increase for Phihong Vietnam (PHV).			
	Amendments to the Company's Approval Authority Table.			

Note: In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: None.

2. Attendance of independent directors at the 2025 meeting of the Board of Directors (Y: attendance in person; Δ: attendance by proxy)

Board of Directors Independent Director	January 15, 2025	March 11, 2025	April 10, 2025	May 13, 2025	July 24, 2025	August 12, 2025	November 7, 2025
Hong, Yu-Yuan	Y	Y	Y	Y	Y	Y	Y
Lin, Kuei-Hong	Y	Y	Y	Y	Y	Y	Y
Wu, Chung-Shu	Y	Y	Y	Y	Y	Y	Y
Kang, Hui-Mei	Y	Y	Y	Y	Y	Y	Y

3. Regarding recusals of independent directors from voting due to conflicts of interest, the names of the independent directors, contents of motions, reasons for recusal, and results of voting should be specified: None.

4. Communication between independent directors, the internal audit officer, and CPAs (including material issues, methods, and results of communication regarding the Company's finances and operations):

(1) Communication between independent directors, the internal audit officer, and CPAs:

1. The internal audit officer conducts audit business reporting and discussion regularly with the Audit Committee members on a quarterly basis. After the monthly audit report is released, the officer will also discuss and communicate with the Audit Committee members immediately should any questions arise.
2. CPAs communicate with the Audit Committee on the key audit issues of the quarterly financial statements in the quarterly Audit Committee meeting.

(2) Separate communication between independent directors, the internal audit officer, and CPAs:

1. Communication principle between independent directors and internal audit supervisors:

- a. Written report: After the monthly audit report and tracking report are submitted to the chairman of the board for approval, they will be delivered to each independent director before the end of the next month.
- b. Audit committee report: The audit supervisor will report audit matters and internal control deficiencies discovered to the audit committee at least quarterly to the independent directors and accept instructions.
- c. Email and phone communication: Occasionally send emails or make phone calls regarding audit business-related issues, or answer questions about audit matters from independent directors.

2. Separate communication between independent directors and CPAs in 2025:

Date	Attending Personnel	Communication Matters	Communication Results
January 3, 2025	Independent Directors: Hong, Yu-Yuan Lin, Kuei-Hong Wu, Chung-Shu Kang, Hui-Mei CPAs: Chang, Chih-I Hong, Kuo-Tien Huang Yi-Ding	1. The CPA explained the 2024 financial statement audit plan, addressing key accounting issues and key audit matters (KAMs), and introduced audit quality indicators (AQIs). 2. Independent directors raised inquiries regarding revenue recognition procedures and the handling of significant events (i.e., liquidation of the Japan plant and disposal of assets); the CPA clarified that audit testing identified no material irregularities and confirmed that the adequacy of relevant disclosures remains under continuous review.	Reviewed by the independent directors; the independent directors expressed no objections.

3. Separate communication between independent directors and the internal audit supervisors in 2025:

Date	Evaluation Method	Subject	Key points	Communication Results
March 11, 2025	Audit Committee	Audit Officer	Report on the implementation of audit operation from September to December 2024.	No comments
May 13, 2025	Audit Committee	Audit Officer	Report on the implementation of audit operation from January to March 2025.	No comments
August 12, 2025	Audit Committee	Audit Officer	Report on the implementation of audit operation from April to June 2025.	No comments
November 7, 2025	Audit Committee	Audit Officer	Report on the implementation of audit operation from July to September 2025.	No comments
November 7, 2025	Video Conference	Audit Officer	New staff and Q3 operational report from the Audit Office.	No comments

(3) Implementation Status of Corporate Governance and Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
1. Does the Company follow the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies to establish and disclose its corporate governance best practice principles?	V		The Company has followed the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies to establish and disclose its corporate governance best practice principles at the Market Observation Post System website.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
2. Shareholding structure & shareholders' rights				
(1) Does the Company have internal operating procedures for handling shareholders' suggestions, concerns, disputes and litigation matters? Are such matters handled according to the internal operating procedures?	V		(1) The Company has spokespeople and dedicated personnel to deal with issues, such as shareholder suggestions or disputes.	(1) In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(2) Does the Company maintain a register of major shareholders with controlling power and a register of persons exercising ultimate control over those major shareholders?	V		(2) Major shareholders disclose their ownership and changes in pledge in accordance with regulations every month.	(2) In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(3) Does the Company establish and enforce risk control and firewall systems with its affiliates?	V		(3) The financial and business transactions between the Company and its affiliates are carried out in accordance with the relevant Act and regulations, the internal control system and the supervision of subsidiaries.	(3) In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(4) Does the Company establish internal rules to prohibit insiders from using information not disclosed to the market?	V		(4) The Company has formulated the Operating Procedures for Handling Internal Material Information to prohibit insiders from using undisclosed information on the market to buy and sell securities.	(4) In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
3. Composition and responsibility of the Board of Directors				
(1) Does the Board of Directors establish and implement the diversification policy and specific management goals?	V		(1) Enhanced diversity policy of directors and implementation of diversity : <ul style="list-style-type: none"> Professional knowledge and skills: Board members possess rich experience and expertise in fields such as finance, business management, law, information technology, and electronic technology. Among the current 9 directors (including 4 independent directors). Among them, 1 director currently serves as the Chairman of the Taiwan Institute of Economic Research, and the ratio of directors with full-time expertise in economics and finance is 11%. Age distribution of directors: one aged 71~80, three aged 61~70, three aged 51~60, and two aged 41~50. Gender diversity of directors: 1 female independent director was by-elected at the Jun. 12, 2024 regular shareholders' meeting. However, the representation of each gender on the Company's board has not yet reached one-third of the board seats. The Company will continue to seek suitable female director candidates, with the goal of having at least three female directors. 	(1) In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(2) Does the Company set up other functional committees voluntarily in addition to the Remuneration Committee and the Audit Committee that have been established as required by the law?	V		(2) To strengthen the Board of Directors' functions and enhance management mechanisms, the Company established a "Nomination Committee" on June 26, 2023, composed of four independent directors nominated by the Board. The committee currently comprises 4 members. The Nomination Committee faithfully performs the following responsibilities and powers and submits its suggestions to the Board of Directors for discussion: 1. Establish standards for the diversified background and independence of directors and independent directors, such as expertise, skills, experience, and gender, and seek, review, and nominate candidates for directors and independent directors accordingly.	(2) In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof																
	Yes	No	Summary																	
(3) Does the Company formulate the regulations and methods for the performance evaluation of the Board of Directors, conduct performance evaluations regularly every year, report the results of the performance evaluation to the Board of Directors, and take it as a reference for the remuneration, nomination and re-appointment of each director?	V		<p>2. Establish and develop the organizational structure of the Board of Directors and various committees, conduct performance evaluations of the Board of Directors and each director, and evaluate the independence of independent directors.</p> <p>3. Establish or examine directors' continuing education.</p> <p>4. Establish the Corporate Governance Best Practice Principles of the Company.</p> <p>(3)The Company has established Board Performance Evaluation Rules and shall conduct a performance evaluation of the Board of Directors and individual directors at least once a year.</p> <p>The Company reports to the Board of Directors on the evaluation criteria of the performance evaluation indicators and the evaluation results for review and improvement.</p> <p>The Company's internal Board of Directors performance evaluation for 2025 was conducted by the responsible unit using a questionnaire method and was completed on January 31, 2026. The performance evaluation results were reported to the Board of Directors for review and improvement on March 12, 2026, and the evaluation results are disclosed on the Company's website.</p> <p>The results of the 2025 Board of Directors performance evaluation are as follows:</p> <p>(1)The overall average score of the board performance self-evaluation is 84 points.</p> <p>(2) The overall average score of the performance self-evaluation of board members is 97 points.</p> <p>(3) The overall average self-evaluation score for the Audit Committee was 98 points, the overall average self-evaluation score for the Remuneration Committee was 97 points, and the overall average self-evaluation score for the Nomination Committee was 98 points.</p> <p>(4) The performance evaluation of the Board of Directors in 2025 showed that the Company's Board of Directors was operating well as a whole, which will be adopted as a reference for the remuneration to individual directors, nomination and renewal of director candidates.</p>	(3) In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.																
(4) Does the Company evaluate the independence of CPAs on a regular basis?	V		<p>(4) The Board of Directors of the Company regularly (at least once a year) evaluates the independence of the CPAs in accordance with Article 29 the Code of Corporate Governance Practices for Listed OTC Companies.</p> <p>In addition to requesting CPAs to provide the "Statement of Auditing Standards" and the "Audit Quality Indicators (AQIs)", the Company evaluates the criteria and the 13 AQIs according to the table below.</p> <p>It is confirmed that the CPAs have no other financial interests or business relationships with the Company except for visa and financial tax fees. The family members of the CPAs do not violate the independence requirements. The professionalism of the CPAs and the firm is confirmed with reference to the AQIs and is comparable to that of their industry counterparts.</p> <p>The most recent annual evaluation results regarding the independence and suitability of the CPAs were discussed and approved by the Audit Committee on February 5, 2026, and subsequently approved by the Board of Directors via resolution on the same day.</p> <table border="1"> <thead> <tr> <th></th> <th>Evaluation Item</th> <th>Evaluation Results</th> <th>Whether it conforms to independence</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Whether the appointed CPA has any direct or indirect material financial interests in the Company.</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>2</td> <td>Whether the CPA has a close business relationship with the Company and a potential employment relationship.</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>3</td> <td>Whether the CPAs have acted as the Company's defender or represented the Company in conflict mediation with other third parties.</td> <td>No</td> <td>Yes</td> </tr> </tbody> </table>		Evaluation Item	Evaluation Results	Whether it conforms to independence	1	Whether the appointed CPA has any direct or indirect material financial interests in the Company.	No	Yes	2	Whether the CPA has a close business relationship with the Company and a potential employment relationship.	No	Yes	3	Whether the CPAs have acted as the Company's defender or represented the Company in conflict mediation with other third parties.	No	Yes	(4) In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
	Evaluation Item	Evaluation Results	Whether it conforms to independence																	
1	Whether the appointed CPA has any direct or indirect material financial interests in the Company.	No	Yes																	
2	Whether the CPA has a close business relationship with the Company and a potential employment relationship.	No	Yes																	
3	Whether the CPAs have acted as the Company's defender or represented the Company in conflict mediation with other third parties.	No	Yes																	

Evaluation Item	Implementation Status						Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary				
			4	Whether the appointed CPA, their spouse, or dependents have any financing or guarantee activities with the Company or the Company's directors or supervisors.	No	Yes	
			5	Whether the appointed CPA, their spouse, or dependents currently serve, or have served within the last two years, as a director, supervisor, or managerial officer of the Company, or in a position significantly influencing the audit engagement; or whether they will serve in the aforementioned positions during the future audit period.	No	Yes	
			6	Whether the appointed CPA, their spouse, or dependents have any kinship/family relationship with the Company's directors, supervisors, managerial officers, or personnel holding positions that significantly influence the audit engagement.	No	Yes	
			7	Whether the CPA has brokered stocks or other securities issued by the Company.	No	Yes	
			8	Whether the CPA has provided non-audit services to the Company that may directly affect the audit.	No	Yes	
			9	Whether the CPA is engaged in any other business that may result in a loss of independence.	No	Yes	
			10	Whether the CPA receives any commission related to the Company's business.	No	Yes	
			11	Whether the CPA accepts gifts or presents of significant value from the company and its directors, supervisors, and managers (value exceeds general social etiquette standards).	No	Yes	
			12	Whether the appointment of a CPA is inconsistent with the regulations of the competent authority on business matters regarding the rotation of accountants, handling accounting matters on behalf of others, or any other norms that may affect the independence of the CPA.	No	Yes	
			13	Whether the CPA has any inappropriate relationship with the company other than the above.	No	Yes	
			14	The appointed CPA should require their audit staff (or: assistants) to maintain integrity, objectivity, and independence.	No	Yes	
4. Does the Company deploy an appropriate number of suitable corporate governance personnel and designate a corporate governance officer responsible for corporate governance-related matters (including but not limited to providing directors and supervisors information required to perform business, assisting directors and supervisors in complying with laws, handling matters related to meetings of the Board of Directors and shareholders' meetings on the basis of law, and preparing the minutes of the Board meetings and shareholders' meetings, etc.)?	V		The Company has appointed a Corporate Governance Officer, with this role supported by [or associated with] the Finance Department. Mr. Lin, Yang-Hong (then President) was appointed Corporate Governance Officer by the Board of Directors on August 28, 2020. Following Mr. Lin, Yang-Hong's resignation on December 31, 2024, the new President, Mr. Lin, Kuan-Hong, assumed the role of Corporate Governance Officer effective January 1, 2025. The following matters are the joint responsibility of the corporate governance officer and the Finance Div.				In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
			<ul style="list-style-type: none"> Handled matters related to meetings of the Board of Directors and shareholders' meetings on the basis of law. Conducted meetings of the Board of Directors and shareholders in accordance with the law. Assisted in the appointment and continuing education of directors and supervisors. Provided information necessary for directors and supervisors to carry out their business Assisted in the appointment and continuing education of directors and supervisors. Reported to the Board of Directors on whether the qualifications of the independent directors at the time of nomination, election, and during their term of office comply with the relevant laws and regulations. Handled matters related to the changes of directors. Other matters specified in the Articles of Incorporation or contracts. 	
5. Does the Company establish a means of communication with its stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and create a stakeholder section on the Company website to respond to stakeholders' questions about its corporate social responsibility?	V		<p>The Company values its stakeholders and respects their legitimate rights and interests. A special section for stakeholders has been set up on the Company's website, and relevant units have been set up to respond appropriately.</p> <p>The Company has set up "ESG" sections on the website to provide relevant information to stakeholders, and has set up a "Feedback and Complaint Box" on the website, with dedicated personnel responsible for responding to relevant issues.</p> <p>The Company discloses the identities of stakeholders it has identified, their issues of concern, communication channels, and response methods on its website and in its ESG Sustainability Report. The status of communication with various stakeholders is reported to the Board of Directors at least annually; the most recent report to the Board was made on August 12, 2025.</p>	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
6. Does the Company entrust a professional stock transfer agent to manage shareholders' meetings and other relevant affairs?	V		The Company entrusts the Transfer Agency of CTBC Bank to manage relevant affairs of shareholders' meetings.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
7. Information disclosure				
(1) Does the Company establish a company website to disclose information on its finances, business, and corporate governance?	V		(1) The Company's website (https://www.phihongtech.com) has disclosed information on its finances, business, and corporate governance.	(1) In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(2) Does the Company use other channels of information disclosure (e.g., maintaining an English website, designating persons to handling information collection and disclosure, appointing a spokesperson, and webcasting investor conferences)?	V		(2) The Company has set up an English website maintained by dedicated personnel, and the Company has also established a spokesperson system. Information about the shareholders' meeting and the investor conferences, etc. is updated immediately on the company website.	(2) In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(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 financial statements for the first, second and third quarters and the monthly operations before the prescribed period?	V		(3) The Company's annual and first, second, and third quarterly financial statements were announced by the deadline prescribed by law and were not published earlier than expected. The operating status of each month is also reported by the 10th of each month as required.	(3) In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																																																																																																								
	Yes	No	Summary																																																																																																									
8. Does the Company have other important information that can facilitate the understanding of its operations of corporate governance (including but not limited to employee rights and interests, employee care, investor relations, supplier relationships, stakeholder rights, continuing education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and purchase of liability insurance for directors and supervisors)?	V		<p>(1) For information on employee rights and interests, employee care, investor relations, supplier relationships, and stakeholder rights, please refer to the description of "Corporate Sustainability" on pages 57 to 68 of the annual report.</p> <p>(2) Continuing education of directors of the Company:</p> <table border="1"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Date</th> <th>Organizer</th> <th>Name of Class</th> <th>Training Hours</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Chairman</td> <td rowspan="2">Lin, Chung-Min</td> <td>August 22, 2025</td> <td>Chinese National Association of Industry and Commerce</td> <td>2025 Taishin Shin Kong Net Zero Summit</td> <td>3</td> </tr> <tr> <td>November 28, 2025</td> <td>Taiwan Corporate Governance Association</td> <td>Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance</td> <td>3</td> </tr> <tr> <td rowspan="2">Director</td> <td rowspan="2">Lin, Fei-Hong</td> <td>August 22, 2025</td> <td>Chinese National Association of Industry and Commerce</td> <td>2025 Taishin Shin Kong Net Zero Summit</td> <td>3</td> </tr> <tr> <td>November 28, 2025</td> <td>Taiwan Corporate Governance Association</td> <td>Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance</td> <td>3</td> </tr> <tr> <td rowspan="5">Corporate director representative</td> <td rowspan="5">Lin, Kuan-Hong</td> <td>July 31, 2025</td> <td>Taiwan Stock Exchange</td> <td>2025 Summit on Strengthening Taiwan's Capital Market</td> <td>3</td> </tr> <tr> <td>October 15, 2025</td> <td>Taiwan Stock Exchange and Taipei Exchange</td> <td>New Trends in IR & Engagement: ESG and Sustainable Investment Forum</td> <td>3</td> </tr> <tr> <td>November 28, 2025</td> <td>Taiwan Corporate Governance Association</td> <td>Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance</td> <td>3</td> </tr> <tr> <td>December 3, 2025</td> <td>Taiwan Corporate Governance Association</td> <td>Global Trend Analysis: Risks and Opportunities</td> <td>3</td> </tr> <tr> <td>December 8, 2025</td> <td>Taipei Foundation of Finance</td> <td>Business Value and Digital Risks of Generative AI</td> <td>3</td> </tr> <tr> <td rowspan="3">Corporate director representative</td> <td rowspan="3">Chiang, Wei-Feng</td> <td>August 22, 2025</td> <td>Chinese National Association of Industry and Commerce</td> <td>2025 Taishin Shin Kong Net Zero Summit</td> <td>3</td> </tr> <tr> <td>September 9, 2025</td> <td>Securities and Futures Institute</td> <td>Trump 2.0 Disrupting the Global Economic Order: Impacts and Responses</td> <td>3</td> </tr> <tr> <td>September 9, 2025</td> <td>Securities and Futures Institute</td> <td>AI Development and Cybersecurity Risks</td> <td>3</td> </tr> <tr> <td rowspan="4">Director</td> <td rowspan="4">Chen, Chun-Cheng</td> <td>August 22, 2025</td> <td>Chinese National Association of Industry and Commerce</td> <td>2025 Taishin Shin Kong Net Zero Summit</td> <td>3</td> </tr> <tr> <td>September 26, 2025</td> <td>Securities and Futures Institute</td> <td>2025 Insider Trading Prevention Seminar</td> <td>3</td> </tr> <tr> <td>October 3, 2025</td> <td>Taiwan Academy of Banking and Finance</td> <td>Corporate Governance Forum</td> <td>3</td> </tr> <tr> <td>November 28, 2025</td> <td>Taiwan Corporate Governance Association</td> <td>Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance</td> <td>3</td> </tr> <tr> <td rowspan="3">Independent Director</td> <td rowspan="3">Wu, Chung-Shu</td> <td>June 4, 2025</td> <td>Taiwan Academy of Banking and Finance</td> <td>Corporate Strategies in Response to U.S. Tariff Policies and Supply Chain Restructuring</td> <td>3</td> </tr> <tr> <td>August 12, 2025</td> <td>Taiwan Corporate Governance Association</td> <td>Trump 2.0: Corporate Strategies for Global Tax Reform and Supply Chain Restructuring</td> <td>3</td> </tr> <tr> <td>August 22, 2025</td> <td>Chinese National Association of Industry and Commerce</td> <td>2025 Taishin Shin Kong Net Zero Summit</td> <td>3</td> </tr> <tr> <td rowspan="2">Independent Director</td> <td rowspan="2">Hong, Yu-Yuan</td> <td>October 3, 2025</td> <td>Securities and Futures Institute</td> <td>2025 Insider Trading Prevention Seminar</td> <td>3</td> </tr> <tr> <td>November 28, 2025</td> <td>Taiwan Corporate Governance Association</td> <td>Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance</td> <td>3</td> </tr> </tbody> </table>	Title	Name	Date	Organizer	Name of Class	Training Hours	Chairman	Lin, Chung-Min	August 22, 2025	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit	3	November 28, 2025	Taiwan Corporate Governance Association	Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance	3	Director	Lin, Fei-Hong	August 22, 2025	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit	3	November 28, 2025	Taiwan Corporate Governance Association	Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance	3	Corporate director representative	Lin, Kuan-Hong	July 31, 2025	Taiwan Stock Exchange	2025 Summit on Strengthening Taiwan's Capital Market	3	October 15, 2025	Taiwan Stock Exchange and Taipei Exchange	New Trends in IR & Engagement: ESG and Sustainable Investment Forum	3	November 28, 2025	Taiwan Corporate Governance Association	Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance	3	December 3, 2025	Taiwan Corporate Governance Association	Global Trend Analysis: Risks and Opportunities	3	December 8, 2025	Taipei Foundation of Finance	Business Value and Digital Risks of Generative AI	3	Corporate director representative	Chiang, Wei-Feng	August 22, 2025	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit	3	September 9, 2025	Securities and Futures Institute	Trump 2.0 Disrupting the Global Economic Order: Impacts and Responses	3	September 9, 2025	Securities and Futures Institute	AI Development and Cybersecurity Risks	3	Director	Chen, Chun-Cheng	August 22, 2025	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit	3	September 26, 2025	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3	October 3, 2025	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3	November 28, 2025	Taiwan Corporate Governance Association	Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance	3	Independent Director	Wu, Chung-Shu	June 4, 2025	Taiwan Academy of Banking and Finance	Corporate Strategies in Response to U.S. Tariff Policies and Supply Chain Restructuring	3	August 12, 2025	Taiwan Corporate Governance Association	Trump 2.0: Corporate Strategies for Global Tax Reform and Supply Chain Restructuring	3	August 22, 2025	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit	3	Independent Director	Hong, Yu-Yuan	October 3, 2025	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3	November 28, 2025	Taiwan Corporate Governance Association	Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance	3	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
Title	Name	Date	Organizer	Name of Class	Training Hours																																																																																																							
Chairman	Lin, Chung-Min	August 22, 2025	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit	3																																																																																																							
		November 28, 2025	Taiwan Corporate Governance Association	Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance	3																																																																																																							
Director	Lin, Fei-Hong	August 22, 2025	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit	3																																																																																																							
		November 28, 2025	Taiwan Corporate Governance Association	Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance	3																																																																																																							
Corporate director representative	Lin, Kuan-Hong	July 31, 2025	Taiwan Stock Exchange	2025 Summit on Strengthening Taiwan's Capital Market	3																																																																																																							
		October 15, 2025	Taiwan Stock Exchange and Taipei Exchange	New Trends in IR & Engagement: ESG and Sustainable Investment Forum	3																																																																																																							
		November 28, 2025	Taiwan Corporate Governance Association	Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance	3																																																																																																							
		December 3, 2025	Taiwan Corporate Governance Association	Global Trend Analysis: Risks and Opportunities	3																																																																																																							
		December 8, 2025	Taipei Foundation of Finance	Business Value and Digital Risks of Generative AI	3																																																																																																							
Corporate director representative	Chiang, Wei-Feng	August 22, 2025	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit	3																																																																																																							
		September 9, 2025	Securities and Futures Institute	Trump 2.0 Disrupting the Global Economic Order: Impacts and Responses	3																																																																																																							
		September 9, 2025	Securities and Futures Institute	AI Development and Cybersecurity Risks	3																																																																																																							
Director	Chen, Chun-Cheng	August 22, 2025	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit	3																																																																																																							
		September 26, 2025	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3																																																																																																							
		October 3, 2025	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3																																																																																																							
		November 28, 2025	Taiwan Corporate Governance Association	Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance	3																																																																																																							
Independent Director	Wu, Chung-Shu	June 4, 2025	Taiwan Academy of Banking and Finance	Corporate Strategies in Response to U.S. Tariff Policies and Supply Chain Restructuring	3																																																																																																							
		August 12, 2025	Taiwan Corporate Governance Association	Trump 2.0: Corporate Strategies for Global Tax Reform and Supply Chain Restructuring	3																																																																																																							
		August 22, 2025	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit	3																																																																																																							
Independent Director	Hong, Yu-Yuan	October 3, 2025	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3																																																																																																							
		November 28, 2025	Taiwan Corporate Governance Association	Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance	3																																																																																																							

Evaluation Item	Implementation Status						Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof																																											
	Yes	No	Summary																																															
			Independent Director	Lin, Kuei-Hong	August 22, 2025	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit	3																																										
					October 3, 2025	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3																																										
			Independent Director	Kang, Hui-Mei	August 22, 2025	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit	3																																										
					October 3, 2025	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3																																										
			Corporate director representative	Yu Ming-Jen (Note 1)	July 9, 2025	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	3																																										
<p>Note 1: Taiwan Cement Corporation resigned as a corporate director of the Company on August 14, 2025, and simultaneously dismissed its appointed director representative, Mr. Yu Ming-Jen.</p> <p>(3)Continuing Education of the “Corporate Governance Officer” of the Company:</p> <table border="1"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Date</th> <th>Organizer</th> <th>Name of Class</th> <th>Training Hours</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>July 31, 2025</td> <td>Taiwan Stock Exchange</td> <td>2025 Summit on Strengthening Taiwan’s Capital Market</td> <td>3</td> </tr> <tr> <td></td> <td></td> <td>October 15, 2025</td> <td>Taiwan Stock Exchange and Taipei Exchange</td> <td>New Trends in IR & Engagement: ESG and Sustainable Investment Forum</td> <td>3</td> </tr> <tr> <td>Corporate Governance Officer</td> <td>Lin, Kuei-Hong</td> <td>November 28, 2025</td> <td>Taiwan Corporate Governance Association</td> <td>Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance</td> <td>3</td> </tr> <tr> <td></td> <td></td> <td>December 3, 2025</td> <td>Taiwan Corporate Governance Association</td> <td>Global Trend Analysis: Risks and Opportunities</td> <td>3</td> </tr> <tr> <td></td> <td></td> <td>December 8, 2025</td> <td>Taipei Foundation of Finance</td> <td>Business Value and Digital Risks of Generative AI</td> <td>3</td> </tr> <tr> <td></td> <td></td> <td>December 9, 2025</td> <td>Taiwan Project Management Association</td> <td>Integrated Applications of Generative AI</td> <td>3</td> </tr> </tbody> </table>									Title	Name	Date	Organizer	Name of Class	Training Hours			July 31, 2025	Taiwan Stock Exchange	2025 Summit on Strengthening Taiwan’s Capital Market	3			October 15, 2025	Taiwan Stock Exchange and Taipei Exchange	New Trends in IR & Engagement: ESG and Sustainable Investment Forum	3	Corporate Governance Officer	Lin, Kuei-Hong	November 28, 2025	Taiwan Corporate Governance Association	Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance	3			December 3, 2025	Taiwan Corporate Governance Association	Global Trend Analysis: Risks and Opportunities	3			December 8, 2025	Taipei Foundation of Finance	Business Value and Digital Risks of Generative AI	3			December 9, 2025	Taiwan Project Management Association	Integrated Applications of Generative AI	3
Title	Name	Date	Organizer	Name of Class	Training Hours																																													
		July 31, 2025	Taiwan Stock Exchange	2025 Summit on Strengthening Taiwan’s Capital Market	3																																													
		October 15, 2025	Taiwan Stock Exchange and Taipei Exchange	New Trends in IR & Engagement: ESG and Sustainable Investment Forum	3																																													
Corporate Governance Officer	Lin, Kuei-Hong	November 28, 2025	Taiwan Corporate Governance Association	Dual-Axis Transformation to Enhance Organizational Resilience: AI Governance and Sustainability Governance	3																																													
		December 3, 2025	Taiwan Corporate Governance Association	Global Trend Analysis: Risks and Opportunities	3																																													
		December 8, 2025	Taipei Foundation of Finance	Business Value and Digital Risks of Generative AI	3																																													
		December 9, 2025	Taiwan Project Management Association	Integrated Applications of Generative AI	3																																													

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof								
	Yes	No	Summary									
			<p>(4) Implementation of risk management policies and risk evaluation standards:</p> <p>(1) The Company has established internal controls in accordance with the law, and internal audits are conducted on a regular and irregular basis to check the implementation. The Company also took out relevant insurance to transfer the risks that may be faced by the development of the company to provide compensation for the company's financial losses in case of risks, eliminate the factors that may generate risks through systematic management mechanisms, vigilance and continuous monitoring, and effectively avoid and manage risks.</p> <p>(2) Disclosures made on the company website: 2025 risk management operations and the risk management manual.</p> <p>(3) The 2025 risk management operations were reported to the Board of Directors once on November 7, 2025.</p> <p>(5) Implementation of customer policy: The Company upholds the belief that customers come first and implements it in accordance with the Consumer Protection Act, the Company's internal regulations, and other Act and regulations.</p> <p>(6) Status of Directors' Liability Insurance Purchased by the Company in 2025:</p> <table border="1"> <thead> <tr> <th>Insured Party</th> <th>Insurance Company</th> <th>Investment Amount</th> <th>Insurance Policy Period</th> </tr> </thead> <tbody> <tr> <td>Directors & Managers</td> <td>Fubon Insurance Co., Ltd.</td> <td>USD10,000,000</td> <td>September 19, 2025~September 19, 2026</td> </tr> </tbody> </table>	Insured Party	Insurance Company	Investment Amount	Insurance Policy Period	Directors & Managers	Fubon Insurance Co., Ltd.	USD10,000,000	September 19, 2025~September 19, 2026	
Insured Party	Insurance Company	Investment Amount	Insurance Policy Period									
Directors & Managers	Fubon Insurance Co., Ltd.	USD10,000,000	September 19, 2025~September 19, 2026									
<p>9. Improvements made based on the result of the latest Corporate Governance Evaluation announced by Taiwan Stock Exchange Corporation and priorities and measures for improvement.</p> <p>In the 11th (2025) Corporate Governance Evaluation, the Company was ranked in the top 21%-35% segment. The explanation below addresses only the items requiring priority improvement:</p> <p>The Risk Management Task Force needs to actively plan and promote the establishment of a functional committee under the Board of Directors (such as a Risk Management Committee) to effectively supervise risk management. It should also establish risk management policies and procedures approved by the Board, disclose the risk management organizational structure, risk management procedures, and their operating status, and report to the Board of Directors at least once a year.</p>												

(4) Composition of Remuneration Committee, Responsibilities, and Operation of the Company

1. Composition of the Remuneration Committee

April 30, 2026

Qualifications		Professional Qualification and Experience	Independence Status (Note)	Number of Other Public Companies where the Individual Concurrently Serves as Independent Director
Identity Name				
Independent Director (Convener)	Hong, Yu-Yuan	<ul style="list-style-type: none"> ● Professional qualification: He is an Independent Director of the Company, and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations. ● Experience: Associate Professor and Chair of the Department of International Business, College of Management, Toko University. He held positions as the Chairman of Sam Kuei Construction Co., Ltd. and Cai-Fa Development and Construction Co., Ltd. for over five years. 	None of the circumstances stated in Paragraph 1, Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" occurred two years prior to the election and during the term of office.	None
Independent Director	Lin, Kuei-Hong	<ul style="list-style-type: none"> ● Professional qualification: He is an Independent Director of the Company, and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations. ● Experience: He held the position as the Head of LOHAS Outdoor Products Enterprise for over five years. 		None
Independent Director	Wu, Chung-Shu	<ul style="list-style-type: none"> ● Professional qualification: He is an Independent Director of the Company, and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations. ● Experience: Over five years of work experience serving as Chairman of the Taiwan Institute of Economic Research (TIER) and President of the Chung-Hua Institution for Economic Research (CIER), Advisory Committee Member of the Chung-Hua Institution for Economic Research (CIER), and Chairman of the Taiwan Academy of Banking and Finance (TABF). 		1 company
Independent Director	Kang, Hui-Mei	<ul style="list-style-type: none"> ● Professional qualification: She is an Independent Director of the Company, and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations. ● Experience: Over 5 years of experience serving as a Director & General Manager of WiXtar Corporation, Chairman of Wilmar International Investment Limited, General Manager of IBF Securities Co., Ltd., and CEO of Polaris Securities. 		1 company

Note: **Independent status compliance:** should specify their independent status, including but not limited to whether oneself, relatives of Spouse, within the Second Degree of Kinship, etc. serve as directors, supervisors, or employees of the company or its affiliated companies; oneself, relatives of Spouse, within the Second Degree of Kinship, etc. (using the name of others) hold the number and proportion of shares of the company; whether they serve as directors, supervisors, or employees of companies with specific relationships with the company (refer to the Subparagraph 5 to 8, Paragraph 1, Article 6 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies"); provide the company or its affiliated companies with business, legal affairs, financial and accounting in the last 2 years The amount of remuneration obtained for accounting and other services.

2. Duties and Operation of the Remuneration Committee:

(1) Duties of the Remuneration Committee

The Committee shall, with great prudence, faithfully perform the following functions and powers, and submit the recommendations to the Board of Directors for discussion.

1. Review the regulations regularly and put forth amendments.
2. Formulate and regularly review the directors', and managers' annual performance evaluation and remuneration policies, systems, standards, and structures.
3. Regularly evaluate and determine the content and amount of remuneration to directors and managers.

When performing the functions and responsibilities mentioned in the preceding paragraph, the Committee shall follow the following principles:

1. The performance evaluation and remuneration to directors and managers shall be based on the general payment level in the industry, with the consideration for the reasonableness of the linkage with personal performance, responsibilities, the Company's operating performance, and future risks.
2. Shall not guide directors and managers to engage in behavior that exceeds the Company's risk appetite in pursuit of remuneration.
3. The percentage of the short-term performance bonus for directors and senior managers and the payment time of part of the variable pay shall be determined in consideration of the characteristics of the industry and the nature of the Company's business.

The salary and remuneration referred to in this paragraph include cash remuneration, stock options, dividends, pension benefits or severance payments, various allowances, and other measures with substantive incentives.

If a subsidiary's director and manager salary and remuneration matters must be approved by the Company's board of directors according to the subsidiary's hierarchy principle, the committee shall make suggestions first before submitting it to the Board of Directors for discussion.

(2) Operation of the Remuneration Committee

1. The Remuneration Committee consists of 4 members.
2. The term of office starts from June 10, 2023 and ends on June 9, 2026. A total of 3 meetings of the Remuneration Committee (A) were held during the most recent year. The qualifications and attendance of the members are as follows:

Title	Name	Times of Attendance in Person (B)	Times of Attendance by Proxy	Attendance Rate(%) (B/A)(Note)	Note
Convener	Hong, Yu-Yuan	3	0	100	Kang Hui-Mei was elected in the by-election at the shareholders' meeting on June 12, 2024.
Member	Lin, Kuei-Hong	3	0	100	
Member	Wu, Chung-Shu	3	0	100	
Member	Kang, Hui-Mei	3	0	100	The Board of Directors approved the appointment of Kang Hui-Mei as a committee member on August 12, 2024.
Other matters to be recorded:					
I. If the Board of Directors rejects or amends the suggestions of the Remuneration Committee, the date and session of the Board meeting, contents of the proposal, and resolution of the Board of Directors as well as the Company's actions in response to the opinions of the Remuneration Committee (if remuneration approved by the Board is better than that proposed by the Remuneration Committee, for example) should be stated: None.					
II. Regarding resolutions of the meeting of the Remuneration Committee, if there is any written record or statement pertaining to members' objections or reservations, the date and term of the Remuneration Committee meeting, contents of the proposal, the opinion of the said member, and the actions in response to the said opinion should be stated: None.					

(3) Discussion and resolutions of the 2025 Remuneration Committee, and the Company's handling of members' opinions

Meetings of Remuneration Committee	Important Motion Summary	Resolutions of the Remuneration Committee	Action in Response to the Remuneration Committee's Opinions
March 11, 2025 9 th meeting of the 5 th -term	<ul style="list-style-type: none"> • Distribution of the 2024 employee compensation and directors' remuneration. • Review of the General Manager's company car leasing arrangement. 	After the Chairman consulted all the members present, the motion was passed without objection.	Passed without objection
August 12, 2025 10 th meeting of the 5 th -term	<ul style="list-style-type: none"> • The Company's 2024 directors' remuneration distribution plan. • Review of remuneration for directors and managers concurrently serving as managers of Zerova. 	<p>The directors and independent directors are the stakeholders of the case, and they left the meeting one by one in accordance with the conflict of interest system when deliberating on individual remunerations, and did not participate in the discussion and voting.</p> <p>After the Chairman consulted all the members present, the motion was passed without objection.</p>	Passed without objection
November 7, 2025 11 th meeting of the 5 th -term	<ul style="list-style-type: none"> • The Company's 2024 managers' remuneration distribution plan. • Review of remuneration for directors and managers concurrently serving as managers of Zerova. 	<p>The directors and independent directors are the stakeholders of the case, and they left the meeting one by one in accordance with the conflict of interest system when deliberating on individual remunerations, and did not participate in the discussion and voting.</p> <p>After the Chairman consulted all the members present, the motion was passed without objection.</p>	Passed without objection

(5) Operating Status of the Nomination Committee:

1. Qualifications and Responsibilities of Nomination Committee Members:

(1) Qualifications for Appointment of Nomination Committee Members:

The committee is composed of at least three directors nominated by the Board of Directors, in which more than half of the independent directors shall participate.

(2) Duties of Nomination Committee Members:

Under the authorization of the Board of Directors, the committee shall, with great prudence, faithfully perform the following functions and powers, and submit the recommendations to the Board of Directors for discussion:

(i). Set expertise, technology, experience, gender and other diversity and independent background standards required by directors and hunt independent directors, identify, review and nominate directors and independent director candidates accordingly.

(ii). Construct and develop the organizational structure of the Board of Directors and various committees, conduct performance evaluation of the Board of Directors and each director, and evaluate the independence of independent directors.

(iii). Establish or examine directors' continuing education.

(iv). Establish the Corporate Governance Best Practice Principles of the Company.

2. Professional qualifications, experience and performance of members of the Nomination Committee:

1. The Company's Nomination Committee consists of four members.

2. The term of office for the current members is from June 26, 2023, to June 8, 2026. The Nomination Committee held 2 meetings (A) in the most recent year. The professional qualifications, experience, attendance, and discussion items of the members are as follows:

Title	Name	Professional Qualification and Experience	Times of Attendance in Person (B)	Times of Attendance by Proxy	Attendance Rate (%) (B/A)	Note
Convener	Hong, Yu-Yuan	Education: PhD in Management, University of Sydney, Australia Experience: Director of the News Department, Chiayi County Government; Associate Professor and Head of the Department of National Enterprises, Toko University. Current Position: Chairman of San Kuei Construction Co., Ltd. Professional qualifications: He is an Independent Director of the Company, and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations.	2	0	100%	Required to attend 2 meetings in 2025.
Member	Lin, Kuei-Hong	Education: Department of Public Administration, Tamkang University Experience: Head of LOHAS Outdoor Products Enterprise. Current position: Head of LOHAS Outdoor Products Enterprise. Professional qualifications: He is an Independent Director of the Company, and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations.	2	0	100%	Required to attend 2 meetings in 2025.
Member	Wu, Chung-Shu	Education: PhD in Economics from Northwestern University, US Experience: Chairman of the Taiwan Academy of Banking and Finance, Chairman of the Chung-Hua Institution for Economic Research Current position: Chairman of the Taiwan Institute of Economic Research Professional qualification: He is an Independent Director of the Company, and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations.	2	0	100%	Required to attend 2 meetings in 2025.
Member	Kang, Hui-Mei	Education: EMBA, Graduate Institute of International Business, National Taiwan University (NTU) Experience: President, IBF Securities Co., Ltd.; COO, Polaris Securities. Current Position: Director & General Manager of WiXtar Corporation; Chairman of Wimar International Investment Limited; Independent Director, Wonder Pets Enters Co., Ltd. Professional qualification: He is an Independent Director of the Company, and possesses expertise in business, finance, and accounting, as well as those required by the Company's operations.	2	0	100%	Newly elected Independent Director in the AGM by-election on June 12, 2024; appointed by the Board on August 12, 2024, to serve as a member of the Company's various functional committees. Required to attend 2 meetings in 2025.
Other matters to be recorded: The meeting date, period, and content of the main proposals of the Nomination Committee, the content of the proposals or objections of the members of the Nomination Committee, the results of the resolutions of the Nomination Committee, and the Company's handling of the opinions of the Nomination Committee: None.						

3. Discussion topics and resolution results of the Nomination Committee meetings in 2025

Nomination Committee Meeting	Important Motion Summary	Resolution
March 11, 2025	The Company's 2024 Board of Directors Performance Evaluation Report.	Passed without objection
	List of director candidates.	Passed without objection
November 7, 2025	Plan for the 2026 Director Continuing Education.	Passed without objection

(5) Implementation of the promotion of sustainable development and the differences and reasons for the rules of practice for sustainable development of TWSE/TPEX Listed Companies

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																																																	
	Yes	No	Summary																																																		
1. Does the Company establish a governance structure to promote sustainable development and set up an exclusively (concurrently) dedicated unit to implement sustainable development (operated by the senior management upon authorization by the Board of Directors) and supervised by the Board of Directors?	V		<p>Sustainable Development Committee</p> <p>The Company has established a “three-tiered sustainability governance framework.” The Sustainable Development Committee, formed under the Board of Directors, acts as the highest decision-making body; it is chaired by the Group General Manager, who is tasked with defining the vision and overseeing performance. The middle tier is led by the Chief Sustainability Officer, who heads the Sustainable Development Office, a cross-departmental communication hub and strategic coordination center. The execution tier comprises seven functional teams, each led by a first-level manager from the corresponding division. These teams translate sustainability goals into concrete action plans based on the three pillars of ESG (Environmental, Social, and Governance) to ensure systematic implementation.</p> <p>The Chief Sustainability Officer reports regularly to the Board of Directors on implementation results, with a total of four reports submitted in 2025. Key reporting topics include the progress of GHG inventories at core manufacturing sites, the implementation of Product Carbon Footprint (PCF) and the Energy Management System (ISO 50001), as well as the approval of material sustainability issues and sustainability reports. These governance practices demonstrate the Company’s commitment to driving sustainable transformation. By embedding ESG principles into its corporate culture and operational strategies, the Company actively responds to the United Nations Sustainable Development Goals (SDGs) and fulfills its corporate social responsibility.</p> <p>[Sustainable Development Committee]</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">環境永續 (Environmental)</th> <th colspan="2">社會共融 (Social)</th> <th colspan="3">公司治理 (Governance)</th> </tr> </thead> <tbody> <tr> <td>綠色營運</td> <td>氣候變遷策略</td> <td>員工照護</td> <td>社會參與</td> <td>公司治理</td> <td>供應鏈永續管理</td> <td>客戶夥伴</td> </tr> <tr> <td>研發、技術支援、 綠能研究所</td> <td>總務、EHS 採購、技術支援</td> <td>人力資源部 EHS</td> <td>總務部</td> <td>財務部、稽核室 法務室</td> <td>策略採購</td> <td>中央品保、營業</td> </tr> <tr> <td>綠色設計</td> <td>溫室氣體盤查</td> <td>健康與安全</td> <td>公益慈善</td> <td>公司治理評鑑</td> <td>QDCST管理</td> <td>客戶滿意度</td> </tr> <tr> <td>產品責任</td> <td>能資源管理</td> <td>人才培育</td> <td>環境守護</td> <td>誠信經營</td> <td>供應鏈ESG管理</td> <td>品質管理</td> </tr> <tr> <td colspan="2">氣候變遷風險與機會管理</td> <td>勞工人權</td> <td>社區發展</td> <td>風險管理</td> <td>關鍵供應商管理</td> <td>產品與流程創新</td> </tr> <tr> <td colspan="2"></td> <td></td> <td></td> <td>法令遵循</td> <td></td> <td></td> </tr> </tbody> </table>	環境永續 (Environmental)		社會共融 (Social)		公司治理 (Governance)			綠色營運	氣候變遷策略	員工照護	社會參與	公司治理	供應鏈永續管理	客戶夥伴	研發、技術支援、 綠能研究所	總務、EHS 採購、技術支援	人力資源部 EHS	總務部	財務部、稽核室 法務室	策略採購	中央品保、營業	綠色設計	溫室氣體盤查	健康與安全	公益慈善	公司治理評鑑	QDCST管理	客戶滿意度	產品責任	能資源管理	人才培育	環境守護	誠信經營	供應鏈ESG管理	品質管理	氣候變遷風險與機會管理		勞工人權	社區發展	風險管理	關鍵供應商管理	產品與流程創新					法令遵循			In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
環境永續 (Environmental)		社會共融 (Social)		公司治理 (Governance)																																																	
綠色營運	氣候變遷策略	員工照護	社會參與	公司治理	供應鏈永續管理	客戶夥伴																																															
研發、技術支援、 綠能研究所	總務、EHS 採購、技術支援	人力資源部 EHS	總務部	財務部、稽核室 法務室	策略採購	中央品保、營業																																															
綠色設計	溫室氣體盤查	健康與安全	公益慈善	公司治理評鑑	QDCST管理	客戶滿意度																																															
產品責任	能資源管理	人才培育	環境守護	誠信經營	供應鏈ESG管理	品質管理																																															
氣候變遷風險與機會管理		勞工人權	社區發展	風險管理	關鍵供應商管理	產品與流程創新																																															
				法令遵循																																																	

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
			<p>Sustainability Policies</p> <p>To practice sustainable development, the Company formulated and obtained Board approval for the “Sustainable Development Best Practice Principles” in 2022, clearly establishing four major policies as core guiding principles for promoting sustainable development: (1) Implementing corporate governance, (2) Promoting environmental sustainability, (3) Maintaining social welfare, and (4) Strengthening the disclosure of corporate social responsibility (CSR) information. To further implement these policies, we have also established management regulations such as the “Regulations Governing the Establishment of the Sustainable Development Committee,” the “Corporate Governance Best Practice Principles,” the “Code of Ethics and Business Conduct,” and the “Code of Ethical Conduct.” These regulations are continuously adjusted and updated based on international trends, recommendations from regulatory authorities, and actual needs.</p> <div style="border: 1px solid black; padding: 5px;"> <p>Main Responsibilities of the Sustainable Development Committee</p> <ul style="list-style-type: none"> • Formulate and assist in integrating corporate sustainability values into the Company’s business strategies. • Review the objectives, strategies, and action plans of the Company’s sustainability policies and evaluate their effectiveness. • Guide and monitor the progress and performance improvements of various sustainability action plans. • Oversee the preparation and publication of the ESG sustainability report. </div> <div style="text-align: center; margin-top: 20px;"> <p>The diagram consists of four interconnected hexagonal icons arranged horizontally. Each icon contains a specific theme and a corresponding symbol: <ul style="list-style-type: none"> 落實公司治理 (Implementing Corporate Governance): Represented by a hierarchical organizational chart symbol. 發展永續環境 (Developing Sustainable Environment): Represented by a recycling symbol. 維護社會公益 (Maintaining Social Welfare): Represented by a house with a heart inside. 加強企業社會責任資訊揭露 (Strengthening Corporate Social Responsibility Information Disclosure): Represented by a building with circular arrows around it. </p> </div>	

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
2. Does the Company conduct risk assessments of environmental, social, and corporate governance issues in relation to its operations in accordance with the materiality principles, and formulate relevant risk management policies or strategies?	V		<p>Risk Governance Organization:</p> <p>To enhance the resilience and sustainable development of the Company's basic operations, Phihong has established a Risk Governance Organization with the Group President serving as the Chief Executive Officer (CEO). Through a cross-departmental structure for risk management-related affairs, a systematic operating mechanism has been implemented. Based on the Risk Management Handbook, risk assessment and identification are conducted for environmental, social, and governance (ESG) issues related to the company's operations. The execution status and results of risk governance are reported regularly to the Board of Directors, at least annually, enabling the Board to oversee the operation of the risk governance mechanism and its overall implementation.</p> <p>The scope of risk governance covers all companies within the group. Members of the Risk Governance Organization are the top executives of each business unit, while Risk Governance implementation personnel are designated individuals within each business unit responsible for executing various risk governance tasks in daily operations.</p> <p>Risk Management Policies and Objectives</p> <p>To establish, maintain, and continuously improve an effective risk management system, enabling the Company to safeguard commitments to customers, protect shareholder rights and interests, focus on employees' working environment and health, and move towards sustainable operation. For the complete policy, please refer to the Company's Risk Management Handbook. Risk Management Objectives</p> <ol style="list-style-type: none"> 1. Reduce risk levels and strengthen the organization's risk management capabilities. 2. Enhance the consistency of the application of risk management across the company's organization. 3. Eliminate or reduce the frequency of specific crisis events. <p>Risk Identification and Monitoring</p> <p>The Company identifies and confirms potential risks and impacts from internal and external environments. Targeting aspects such as company operations, technology, cyber security, facilities, supply chain, finance, and personnel, 11 risks were identified in 2025. Furthermore, impact response and mitigation measures, along with designated responsible parties/units for management, have been formulated for different risk items. Procedures covering early warning, response, crisis management, and recovery actions have been established to ensure operational sustainability.</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.


Promoting items	Implementation		Summary	Deviations from the Sustainable Development Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof														
	Yes	No																
			<p> 確立推動環境背景 建立風險管理內外部環境要素與步驟，並定義風險評量標準及風險分析對象 </p> <p> 風險評估 透過小組會議廣泛蒐集、辨別及描述風險並歸類 風險分析 確認既有控制機制與發生機率、影響評估等級 風險評量 比較風險基準並設定優先順序與風險胃納 </p> <p> 風險處置 列出及評估與選擇風險對策，負責部門提出執行計畫或減緩對策 </p> <p> 監控和審查 定期評估風險管理的構、計畫的進度及其有效性 </p> <p>Operations and Management Risk Analysis Table</p> <table border="1"> <thead> <tr> <th>Aspects</th> <th>Risk Identification</th> <th>Operational Impact</th> <th>Mitigation measures</th> <th>Business Opportunities</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Environment (E)</td> <td>Electricity and Water Supply Disruptions</td> <td>Disruptions in operations due to public facilities such as electricity and water resources being disrupted</td> <td> <ul style="list-style-type: none"> Develop emergency response plans to reduce the impact of electricity and water outages Set up generators, uninterruptible power supply systems, and evaluate the introduction of energy storage facilities, among other measures. Establish in-plant water storage and external water source support mechanisms; and implement water-saving and power-saving measures </td> <td>Accelerate the improvement of energy and resource use efficiency, introduce the use of renewable energy, and establish an energy and resource emergency mechanism</td> </tr> <tr> <td>Environmental and climate change</td> <td>Greenhouse gas emission Resources management Management of air, water, hazardous waste and noise pollution</td> <td> <ul style="list-style-type: none"> Examine international environmental protection trend set environmental protection policy that meets operational demands Conduct disaster prevention monitoring and drills on emergency response and recovery ability For details on impacts or threats and corresponding response strategies, please refer to the "Climate Change Risks and Opportunities" chapter/section. </td> <td>For potential opportunities, please refer to the "Climate Change Response" section</td> </tr> </tbody> </table>	Aspects	Risk Identification	Operational Impact	Mitigation measures	Business Opportunities	Environment (E)	Electricity and Water Supply Disruptions	Disruptions in operations due to public facilities such as electricity and water resources being disrupted	<ul style="list-style-type: none"> Develop emergency response plans to reduce the impact of electricity and water outages Set up generators, uninterruptible power supply systems, and evaluate the introduction of energy storage facilities, among other measures. Establish in-plant water storage and external water source support mechanisms; and implement water-saving and power-saving measures 	Accelerate the improvement of energy and resource use efficiency, introduce the use of renewable energy, and establish an energy and resource emergency mechanism	Environmental and climate change	Greenhouse gas emission Resources management Management of air, water, hazardous waste and noise pollution	<ul style="list-style-type: none"> Examine international environmental protection trend set environmental protection policy that meets operational demands Conduct disaster prevention monitoring and drills on emergency response and recovery ability For details on impacts or threats and corresponding response strategies, please refer to the "Climate Change Risks and Opportunities" chapter/section. 	For potential opportunities, please refer to the "Climate Change Response" section	
Aspects	Risk Identification	Operational Impact	Mitigation measures	Business Opportunities														
Environment (E)	Electricity and Water Supply Disruptions	Disruptions in operations due to public facilities such as electricity and water resources being disrupted	<ul style="list-style-type: none"> Develop emergency response plans to reduce the impact of electricity and water outages Set up generators, uninterruptible power supply systems, and evaluate the introduction of energy storage facilities, among other measures. Establish in-plant water storage and external water source support mechanisms; and implement water-saving and power-saving measures 	Accelerate the improvement of energy and resource use efficiency, introduce the use of renewable energy, and establish an energy and resource emergency mechanism														
	Environmental and climate change	Greenhouse gas emission Resources management Management of air, water, hazardous waste and noise pollution	<ul style="list-style-type: none"> Examine international environmental protection trend set environmental protection policy that meets operational demands Conduct disaster prevention monitoring and drills on emergency response and recovery ability For details on impacts or threats and corresponding response strategies, please refer to the "Climate Change Risks and Opportunities" chapter/section. 	For potential opportunities, please refer to the "Climate Change Response" section														

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																										
	Yes	No	Summary																											
			<table border="1"> <tr> <td rowspan="3">Society (S)</td> <td>The threat of major infectious diseases</td> <td>Due to the spread of the infectious disease, the production line was suspended as employees of the Company were unable to arrive at work and materials could not be delivered to the Company, resulting in the Company being unable to meet customers' requirements.</td> <td> <ul style="list-style-type: none"> To guarantee the safety of personnel online and resume operations, implement the epidemic prevention organization and SOP mechanism. Employees work on alternate timing or work remotely for risk sharing Reinforce relationships with partners in the supply chain, share and respond to the supply chain pandemic control system. </td> <td>Rapidly and carefully plan for the normal output, exerting our crisis management abilities, striving for customers' trust, and more business opportunities.</td> </tr> <tr> <td>Occupational safety risks</td> <td>Work injury and public safety events impacting company's normal operations. Damage to personnel, property, and factory halting work due to serious differences</td> <td> <ul style="list-style-type: none"> Examination of occupational hazards and operations to avoid employee exposure to hazards Intensify everyday safety awareness and drills; when encountering disasters, public safety incidence, immediate activation of task team to perform rescue operations Enhance labor-capital negotiation channel, establish harmonious labor-capital relations Implement health checks for employees </td> <td>Reduce and prevent the chance of work disaster from occurring; ensure the safety of personnel and property to promote the trust of the stakeholders in the Company's continued operations</td> </tr> <tr> <td>Information security risk</td> <td>Due to leaks, theft, breakage, and other human factors or natural disaster damage, resulting in company or personal information loss and/or external/internal communication system malfunction that leads to company losses and even damage to company reputation</td> <td> <ul style="list-style-type: none"> Information system remote restoration drills are conducted twice a year to simulate any natural disaster (such as earthquake, fire, and flood), or loss of information due to human factors to ensure the fastest restoring method of the operations system Maintain two-carrier service at all times ensure normal external operations Enhance system encryption ability and password management Implement employee training and promotion, strengthen information security management and employees' awareness of legal compliance </td> <td>Construct highly dependable information security management system to contain any possible communication disruption, data loss and leak in order to earn the trust and support of all the stakeholders in the Company</td> </tr> <tr> <td rowspan="3">Corporate Governance (G)</td> <td>Global Geopolitical Risk</td> <td>Political conflict and instability pose potential threats to company operations and supply chains, consequently leading to risks such as local labor market disruptions, exchange rate fluctuations, and currency depreciation.</td> <td> <ol style="list-style-type: none"> Regularly review geopolitical issues concerning facilities in mainland China and the operating sites of partners. Formulate a complete command system and production transfer plans, and reach consensus with major customers </td> <td>Strengthen supply chain resilience, reduce dependence on single countries or suppliers, and evaluate cooperation with suppliers that have dispersed production bases in politically stable countries.</td> </tr> <tr> <td>Macroeconomic Risk (Market Demand)</td> <td>Increased downside risk for the global economy in 2025, particularly with persistently weak momentum and negative growth figures in European and American markets impacting the company's overall sales</td> <td> <ol style="list-style-type: none"> Maintain regular communication with customers regarding sales volume expectations. Review the reasonableness of capital expenditures and control factory production costs. </td> <td>Consolidate and extend core competitiveness, demonstrate differentiated advantages, and proactively deploy green and low-carbon products while advancing the dual transformation towards a circular economy.</td> </tr> <tr> <td>Ethics risk</td> <td>Violation of honesty and integrity principles of operation resulting in company's loss. In 2021, a corruption risk assessment was conducted for each plant, identifying a significant risk in the procurement area related to the inappropriate acceptance of gifts or money, or the use of entertainment expenses in exchange for preferential treatment in supplier bids for goods and services.</td> <td> <ul style="list-style-type: none"> New employees are required to undergo training on the "Code of Ethics and Business Conduct" upon onboarding, and must sign an acknowledgment after the training. Promote the importance and implementation of honesty and integrity through education at regular intervals </td> <td>All employees must abide by the Code of Corporate Ethics and Business Conduct, and fully execute honesty and integrity of operations</td> </tr> </table>	Society (S)	The threat of major infectious diseases	Due to the spread of the infectious disease, the production line was suspended as employees of the Company were unable to arrive at work and materials could not be delivered to the Company, resulting in the Company being unable to meet customers' requirements.	<ul style="list-style-type: none"> To guarantee the safety of personnel online and resume operations, implement the epidemic prevention organization and SOP mechanism. Employees work on alternate timing or work remotely for risk sharing Reinforce relationships with partners in the supply chain, share and respond to the supply chain pandemic control system. 	Rapidly and carefully plan for the normal output, exerting our crisis management abilities, striving for customers' trust, and more business opportunities.	Occupational safety risks	Work injury and public safety events impacting company's normal operations. Damage to personnel, property, and factory halting work due to serious differences	<ul style="list-style-type: none"> Examination of occupational hazards and operations to avoid employee exposure to hazards Intensify everyday safety awareness and drills; when encountering disasters, public safety incidence, immediate activation of task team to perform rescue operations Enhance labor-capital negotiation channel, establish harmonious labor-capital relations Implement health checks for employees 	Reduce and prevent the chance of work disaster from occurring; ensure the safety of personnel and property to promote the trust of the stakeholders in the Company's continued operations	Information security risk	Due to leaks, theft, breakage, and other human factors or natural disaster damage, resulting in company or personal information loss and/or external/internal communication system malfunction that leads to company losses and even damage to company reputation	<ul style="list-style-type: none"> Information system remote restoration drills are conducted twice a year to simulate any natural disaster (such as earthquake, fire, and flood), or loss of information due to human factors to ensure the fastest restoring method of the operations system Maintain two-carrier service at all times ensure normal external operations Enhance system encryption ability and password management Implement employee training and promotion, strengthen information security management and employees' awareness of legal compliance 	Construct highly dependable information security management system to contain any possible communication disruption, data loss and leak in order to earn the trust and support of all the stakeholders in the Company	Corporate Governance (G)	Global Geopolitical Risk	Political conflict and instability pose potential threats to company operations and supply chains, consequently leading to risks such as local labor market disruptions, exchange rate fluctuations, and currency depreciation.	<ol style="list-style-type: none"> Regularly review geopolitical issues concerning facilities in mainland China and the operating sites of partners. Formulate a complete command system and production transfer plans, and reach consensus with major customers 	Strengthen supply chain resilience, reduce dependence on single countries or suppliers, and evaluate cooperation with suppliers that have dispersed production bases in politically stable countries.	Macroeconomic Risk (Market Demand)	Increased downside risk for the global economy in 2025, particularly with persistently weak momentum and negative growth figures in European and American markets impacting the company's overall sales	<ol style="list-style-type: none"> Maintain regular communication with customers regarding sales volume expectations. Review the reasonableness of capital expenditures and control factory production costs. 	Consolidate and extend core competitiveness, demonstrate differentiated advantages, and proactively deploy green and low-carbon products while advancing the dual transformation towards a circular economy.	Ethics risk	Violation of honesty and integrity principles of operation resulting in company's loss. In 2021, a corruption risk assessment was conducted for each plant, identifying a significant risk in the procurement area related to the inappropriate acceptance of gifts or money, or the use of entertainment expenses in exchange for preferential treatment in supplier bids for goods and services.	<ul style="list-style-type: none"> New employees are required to undergo training on the "Code of Ethics and Business Conduct" upon onboarding, and must sign an acknowledgment after the training. Promote the importance and implementation of honesty and integrity through education at regular intervals 	All employees must abide by the Code of Corporate Ethics and Business Conduct, and fully execute honesty and integrity of operations	
Society (S)	The threat of major infectious diseases	Due to the spread of the infectious disease, the production line was suspended as employees of the Company were unable to arrive at work and materials could not be delivered to the Company, resulting in the Company being unable to meet customers' requirements.	<ul style="list-style-type: none"> To guarantee the safety of personnel online and resume operations, implement the epidemic prevention organization and SOP mechanism. Employees work on alternate timing or work remotely for risk sharing Reinforce relationships with partners in the supply chain, share and respond to the supply chain pandemic control system. 		Rapidly and carefully plan for the normal output, exerting our crisis management abilities, striving for customers' trust, and more business opportunities.																									
	Occupational safety risks	Work injury and public safety events impacting company's normal operations. Damage to personnel, property, and factory halting work due to serious differences	<ul style="list-style-type: none"> Examination of occupational hazards and operations to avoid employee exposure to hazards Intensify everyday safety awareness and drills; when encountering disasters, public safety incidence, immediate activation of task team to perform rescue operations Enhance labor-capital negotiation channel, establish harmonious labor-capital relations Implement health checks for employees 		Reduce and prevent the chance of work disaster from occurring; ensure the safety of personnel and property to promote the trust of the stakeholders in the Company's continued operations																									
	Information security risk	Due to leaks, theft, breakage, and other human factors or natural disaster damage, resulting in company or personal information loss and/or external/internal communication system malfunction that leads to company losses and even damage to company reputation	<ul style="list-style-type: none"> Information system remote restoration drills are conducted twice a year to simulate any natural disaster (such as earthquake, fire, and flood), or loss of information due to human factors to ensure the fastest restoring method of the operations system Maintain two-carrier service at all times ensure normal external operations Enhance system encryption ability and password management Implement employee training and promotion, strengthen information security management and employees' awareness of legal compliance 	Construct highly dependable information security management system to contain any possible communication disruption, data loss and leak in order to earn the trust and support of all the stakeholders in the Company																										
Corporate Governance (G)	Global Geopolitical Risk	Political conflict and instability pose potential threats to company operations and supply chains, consequently leading to risks such as local labor market disruptions, exchange rate fluctuations, and currency depreciation.	<ol style="list-style-type: none"> Regularly review geopolitical issues concerning facilities in mainland China and the operating sites of partners. Formulate a complete command system and production transfer plans, and reach consensus with major customers 	Strengthen supply chain resilience, reduce dependence on single countries or suppliers, and evaluate cooperation with suppliers that have dispersed production bases in politically stable countries.																										
	Macroeconomic Risk (Market Demand)	Increased downside risk for the global economy in 2025, particularly with persistently weak momentum and negative growth figures in European and American markets impacting the company's overall sales	<ol style="list-style-type: none"> Maintain regular communication with customers regarding sales volume expectations. Review the reasonableness of capital expenditures and control factory production costs. 	Consolidate and extend core competitiveness, demonstrate differentiated advantages, and proactively deploy green and low-carbon products while advancing the dual transformation towards a circular economy.																										
	Ethics risk	Violation of honesty and integrity principles of operation resulting in company's loss. In 2021, a corruption risk assessment was conducted for each plant, identifying a significant risk in the procurement area related to the inappropriate acceptance of gifts or money, or the use of entertainment expenses in exchange for preferential treatment in supplier bids for goods and services.	<ul style="list-style-type: none"> New employees are required to undergo training on the "Code of Ethics and Business Conduct" upon onboarding, and must sign an acknowledgment after the training. Promote the importance and implementation of honesty and integrity through education at regular intervals 	All employees must abide by the Code of Corporate Ethics and Business Conduct, and fully execute honesty and integrity of operations																										





Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof									
	Yes	No	Summary										
			<table border="1"> <tr> <td>Corporate Governance (G)</td> <td> <p>Financial risk</p> <ul style="list-style-type: none"> •Interest rate, exchange rate fluctuations affect financial income and expenditure, impact financial leverage, inflation risk. •Tax barriers inhibit ordering intentions of customers and results in increase in production cost, supply chain is impeded. </td> <td> <ul style="list-style-type: none"> •Assess interest rate exposure items and the degree of impact from floating interest rates. •Exchange rate risk adopts natural risk avoidance. Investment of short-term funds is mainly in time deposit account and investment product that has liquidity and safety capital with good return. No high-risk, high-leverage investments. •Applying loan quota cash flow from disposing of idle assets pay for operational funding and long-term capital expense. •Actively deploy in Vietnam with effective flexibility to reduce the impact from trade tariffs. </td> <td> <ul style="list-style-type: none"> •Manage the impact on asset and cash flow by interest rate and exchange rate for a stable financial operation. •Enhance operations and production response capability; expand supply partnership and sustainability capability. •Comply with the government investment benefit, continue to fortify research and development ability and technology talents in Taiwan's headquarters. Deploy production bases outside of China. </td> </tr> <tr> <td></td> <td>Supplier Risk</td> <td>Suppliers are unable to provide raw materials as scheduled, affecting normal operations and shipments</td> <td> <ul style="list-style-type: none"> •Review the inventory management mechanism and 'real-time material supply alert system' •Replacement material supplier mechanism to ensure stable sources of materials without the risk of supply disruption. <p>Regularly perform supplier BCP audits and assist suppliers in establishing risk management mechanisms.</p> </td> <td>Enhance sustainable partnerships with suppliers to achieve the demand and expectations of customers for mutual prosperity.</td> </tr> </table>	Corporate Governance (G)	<p>Financial risk</p> <ul style="list-style-type: none"> •Interest rate, exchange rate fluctuations affect financial income and expenditure, impact financial leverage, inflation risk. •Tax barriers inhibit ordering intentions of customers and results in increase in production cost, supply chain is impeded. 	<ul style="list-style-type: none"> •Assess interest rate exposure items and the degree of impact from floating interest rates. •Exchange rate risk adopts natural risk avoidance. Investment of short-term funds is mainly in time deposit account and investment product that has liquidity and safety capital with good return. No high-risk, high-leverage investments. •Applying loan quota cash flow from disposing of idle assets pay for operational funding and long-term capital expense. •Actively deploy in Vietnam with effective flexibility to reduce the impact from trade tariffs. 	<ul style="list-style-type: none"> •Manage the impact on asset and cash flow by interest rate and exchange rate for a stable financial operation. •Enhance operations and production response capability; expand supply partnership and sustainability capability. •Comply with the government investment benefit, continue to fortify research and development ability and technology talents in Taiwan's headquarters. Deploy production bases outside of China. 		Supplier Risk	Suppliers are unable to provide raw materials as scheduled, affecting normal operations and shipments	<ul style="list-style-type: none"> •Review the inventory management mechanism and 'real-time material supply alert system' •Replacement material supplier mechanism to ensure stable sources of materials without the risk of supply disruption. <p>Regularly perform supplier BCP audits and assist suppliers in establishing risk management mechanisms.</p>	Enhance sustainable partnerships with suppliers to achieve the demand and expectations of customers for mutual prosperity.	
Corporate Governance (G)	<p>Financial risk</p> <ul style="list-style-type: none"> •Interest rate, exchange rate fluctuations affect financial income and expenditure, impact financial leverage, inflation risk. •Tax barriers inhibit ordering intentions of customers and results in increase in production cost, supply chain is impeded. 	<ul style="list-style-type: none"> •Assess interest rate exposure items and the degree of impact from floating interest rates. •Exchange rate risk adopts natural risk avoidance. Investment of short-term funds is mainly in time deposit account and investment product that has liquidity and safety capital with good return. No high-risk, high-leverage investments. •Applying loan quota cash flow from disposing of idle assets pay for operational funding and long-term capital expense. •Actively deploy in Vietnam with effective flexibility to reduce the impact from trade tariffs. 	<ul style="list-style-type: none"> •Manage the impact on asset and cash flow by interest rate and exchange rate for a stable financial operation. •Enhance operations and production response capability; expand supply partnership and sustainability capability. •Comply with the government investment benefit, continue to fortify research and development ability and technology talents in Taiwan's headquarters. Deploy production bases outside of China. 										
	Supplier Risk	Suppliers are unable to provide raw materials as scheduled, affecting normal operations and shipments	<ul style="list-style-type: none"> •Review the inventory management mechanism and 'real-time material supply alert system' •Replacement material supplier mechanism to ensure stable sources of materials without the risk of supply disruption. <p>Regularly perform supplier BCP audits and assist suppliers in establishing risk management mechanisms.</p>	Enhance sustainable partnerships with suppliers to achieve the demand and expectations of customers for mutual prosperity.									
<p>Organization Risk Alert The Company closely monitors changes and risks in domestic and international operating environments, strictly adheres to government regulations and internal systems, and continuously strengthens risk control.</p> <p>Financial Risk Control The Company adheres to the principle of prudent operation and does not engage in high-risk or high-leverage investments. Regarding exchange rate risk, natural hedging strategies are adopted, and exposure is reduced by undertaking US dollar liabilities. Short-term idle funds are prioritized for investment in liquid, principal-protected bank wealth management products and fixed deposits that ensure the security of both principal and return. Furthermore, stability for working capital and long-term capital expenditure is ensured through private placements of common stock, issuance of five-year fixed-rate corporate bonds, and credit lines from financial institutions</p> <p>Operational Risk Control The Company is fully aware that natural disasters and accidents can significantly impact production operations and employee safety. Therefore, proactive prevention management strategies are adopted, and risk management plans and safety regulations are strictly implemented to ensure the highest safety standards in the power supply industry are met. To respond to disasters (such as fire, earthquake, typhoon, water suspension, power outage, war, political turmoil, terrorist attacks, food poisoning, statutory infectious diseases, environmental pollution, etc.), the Company has established a complete response mechanism to ensure rapid restoration of normal operations after unforeseen events, reduce property losses for the company and customers, and safeguard corporate reputation and employee safety. Additionally, through comprehensive insurance planning and fixed insurance premium expenditures, we transfer operational risks and minimize potential losses to ensure stable corporate development.</p>													


Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
3. Environmental issues (1) Does the Company establish a suitable environmental management system based on its industrial characteristics?	V		<p>Upholding the philosophy of “Global Symbiosis, Greening the Earth,” the Company actively promotes sustainable development and embeds environmental sustainability deep within its corporate culture. We continuously enhance employees’ environmental awareness and fully implement environmental management objectives through cross-departmental cooperation. To improve climate resilience, the Company strengthened its TCFD (Task Force on Climate-related Financial Disclosures) framework and introduced the TNFD (Task Force on Nature-related Financial Disclosures) framework in 2025. This includes establishing a comprehensive climate risk assessment process to fully evaluate risks and opportunities, as well as dependencies and impacts, and closely linking environmental targets with management-level KPIs to strengthen climate governance.</p> <p>Furthermore, we actively research, develop, and manufacture green products, promote the application of renewable energy, and continuously reduce carbon emissions through energy management and Greenhouse Gas (GHG) inventory systems. In terms of waste management, we strictly implement segregated handling of hazardous and non-hazardous waste, practice source reduction, and maximize recycling and reuse to achieve resource circulation, advancing towards environmental sustainability.</p> <p style="text-align: center;">The Four Elements of Environment Management</p> <p style="text-align: center;">Environment and Energy Policy</p> <p>The Company pays close attention to international environmental issues and trends. In addition to complying with local laws and regulations at its global operating sites, the company proactively and cautiously implements environmental policies and related activities across the board. Based on corporate social responsibility and the goal of sustainable operation, we uphold the principles of implementing pollution prevention and energy saving/carbon reduction, continuously contributing efforts towards environmental protection.</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promoting items	Implementation		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof				
	Yes	No						
			<table border="1"> <thead> <tr> <th>Environment Policy</th> <th>Energy Policy</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> ☞ Promote environmental management with PDCA spirit to reduce and prevent the generation of environmental impact. ☞ Implement systematic management to conserve energy and water resources, moving towards net-zero carbon emissions goal. ☞ Comply with environmental regulations and customer environmental requirements, focusing on prevention of wastewater, air pollution, waste, and noise pollution. ☞ Ensure the production process and products do not use restricted substances, chemicals, and toxic chemical substances, and comply with or exceed international environmental regulations to avoid environmental impacts. ☞ Regularly review environmental objectives, improve performance and climate risk assessment, disclose environmental results, and fulfill corporate social responsibility. </td> <td> <ul style="list-style-type: none"> ☞ Continuously improve energy efficiency and reduce energy costs. ☞ Strictly comply with regulatory requirements and comprehensively identify energy considerations. ☞ Review energy objectives and targets, ensure access to information resources. ☞ Implement energy management systems to reduce greenhouse gas emissions. </td> </tr> </tbody> </table> <p>Management system and certification</p> <p>From climate change, green products, and pollution prevention, to environmental protection for all employees, Phihong comprehensively covers environmental issues and adopts a product lifecycle mindset throughout product design, raw material supply, manufacturing processes, factory operations, end products, subsequent services, and waste treatment, implementing comprehensive environmental management to reduce environmental and climate impacts.</p> <p>The Group primarily facilities will fully implement the ISO 50001:2018 energy management system to further strengthen energy conservation and carbon reduction measures, and actively reduce our carbon footprint. We follow international standards to ensure the validity of environmental management certifications such as ISO 14001 and ISO 14064-1, and through annual review of environmental objectives, we continuously optimize environmental management performance to achieve sustainable development goals.</p>	Environment Policy	Energy Policy	<ul style="list-style-type: none"> ☞ Promote environmental management with PDCA spirit to reduce and prevent the generation of environmental impact. ☞ Implement systematic management to conserve energy and water resources, moving towards net-zero carbon emissions goal. ☞ Comply with environmental regulations and customer environmental requirements, focusing on prevention of wastewater, air pollution, waste, and noise pollution. ☞ Ensure the production process and products do not use restricted substances, chemicals, and toxic chemical substances, and comply with or exceed international environmental regulations to avoid environmental impacts. ☞ Regularly review environmental objectives, improve performance and climate risk assessment, disclose environmental results, and fulfill corporate social responsibility. 	<ul style="list-style-type: none"> ☞ Continuously improve energy efficiency and reduce energy costs. ☞ Strictly comply with regulatory requirements and comprehensively identify energy considerations. ☞ Review energy objectives and targets, ensure access to information resources. ☞ Implement energy management systems to reduce greenhouse gas emissions. 	
Environment Policy	Energy Policy							
<ul style="list-style-type: none"> ☞ Promote environmental management with PDCA spirit to reduce and prevent the generation of environmental impact. ☞ Implement systematic management to conserve energy and water resources, moving towards net-zero carbon emissions goal. ☞ Comply with environmental regulations and customer environmental requirements, focusing on prevention of wastewater, air pollution, waste, and noise pollution. ☞ Ensure the production process and products do not use restricted substances, chemicals, and toxic chemical substances, and comply with or exceed international environmental regulations to avoid environmental impacts. ☞ Regularly review environmental objectives, improve performance and climate risk assessment, disclose environmental results, and fulfill corporate social responsibility. 	<ul style="list-style-type: none"> ☞ Continuously improve energy efficiency and reduce energy costs. ☞ Strictly comply with regulatory requirements and comprehensively identify energy considerations. ☞ Review energy objectives and targets, ensure access to information resources. ☞ Implement energy management systems to reduce greenhouse gas emissions. 							

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
				
(2) Is the Company dedicated to improving the utilization efficiency of energy and using recycled materials with a minimal adverse impact on the environment?	√		<p>Energy Management and Low-Carbon Transition</p> <p>To improve energy efficiency and reduce operational carbon emissions, the Company has implemented an energy management system since 2024 and established an energy management team. Through energy monitoring and regular audits, the team tracks energy consumption across all operational sites, continuously identifies energy-saving opportunities, and sets energy-saving improvement targets. Additionally, a performance tracking and review mechanism ensures the effective implementation of energy-saving measures.</p> <p>In line with energy conservation and renewable energy initiatives, the Linkou headquarters has optimized its high-efficiency cooling tower system. This upgrade, which commenced operation in 2025, is designed to improve the operational efficiency of the chilled water system. The Dongguan plant has completed the installation of Phases 1 through 3 of its solar power generation system, yielding 2.14 million kWh (7.7 million MJ) of electricity annually and reducing carbon emissions by 942.25 metric tons of CO₂e. Additionally, the Haiphong (Vietnam) and Zerova (Taiwan) facilities have transitioned their solar power system projects from the engineering assessment stage to the construction phase. These systems are slated for commissioning in the first half of 2026, with an annual power generation capacity of approximately 1.93 million kWh (6.948 million MJ) and an estimated carbon emissions reduction of approximately 941.2 tons of CO₂e. By optimizing energy-saving equipment and expanding renewable energy adoption, the Company continues to enhance energy efficiency while steering its operations toward a low-carbon energy transition in support of long-term sustainability.</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promoting items	Implementation					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																																		
	Yes	No	Summary																																					
			<table border="1"> <thead> <tr> <th>Plant site</th> <th>Energy saving type</th> <th>Main implementation projects</th> <th>Investment amount (Unit: NT\$)</th> <th>Execution status</th> <th>Expected benefits</th> </tr> </thead> <tbody> <tr> <td>Linkou headquarters (PHT)</td> <td>Air Conditioning System</td> <td>Replacement of energy-consuming cooling towers (upgraded from original 300 RT to 450 RT)</td> <td>NT\$2.85 million</td> <td>Official operation commenced in January 2025.</td> <td>Expected energy saving of 36,000 kWh/year (129.6 GJ), annual carbon reduction of 17 tCO₂e.</td> </tr> <tr> <td rowspan="2">Phihong Dongguan (PHC, PHP)</td> <td>Air compressor</td> <td>Air compressor energy-saving retrofit plan.</td> <td>NT\$2.64 million</td> <td>In operational use.</td> <td>Air compressor electricity consumption saved 40,352 kWh.</td> </tr> <tr> <td>Green Power System</td> <td>Phase I, II, III plant solar power generation system</td> <td>Shared Energy Savings Cooperation Model</td> <td>In operational use.</td> <td>Actual total power generation in 2025 was 2.14 million kWh (7.7 million MJ), achieving an annual carbon reduction of 942.25 tCO₂e.</td> </tr> <tr> <td>Haiphong plant</td> <td>Green Power System</td> <td>Installation of solar power generation</td> <td>Shared Energy Savings Cooperation Model</td> <td>Construction commences after signing the Letter of Intent (LOI) in Q1 2025. In operational use from the first half of 2026.</td> <td>Expected annual electricity saving of 1 million kWh (3.6 million MJ) compared to traditional equipment, with an annual carbon emission reduction of 502 tCO₂e.</td> </tr> <tr> <td>Zerova (ZTM)</td> <td>Green Power System</td> <td>Installation of solar power modules at Tainan Plants 1 and 3</td> <td>Annual operating & maintenance cost NT\$440,000 / year</td> <td>Feasibility study and contract signing completed in 2025, scheduled for completion and official operation in Q2 2026.</td> <td>Expected annual power generation: 930,000 kWh (3,348 million MJ) Annual carbon reduction: 439.2 tCO₂e. Annual renewable energy certificates: 933.</td> </tr> </tbody> </table>	Plant site	Energy saving type	Main implementation projects	Investment amount (Unit: NT\$)	Execution status	Expected benefits	Linkou headquarters (PHT)	Air Conditioning System	Replacement of energy-consuming cooling towers (upgraded from original 300 RT to 450 RT)	NT\$2.85 million	Official operation commenced in January 2025.	Expected energy saving of 36,000 kWh/year (129.6 GJ), annual carbon reduction of 17 tCO ₂ e.	Phihong Dongguan (PHC, PHP)	Air compressor	Air compressor energy-saving retrofit plan.	NT\$2.64 million	In operational use.	Air compressor electricity consumption saved 40,352 kWh.	Green Power System	Phase I, II, III plant solar power generation system	Shared Energy Savings Cooperation Model	In operational use.	Actual total power generation in 2025 was 2.14 million kWh (7.7 million MJ), achieving an annual carbon reduction of 942.25 tCO ₂ e.	Haiphong plant	Green Power System	Installation of solar power generation	Shared Energy Savings Cooperation Model	Construction commences after signing the Letter of Intent (LOI) in Q1 2025. In operational use from the first half of 2026.	Expected annual electricity saving of 1 million kWh (3.6 million MJ) compared to traditional equipment, with an annual carbon emission reduction of 502 tCO ₂ e.	Zerova (ZTM)	Green Power System	Installation of solar power modules at Tainan Plants 1 and 3	Annual operating & maintenance cost NT\$440,000 / year	Feasibility study and contract signing completed in 2025, scheduled for completion and official operation in Q2 2026.	Expected annual power generation: 930,000 kWh (3,348 million MJ) Annual carbon reduction: 439.2 tCO ₂ e. Annual renewable energy certificates: 933.		
Plant site	Energy saving type	Main implementation projects	Investment amount (Unit: NT\$)	Execution status	Expected benefits																																			
Linkou headquarters (PHT)	Air Conditioning System	Replacement of energy-consuming cooling towers (upgraded from original 300 RT to 450 RT)	NT\$2.85 million	Official operation commenced in January 2025.	Expected energy saving of 36,000 kWh/year (129.6 GJ), annual carbon reduction of 17 tCO ₂ e.																																			
Phihong Dongguan (PHC, PHP)	Air compressor	Air compressor energy-saving retrofit plan.	NT\$2.64 million	In operational use.	Air compressor electricity consumption saved 40,352 kWh.																																			
	Green Power System	Phase I, II, III plant solar power generation system	Shared Energy Savings Cooperation Model	In operational use.	Actual total power generation in 2025 was 2.14 million kWh (7.7 million MJ), achieving an annual carbon reduction of 942.25 tCO ₂ e.																																			
Haiphong plant	Green Power System	Installation of solar power generation	Shared Energy Savings Cooperation Model	Construction commences after signing the Letter of Intent (LOI) in Q1 2025. In operational use from the first half of 2026.	Expected annual electricity saving of 1 million kWh (3.6 million MJ) compared to traditional equipment, with an annual carbon emission reduction of 502 tCO ₂ e.																																			
Zerova (ZTM)	Green Power System	Installation of solar power modules at Tainan Plants 1 and 3	Annual operating & maintenance cost NT\$440,000 / year	Feasibility study and contract signing completed in 2025, scheduled for completion and official operation in Q2 2026.	Expected annual power generation: 930,000 kWh (3,348 million MJ) Annual carbon reduction: 439.2 tCO ₂ e. Annual renewable energy certificates: 933.																																			
			<p>Plastic Cycle (PCR) Power Supply Design</p> <p>PCR stands for Post-Consumer Resin, defined as “material that can be reused after undergoing certain processing,” also known as recycled material. Currently, the Company’s existing plastic materials are recyclable and able to be reprocessed. If PCR plastic is to be used (meeting specifications and constituting a certain percentage within the plastic), besides price increases, its reliability and impact resistance would also be lower than current materials, as PCR materials are often primarily composites. The widespread application of PCR is anticipated in the future. We will continue to commit to green technology and follow developments. The introduction of PCR content will be implemented in three phases: the focus in 2025 is on introducing products with 30%-50% PCR content, followed by horizontal expansion based on customer demand. The PCR ratio will be increased to 70% in 2026, and the adoption of over 90% PCR will be promoted in 2028, gradually fulfilling the responsibility towards environmental sustainability.</p>																																					

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																								
	Yes	No	Summary																									
			<p style="text-align: center;">Plastic recycling, recycling (PCR) process</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Recycling from market</p> <p>↓</p> <p>Scrape</p> <p>↓</p> <p>Washing</p> <p>↓</p> <p>Classification</p> <p>↓</p> <p>Compound</p> <p>(PCR process)</p> </div> <div style="text-align: center;">  <p>Recycling from injection nozzle material or defect</p> <p>↓</p> <p>Scrape</p> <p>↓</p> <p>Washing</p> <p>↓</p> <p>Compound</p> <p>(PIR process)</p> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">  <p>(Carbon reduce)</p> </div> <table border="1"> <thead> <tr> <th></th> <th>kg CO2 eq. for 1kg resin material</th> </tr> </thead> <tbody> <tr> <td>PCR 30%</td> <td>Reduce 0.5~1 kg</td> </tr> <tr> <td>PCR 50%</td> <td>Reduce 1.25~1.7 kg</td> </tr> <tr> <td>PCR 70%</td> <td>Reduce 2~2.3 kg</td> </tr> <tr> <td>PCR 90%</td> <td>Reduce 2.5~3kg</td> </tr> </tbody> </table> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">  <p>(Energy demand)</p> </div> <table border="1"> <thead> <tr> <th></th> <th>MJ(Mega joules) for 1kg resin material</th> </tr> </thead> <tbody> <tr> <td>PCR 30%</td> <td>Reduce 23~30 MJ (Saving 6.4~8.4 kWh)</td> </tr> <tr> <td>PCR 50%</td> <td>Reduce 40~45 MJ (Saving 11.1~12.5 kWh)</td> </tr> <tr> <td>PCR 70%</td> <td>Reduce 60~65 MJ (Saving 16.6~18 kWh)</td> </tr> <tr> <td>PCR 90%</td> <td>Reduce 70~80 MJ (Saving 19.4~22.2 kWh)</td> </tr> <tr> <td colspan="2">1 L Petrol=33~36 MJ</td> </tr> <tr> <td colspan="2">1 kWh=3.6 MJ</td> </tr> </tbody> </table> </div>		kg CO2 eq. for 1kg resin material	PCR 30%	Reduce 0.5~1 kg	PCR 50%	Reduce 1.25~1.7 kg	PCR 70%	Reduce 2~2.3 kg	PCR 90%	Reduce 2.5~3kg		MJ(Mega joules) for 1kg resin material	PCR 30%	Reduce 23~30 MJ (Saving 6.4~8.4 kWh)	PCR 50%	Reduce 40~45 MJ (Saving 11.1~12.5 kWh)	PCR 70%	Reduce 60~65 MJ (Saving 16.6~18 kWh)	PCR 90%	Reduce 70~80 MJ (Saving 19.4~22.2 kWh)	1 L Petrol=33~36 MJ		1 kWh=3.6 MJ		
	kg CO2 eq. for 1kg resin material																											
PCR 30%	Reduce 0.5~1 kg																											
PCR 50%	Reduce 1.25~1.7 kg																											
PCR 70%	Reduce 2~2.3 kg																											
PCR 90%	Reduce 2.5~3kg																											
	MJ(Mega joules) for 1kg resin material																											
PCR 30%	Reduce 23~30 MJ (Saving 6.4~8.4 kWh)																											
PCR 50%	Reduce 40~45 MJ (Saving 11.1~12.5 kWh)																											
PCR 70%	Reduce 60~65 MJ (Saving 16.6~18 kWh)																											
PCR 90%	Reduce 70~80 MJ (Saving 19.4~22.2 kWh)																											
1 L Petrol=33~36 MJ																												
1 kWh=3.6 MJ																												

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof								
	Yes	No	Summary									
			<p>Strengthening Climate Resilience</p> <p>The Company actively aligns with international sustainability standards and supports the Task Force on Climate-related Financial Disclosures (TCFD). In 2025, it initiated a climate change management and disclosure process in accordance with the TCFD and TNFD frameworks, as well as IFRS S2 “Climate-related Disclosures.” The Company focuses on four key dimensions: governance, strategy, risk and impact management, and metrics and targets, to comprehensively address climate and nature-related issues.</p> <p>To accurately identify the potential impacts of climate and nature-related issues on its operations and strategy, the Company has established a comprehensive risk and opportunity identification process that is reviewed annually. By integrating quantified financial impact data, it effectively monitors, manages, and responds to evolving variables. Through sustainable management, the Company actively seizes innovation opportunities arising from the transition to a low-carbon economy, steadily advancing toward its corporate sustainability vision. For more detailed information, please refer to the Company’s 2025 Climate and Nature Biodiversity Report.</p> <div style="text-align: center;">  </div> <p style="text-align: center;">Table 3.1 Climate-related Risk and Opportunity Assessment Process</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #00A0C9; color: white;">STEP 01 Collect Issues Establish a List of Climate- and Nature-related Risks and Opportunities</th> <th style="background-color: #00A0C9; color: white;">STEP 02 Identify Impacts Prioritize Risks and Opportunities</th> <th style="background-color: #00A0C9; color: white;">STEP 03 Formulate Strategies Key Risks and Opportunities - Formulate Response Strategies</th> <th style="background-color: #00A0C9; color: white;">STEP 04 Monitor and Manage Follow PDCA Principles - Monitor Risks and Opportunities</th> </tr> </thead> <tbody> <tr> <td style="background-color: #ADD8E6;">Regularly collect external development trends and internal climate- and nature-related issues through the Sustainability Office.</td> <td style="background-color: #ADD8E6;">Assess the related issues based on their likelihood of occurrence and impact on the Group, then filter and prioritize risks requiring focused management or opportunities for active expansion.</td> <td style="background-color: #ADD8E6;">For each risk and opportunity, further formulate feasible response strategies and specific measures, and set corresponding indicators and targets to facilitate subsequent monitoring and management operations.</td> <td style="background-color: #ADD8E6;">Annually, follow PDCA principles to continuously monitor and manage significant climate- and nature-related risks and opportunities, regularly conduct reviews and improvements to ensure the appropriateness of related strategies and the effectiveness of implementation measures.</td> </tr> </tbody> </table>	STEP 01 Collect Issues Establish a List of Climate- and Nature-related Risks and Opportunities	STEP 02 Identify Impacts Prioritize Risks and Opportunities	STEP 03 Formulate Strategies Key Risks and Opportunities - Formulate Response Strategies	STEP 04 Monitor and Manage Follow PDCA Principles - Monitor Risks and Opportunities	Regularly collect external development trends and internal climate- and nature-related issues through the Sustainability Office.	Assess the related issues based on their likelihood of occurrence and impact on the Group, then filter and prioritize risks requiring focused management or opportunities for active expansion.	For each risk and opportunity, further formulate feasible response strategies and specific measures, and set corresponding indicators and targets to facilitate subsequent monitoring and management operations.	Annually, follow PDCA principles to continuously monitor and manage significant climate- and nature-related risks and opportunities, regularly conduct reviews and improvements to ensure the appropriateness of related strategies and the effectiveness of implementation measures.	
STEP 01 Collect Issues Establish a List of Climate- and Nature-related Risks and Opportunities	STEP 02 Identify Impacts Prioritize Risks and Opportunities	STEP 03 Formulate Strategies Key Risks and Opportunities - Formulate Response Strategies	STEP 04 Monitor and Manage Follow PDCA Principles - Monitor Risks and Opportunities									
Regularly collect external development trends and internal climate- and nature-related issues through the Sustainability Office.	Assess the related issues based on their likelihood of occurrence and impact on the Group, then filter and prioritize risks requiring focused management or opportunities for active expansion.	For each risk and opportunity, further formulate feasible response strategies and specific measures, and set corresponding indicators and targets to facilitate subsequent monitoring and management operations.	Annually, follow PDCA principles to continuously monitor and manage significant climate- and nature-related risks and opportunities, regularly conduct reviews and improvements to ensure the appropriateness of related strategies and the effectiveness of implementation measures.									

Promoting items	Implementation		Summary										Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Climate/ Nature Risk Category	Risk Item	Risk Description	Degree of Impact	Possibility of occurrence	Time Horizon	Value Chain Position	Financial Impact	Countermeasures		
(3) Does the Company assess the current and future potential risks and opportunities of climate change to the Company, and adopt corresponding measures?	V		Climate	Policy and Legal	Energy saving and carbon reduction requirements for operations	In response to the global net-zero trend, the Group passed the Science-Based Targets (SBT) review in 2024 and will continue to drive transformation to achieve this target. Therefore, the Group needs to utilize more low-carbon technologies, such as the use of renewable energy, electricity storage facilities, and improvements in process energy efficiency, all of which require higher application costs.	High	High	Short, Medium, Long-term	Own Operations	Increased operating costs, Increased capital expenditure	<ol style="list-style-type: none"> Continuously monitor regulations and legislative progress regarding carbon pricing in various countries. Regularly evaluate and analyze internal carbon pricing, implementing it in plant operations to proactively promote carbon reduction measures and reduce financial impact. Continuously and actively pursue self-built renewable energy sites and evaluate long-term green electricity purchase agreements (PPAs) to stabilize the cost of obtaining green electricity. 	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
			Climate	Policy and Legal	Carbon cost pass-on from the supply chain	Taiwan is expected to begin levying carbon fees starting in 2026; China's carbon trading market is already implemented; the EU will also begin imposing its Carbon Border Adjustment Mechanism (CBAM) starting in 2026. Although the Group is not directly subject to these levies, if some suppliers are charged high carbon taxes/fees or fines, they may pass these costs on to the Group.	Medium	High	Short, Medium-term	Upstream Supply Chain	Increased procurement costs	<ol style="list-style-type: none"> Actively cooperate with supply chain partners to jointly promote carbon reduction and regularly track suppliers' carbon emission performance. Adopt diverse and flexible procurement strategies to reduce the risk of cost pass-ons. Considering the impact of different regional carbon tax/fee policies, diversify away from high-carbon-risk suppliers. 	
			Climate, Nature	Policy and Legal	Environmental requirements and regulations for products	Electronic products must comply with product energy efficiency standards and environmental regulations that are successively issued and updated by various countries of sale in response to climate change and environmental trend strategies. Product requirements include standards such as ENERGY STAR, use of recyclable packaging materials, use of recycled materials, 80 PLUS certification, etc. If the Group fails to respond in a timely manner, it may result in market access bans and loss of orders.	Medium	High	Medium, Long-term	Downstream product services	Decrease in business revenue	<ol style="list-style-type: none"> Establish a tracking mechanism for relevant regulations and conduct early-stage research and development of corresponding technologies. Introduce circular manufacturing technologies and recycled materials. Introduce circular manufacturing technologies and recycled materials. 	
			Climate, Nature	Technology	Failure to grasp low-carbon technologies in a timely manner	If the Group fails to continuously research and develop various emerging green technologies and product solutions around new technology development, it may lose market competitiveness. Increasing R&D investment could also bring additional cost expenditures and resource investment to the Group.	High	Medium	Short, Medium, Long-term	Downstream product services	Increased R&D costs; Decrease in business revenue	<ol style="list-style-type: none"> Continuously invest in low-carbon technology R&D, such as high-efficiency electric vehicle charging solutions and energy-saving power supplies. Actively cooperate with supply chain partners to promote the use of low-carbon materials and renewable energy, building a green process system. Strengthen the development and retention of R&D talent for green technologies. 	
			Climate	Physical -Long-term	Impact of long-term temperature rise	The long-term warming trend caused by climate change may affect the safety and health of workers, and also has a direct impact by increasing air conditioning system power usage, increasing the energy consumption demand of cooling equipment, and causing excessively high cooling water temperatures, thereby increasing the Group's operating costs.	Medium	Medium	Medium, Long-term	Own Operations	Increase in operational cost; decrease in business revenue	<ol style="list-style-type: none"> Factory design incorporates high-efficiency insulation materials, installation of shading systems, and optimization of ventilation design. Regularly inspect and maintain air conditioning and cooling equipment to enhance energy use efficiency. Implement a split-shift work system to avoid high-temperature periods, increase the frequency of rest breaks, and provide heatstroke prevention and cooling beverages/drinks. Use a smart energy management system to monitor electricity consumption, install heat recovery devices, regularly conduct equipment efficiency tests, and replace old energy-consuming equipment. 	
Climate, Nature	Physical -Long-term	Changes in rainfall patterns and distribution	Changes in rainfall patterns during dry and rainy seasons will affect reservoir water storage and flood prevention/control capabilities, thereby impacting the water supply system. Insufficient water supply may also lead to stoppages in operations and production lines. If flooding occurs, it will cause operational disruptions, affect employees' lives, and other issues. Associated recovery costs and delays in product delivery time will increase operating costs and reduce sales.	High	Medium	Medium, Long-term	Own Operations	Increase in operational cost; decrease in business revenue	<ol style="list-style-type: none"> Install water storage facilities and "water piggy banks" (rainwater harvesting systems), introduce water recycling and reuse technology, and regularly maintain water supply equipment to ensure efficiency. Establish a tiered management and control mechanism for water shortages or flooding; prepare alternative production plans, plan for personnel allocation and supply chain backup measures, and conduct regular drills to enhance response capabilities. Enhance the capacity of the plant's drainage system, install flood gates, establish a real-time monitoring system, adopt waterproof designs for critical equipment, and raise the ground floor elevation. 				
(4) Does the Company count the greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulate policies on reduction of greenhouse gas and water consumption, or other waste management?	V												


Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
			<p>Greenhouse Gas Management</p> <p>Under the challenge of climate change, companies must continuously reduce greenhouse gas (GHG) emissions from their operations to mitigate environmental impact. If overall carbon emissions continue to rise, future pressure from increased carbon fees (taxes) will mount, making it difficult to meet market and customer expectations for sustainable development. To effectively manage GHG emissions and reduce climate impact, the Company actively promotes the Science-Based Targets initiative (SBTi) and has obtained ISO 14064-1:2018 certification/verification. We continuously drive carbon reduction actions through GHG inventory, verification, and target setting. Since 2023, we have introduced an online carbon management platform (Ruitan Cloud), enhancing the transparency and efficiency of the Group's GHG emissions management. The Linkou headquarters and major global manufacturing sites undergo annual ISO 14064-1 verification, and we are continuously expanding the verification scope to cover service locations and subsidiaries. By 2026, it is expected that 100% verification of GHG emissions data for all individual companies within the Group and subsidiaries included in the consolidated financial statements will be achieved, further strengthening the company's carbon reduction commitments and sustainable development goals.</p> <p>Greenhouse Gas Emissions</p> <p>In 2025, the Company continues to conduct inventory according to the ISO 14064-1:2018 greenhouse gas inventory standard. The results show that the main source of greenhouse gas emissions is Scope 2 purchased electricity, accounting for 82.78% of total emissions. To reduce Scope 2 emissions, we introduced ISO 50001:2018 in 2024 to establish energy saving (electricity) targets and improve the energy use efficiency of equipment. Furthermore, we continue to pay attention to green energy issues and actively promote the planning and implementation of solar power generation, striving to reduce greenhouse gas emissions. Compared to the base year (2021), the total Scope 1 and Scope 2 emissions of the Group in 2025 have significantly decreased by 31.79%. Compared to the set SBT target (42% reduction by 2030), 75.69% of the emission reduction target has been achieved.</p>	

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																																																																																							
	Yes	No	Summary																																																																																								
			<p>Scope 1+2 Greenhouse Gas Emissions (tCO₂e)</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2021 (Base Year)</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>Change from Base Year</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>612.5500</td> <td>727.7034</td> <td>1,058.9241</td> <td>514.5622</td> <td>-16.00%</td> </tr> <tr> <td>Scope 2</td> <td>28,713.0830</td> <td>23,853.6698</td> <td>20,470.1035</td> <td>19,487.7669</td> <td>-32.13%</td> </tr> <tr> <td>Total Emissions</td> <td>29,325.6330</td> <td>24,581.3732</td> <td>21,529.0276</td> <td>20,002.3291</td> <td>-31.79%</td> </tr> <tr> <td>Carbon emission density (tCO₂e / Million NTD Revenue)</td> <td>2.39</td> <td>1.99</td> <td>1.98</td> <td>2.04</td> <td>-14.47%</td> </tr> </tbody> </table> <p>Note: 2025 GWP values are based on IPCC AR6. Electricity emission factors: Taiwan region: 0.474 tCO₂e/MWh (2023 factor, Bureau of Energy, MOEA); Dongguan region: 0.5306 tCO₂e/MWh (2023 national factor, MEE China); Haiphong Pihong (Vietnam): 0.6592 tCO₂e/MWh (2023 factor, DCC Vietnam).</p> <p>Scope 1+2 Greenhouse Gas Emissions Species (tCO₂e)</p> <table border="1"> <thead> <tr> <th>Species</th> <th>CO₂</th> <th>CH₄</th> <th>N₂O</th> <th>HFCs</th> <th>PFCs</th> <th>SF₆</th> <th>NF₃</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Emissions</td> <td>55.5272</td> <td>271.9304</td> <td>1.3446</td> <td>185.7600</td> <td>0.0000</td> <td>0.0000</td> <td>0.0000</td> <td>514.5622</td> </tr> <tr> <td>%</td> <td>10.79</td> <td>52.85</td> <td>0.26</td> <td>36.10</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>100%</td> </tr> </tbody> </table> <p>類別1-2總排放量趨勢圖</p> <table border="1"> <caption>類別1-2總排放量趨勢圖數據</caption> <thead> <tr> <th>Year</th> <th>Category 1 (類別1)</th> <th>Category 2 (類別2)</th> <th>Total Emissions (總排放)</th> <th>Reduction Rate (降幅)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>~1,000,000</td> <td>~28,000,000</td> <td>29,325.6330</td> <td>0.00%</td> </tr> <tr> <td>2022</td> <td>~1,000,000</td> <td>~23,000,000</td> <td>24,581.3732</td> <td>-10.66%</td> </tr> <tr> <td>2023</td> <td>~1,000,000</td> <td>~20,000,000</td> <td>21,529.0276</td> <td>-16.18%</td> </tr> <tr> <td>2024</td> <td>~1,000,000</td> <td>~19,000,000</td> <td>20,002.3291</td> <td>-26.59%</td> </tr> <tr> <td>2025</td> <td>~1,000,000</td> <td>~19,000,000</td> <td>20,002.3291</td> <td>-31.79%</td> </tr> </tbody> </table>	Item	2021 (Base Year)	2023	2024	2025	Change from Base Year	Scope 1	612.5500	727.7034	1,058.9241	514.5622	-16.00%	Scope 2	28,713.0830	23,853.6698	20,470.1035	19,487.7669	-32.13%	Total Emissions	29,325.6330	24,581.3732	21,529.0276	20,002.3291	-31.79%	Carbon emission density (tCO ₂ e / Million NTD Revenue)	2.39	1.99	1.98	2.04	-14.47%	Species	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total	Emissions	55.5272	271.9304	1.3446	185.7600	0.0000	0.0000	0.0000	514.5622	%	10.79	52.85	0.26	36.10	0.00	0.00	0.00	100%	Year	Category 1 (類別1)	Category 2 (類別2)	Total Emissions (總排放)	Reduction Rate (降幅)	2021	~1,000,000	~28,000,000	29,325.6330	0.00%	2022	~1,000,000	~23,000,000	24,581.3732	-10.66%	2023	~1,000,000	~20,000,000	21,529.0276	-16.18%	2024	~1,000,000	~19,000,000	20,002.3291	-26.59%	2025	~1,000,000	~19,000,000	20,002.3291	-31.79%	
Item	2021 (Base Year)	2023	2024	2025	Change from Base Year																																																																																						
Scope 1	612.5500	727.7034	1,058.9241	514.5622	-16.00%																																																																																						
Scope 2	28,713.0830	23,853.6698	20,470.1035	19,487.7669	-32.13%																																																																																						
Total Emissions	29,325.6330	24,581.3732	21,529.0276	20,002.3291	-31.79%																																																																																						
Carbon emission density (tCO ₂ e / Million NTD Revenue)	2.39	1.99	1.98	2.04	-14.47%																																																																																						
Species	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total																																																																																			
Emissions	55.5272	271.9304	1.3446	185.7600	0.0000	0.0000	0.0000	514.5622																																																																																			
%	10.79	52.85	0.26	36.10	0.00	0.00	0.00	100%																																																																																			
Year	Category 1 (類別1)	Category 2 (類別2)	Total Emissions (總排放)	Reduction Rate (降幅)																																																																																							
2021	~1,000,000	~28,000,000	29,325.6330	0.00%																																																																																							
2022	~1,000,000	~23,000,000	24,581.3732	-10.66%																																																																																							
2023	~1,000,000	~20,000,000	21,529.0276	-16.18%																																																																																							
2024	~1,000,000	~19,000,000	20,002.3291	-26.59%																																																																																							
2025	~1,000,000	~19,000,000	20,002.3291	-31.79%																																																																																							

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPE _x Listed Companies and Reasons Thereof																																				
	Yes	No	Summary																																					
			<p>Scope 3 Greenhouse Gas Emissions</p> <p>In Scope 3 management, the Company expanded its inventory scope based on an assessment of significant emission sources, covering not only existing waste and energy consumption but also business travel and employee commuting. In 2025, Scope 3 emissions increased by 19.93% compared to the base year, mainly driven by increases in employee commuting and business travel. Given that Scope 3 emissions account for a small proportion of the total, their impact on overall emissions is minimal, and the Company's overall carbon reduction strategy continues to advance steadily.</p> <p>Scope 3 GHG Inventory Results Trend Table (tCO₂e)</p> <table border="1"> <thead> <tr> <th>Category</th> <th>2022 (Base Year)</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>Change from Base Year (2025/2022)</th> </tr> </thead> <tbody> <tr> <td>Business travel</td> <td>76.9520</td> <td>201.4096</td> <td>258.5651</td> <td>227.3781</td> <td>195.48%</td> </tr> <tr> <td>Employee commuting</td> <td>656.2741</td> <td>695.6473</td> <td>1,768.8854</td> <td>1,210.5640</td> <td>84.46%</td> </tr> <tr> <td>Use of sold products</td> <td>2,127.3591</td> <td>2,053.0052</td> <td>1,169.7863</td> <td>2,085.6495</td> <td>-1.96%</td> </tr> <tr> <td>Waste disposal</td> <td>91.3654</td> <td>15.9578</td> <td>16.0142</td> <td>16.8015</td> <td>-81.61%</td> </tr> <tr> <td>Total emissions</td> <td>2,951.9506</td> <td>2,966.0199</td> <td>3,213.2510</td> <td>3,540.3930</td> <td>19.93%</td> </tr> </tbody> </table> <p><small>年 Note: Scope 3-6 inventory was conducted for the first time in 2022, therefore this year was used as the base year</small></p> <p>Scope 3 Greenhouse Gas Emissions Trend Chart (tCO₂e)</p> <p>2022 (Base Year)</p> <p>■ 商務旅行 ■ 員工通勤 ■ 使用產品 ■ 廢棄物清理 ■ 總排放量 Business travel Employee commuting Use of sold products Waste disposal Total emissions</p>	Category	2022 (Base Year)	2023	2024	2025	Change from Base Year (2025/2022)	Business travel	76.9520	201.4096	258.5651	227.3781	195.48%	Employee commuting	656.2741	695.6473	1,768.8854	1,210.5640	84.46%	Use of sold products	2,127.3591	2,053.0052	1,169.7863	2,085.6495	-1.96%	Waste disposal	91.3654	15.9578	16.0142	16.8015	-81.61%	Total emissions	2,951.9506	2,966.0199	3,213.2510	3,540.3930	19.93%	
Category	2022 (Base Year)	2023	2024	2025	Change from Base Year (2025/2022)																																			
Business travel	76.9520	201.4096	258.5651	227.3781	195.48%																																			
Employee commuting	656.2741	695.6473	1,768.8854	1,210.5640	84.46%																																			
Use of sold products	2,127.3591	2,053.0052	1,169.7863	2,085.6495	-1.96%																																			
Waste disposal	91.3654	15.9578	16.0142	16.8015	-81.61%																																			
Total emissions	2,951.9506	2,966.0199	3,213.2510	3,540.3930	19.93%																																			


Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																														
	Yes	No	Summary																															
			<p>Water Resources Management</p> <p>The Company's plant sites primarily involve product assembly processes that do not involve water, thus generating no process wastewater. Water consumption is mostly for domestic purposes, and all Group plants use tap water. As the main water use is domestic, to reduce water resource consumption, Zerova has implemented a rainwater harvesting and utilization system for recycling and reuse, primarily for cleaning and irrigation purposes. Dongguan Pihong conducts regular maintenance and technical upgrades on water-using equipment such as cooling towers to enhance the water circulation rate, further reducing overall water consumption. Other plant sites have implemented domestic water-saving improvement measures such as installing water-saving valves and replacing fixtures with water-efficient models.</p> <p>Water Risk and Wastewater Management</p> <p>Pihong values global water resources, continuously conducts risk management, plans corresponding measures, and strengthens operational risk management. We use the Aqueduct Water Risk Atlas tool from the World Resources Institute (WRI) for water stress assessment. The results show that Dongguan Pihong is in a low-risk area, while the Taiwan and Haiphong plants are in medium-low risk areas. Pihong's wastewater consists entirely of domestic sewage generated from daily living. Operating sites are equipped with effluent monitoring instruments to ensure that wastewater meets the water quality discharge standards stipulated by the industrial park/zone regulations. In 2025, the Group had no violations of wastewater discharge standards nor incurred any related penalties. Water withdrawal and wastewater discharge at each site caused no significant impact.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="5">Water resources usage table</th> </tr> <tr> <th>Energy type (unit)</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Water withdrawal/usage volume (million liters)</td> <td>384.96</td> <td>318.33</td> <td>266.23</td> <td>267.073</td> </tr> <tr> <td>※ Waste water discharge (million liters)</td> <td>340.68</td> <td>280.059</td> <td>232.05</td> <td>233.313</td> </tr> <tr> <td>Number of employees</td> <td>5,940</td> <td>4655</td> <td>5,051</td> <td>4,881</td> </tr> <tr> <td>Water usage strength (million liters/person)</td> <td>0.06</td> <td>0.07</td> <td>0.05</td> <td>0.054</td> </tr> </tbody> </table>	Water resources usage table					Energy type (unit)	2022	2023	2024	2025	Water withdrawal/usage volume (million liters)	384.96	318.33	266.23	267.073	※ Waste water discharge (million liters)	340.68	280.059	232.05	233.313	Number of employees	5,940	4655	5,051	4,881	Water usage strength (million liters/person)	0.06	0.07	0.05	0.054	
Water resources usage table																																		
Energy type (unit)	2022	2023	2024	2025																														
Water withdrawal/usage volume (million liters)	384.96	318.33	266.23	267.073																														
※ Waste water discharge (million liters)	340.68	280.059	232.05	233.313																														
Number of employees	5,940	4655	5,051	4,881																														
Water usage strength (million liters/person)	0.06	0.07	0.05	0.054																														

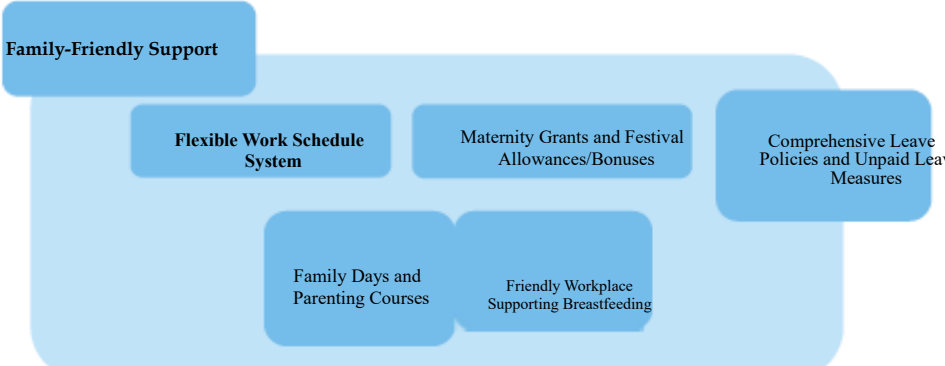
Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																				
	Yes	No	Summary																					
			<p style="text-align: center;">Water Withdrawal and Wastewater Volume Chart</p> <table border="1"> <caption>Water Withdrawal and Wastewater Volume Chart Data</caption> <thead> <tr> <th>Year</th> <th>取/用水量 (百萬公升)</th> <th>※ 廢水排放量</th> <th>用水強度</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>384.96</td> <td>340.68</td> <td>0.065</td> </tr> <tr> <td>2023</td> <td>318.33</td> <td>280.06</td> <td>0.068</td> </tr> <tr> <td>2024</td> <td>266.23</td> <td>232.05</td> <td>0.053</td> </tr> <tr> <td>2025</td> <td>267.07</td> <td>233.31</td> <td>0.055</td> </tr> </tbody> </table> <p>Waste Management Source Reduction The Company is committed to waste source reduction and efficient management, minimizing waste generation starting from the design phase to reduce environmental impact. Through continuous environmental awareness programs and educational training, we ensure employees deeply understand the company's environmental policy, waste management guidelines, and the importance of resource sustainability. We also promote the practice of source reduction and resource conservation to ensure waste in processes and daily operations is minimized. Furthermore, we emphasize the monitoring and continuous improvement of environmental performance, annually commissioning professional third-party organizations to conduct audits and target reviews, ensuring the continuous enhancement of environmental management effectiveness and contributing efforts towards sustainable development.</p>	Year	取/用水量 (百萬公升)	※ 廢水排放量	用水強度	2022	384.96	340.68	0.065	2023	318.33	280.06	0.068	2024	266.23	232.05	0.053	2025	267.07	233.31	0.055	
Year	取/用水量 (百萬公升)	※ 廢水排放量	用水強度																					
2022	384.96	340.68	0.065																					
2023	318.33	280.06	0.068																					
2024	266.23	232.05	0.053																					
2025	267.07	233.31	0.055																					

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																																																																																									
	Yes	No	Summary																																																																																										
			<p style="text-align: center;">2025 Waste Disposal Statistics Table</p> <table border="1"> <thead> <tr> <th rowspan="2">Plant Disposal Method</th> <th colspan="3">Phihong</th> <th colspan="2">Zerova</th> <th rowspan="2">Total (Metric tons)</th> <th rowspan="2">Percentage %</th> </tr> <tr> <th>Linkou headquarter (PHT)</th> <th>Dongguan (PHC, PHP)</th> <th>Haiphong (PHV)</th> <th>Zerova (ZTM)</th> <th>Dongguan Zerova (ZCM)</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Non-hazardous Waste</td> <td>Recycling / Reuse</td> <td>-</td> <td>621.82</td> <td>573.33</td> <td>63.01</td> <td>-</td> <td>1258.16</td> <td>61.29</td> </tr> <tr> <td>Incineration without energy recovery</td> <td>6.07</td> <td>385.57</td> <td>114.69</td> <td>19.28</td> <td>-</td> <td>525.61</td> <td>25.61</td> </tr> <tr> <td>Landfill</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>0</td> </tr> <tr> <td rowspan="5">Hazardous Waste</td> <td>Recycling / Reuse</td> <td>-</td> <td>134.88</td> <td>-</td> <td>-</td> <td>-</td> <td>134.88</td> <td>6.57</td> </tr> <tr> <td>Physical treatment</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>0</td> </tr> <tr> <td>Incineration with energy recovery</td> <td>-</td> <td>71.88</td> <td>59.75</td> <td>-</td> <td>-</td> <td>131.63</td> <td>6.41</td> </tr> <tr> <td>Incineration without energy recovery</td> <td>2.42</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>2.42</td> <td>0.12</td> </tr> <tr> <td>Landfill</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>0</td> </tr> <tr> <td colspan="2">Total Recycling / Reuse Percentage</td> <td colspan="6" style="text-align: center;">67.86%</td> <td></td> <td></td> </tr> </tbody> </table> <p>UL Zero Waste to Landfill (UL 2799)</p> <p>The Company actively promotes green manufacturing, responding to global carbon reduction and net-zero initiatives, and is committed to sustainable resource management. Creating “zero waste” plant sites is a core goal, with “zero waste to landfill” serving as a key development direction. Dongguan Phitek plant has achieved a 100% waste diversion rate, with 9% from incineration with energy recovery, and obtained the UL 2799 Zero Waste to Landfill Platinum certification. The Vietnam plant has achieved a 91% waste diversion rate, with 0% from incineration with energy recovery, and obtained the UL 2799 Zero Waste to Landfill Silver certification.</p> <p>The UL “Zero Waste to Landfill” (UL ECVP 2799) standard is a certification that ensures all waste streams are managed in compliance with regulations, through recycling, reuse, or conversion, rather than being sent directly to landfills. Certification is granted only when the waste conversion rate reaches 80% or higher. The assessment of zero-landfill performance includes:</p> <p>In-plant: Waste reduction and reuse ratio.</p> <p>Off-site: Ratio of waste recycled, composted, anaerobically digested, converted to biofuel, or recovered for energy.</p> <p>Non-divertible portion: Ratio of waste landfilled or incinerated.</p> <div style="text-align: right;">  <p>UL 2799A PLATINUM</p> <p>• DONGGUAN PHITEK ELECTRONICS CO., LTD. HAS ACHIEVED ZERO WASTE TO LANDFILL PLATINUM OPERATIONS, 100% DIVERSION, WITH 8% THERMAL PROCESSING WITH ENERGY RECOVERY. UL.COM/ECV UL 2799A</p> </div>	Plant Disposal Method	Phihong			Zerova		Total (Metric tons)	Percentage %	Linkou headquarter (PHT)	Dongguan (PHC, PHP)	Haiphong (PHV)	Zerova (ZTM)	Dongguan Zerova (ZCM)	Non-hazardous Waste	Recycling / Reuse	-	621.82	573.33	63.01	-	1258.16	61.29	Incineration without energy recovery	6.07	385.57	114.69	19.28	-	525.61	25.61	Landfill	-	-	-	-	-	0	0	Hazardous Waste	Recycling / Reuse	-	134.88	-	-	-	134.88	6.57	Physical treatment	-	-	-	-	-	0	0	Incineration with energy recovery	-	71.88	59.75	-	-	131.63	6.41	Incineration without energy recovery	2.42	-	-	-	-	2.42	0.12	Landfill	-	-	-	-	-	0	0	Total Recycling / Reuse Percentage		67.86%								
Plant Disposal Method	Phihong				Zerova		Total (Metric tons)	Percentage %																																																																																					
	Linkou headquarter (PHT)	Dongguan (PHC, PHP)	Haiphong (PHV)	Zerova (ZTM)	Dongguan Zerova (ZCM)																																																																																								
Non-hazardous Waste	Recycling / Reuse	-	621.82	573.33	63.01	-	1258.16	61.29																																																																																					
	Incineration without energy recovery	6.07	385.57	114.69	19.28	-	525.61	25.61																																																																																					
	Landfill	-	-	-	-	-	0	0																																																																																					
Hazardous Waste	Recycling / Reuse	-	134.88	-	-	-	134.88	6.57																																																																																					
	Physical treatment	-	-	-	-	-	0	0																																																																																					
	Incineration with energy recovery	-	71.88	59.75	-	-	131.63	6.41																																																																																					
	Incineration without energy recovery	2.42	-	-	-	-	2.42	0.12																																																																																					
	Landfill	-	-	-	-	-	0	0																																																																																					
Total Recycling / Reuse Percentage		67.86%																																																																																											

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																																																																											
	Yes	No	Summary																																																																												
			<p>Environmental Protection Investments</p> <p>As corporate environmental costs continue to rise, establishing statistics for environmental expenditures and benefits has become an important tool for enhancing management efficiency. According to environmental accounting compilation guidelines, the statistical method for environmental economic benefits involves estimating potential cost savings derived from the reduction in energy and water resource consumption, as well as the decrease in waste generation, achieved through implementing environmental protection plans. Additionally, income generated from waste recycling and reuse is included in the assessment. The environmental benefits presented in this report include tangible monetary income, such as proceeds from waste recycling, and reduced operating costs resulting from environmental measures. Statistics on environmental expenditures and benefits for each Phihong plant site are detailed in the table below.</p> <p style="text-align: center;">2025 Environmental Expenditure Statistics Table</p> <p style="text-align: right;">Unit: NT\$</p> <table border="1"> <thead> <tr> <th rowspan="2">Item Category</th> <th rowspan="2">Plant</th> <th colspan="3">Phihong</th> <th colspan="2">Zerova</th> <th rowspan="2">Total (NT\$)</th> <th rowspan="2">Percentage (%)</th> </tr> <tr> <th>Linkou headquarters</th> <th>Dongguan (PHC, PHP)</th> <th>Haiphong (PHV)</th> <th>Zerova (ZTM)</th> <th>Dongguan (ZCM)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Direct Costs for Mitigating Environmental Impact</td> <td>Investment in energy-saving and carbon reduction equipment</td> <td>177,135</td> <td>132,985</td> <td>9,038</td> <td></td> <td>-</td> <td>319,158</td> <td>9.31</td> </tr> <tr> <td>Costs related to pollution control</td> <td>-</td> <td>184,604</td> <td>29,695</td> <td></td> <td>138,285</td> <td>352,584</td> <td>10.28</td> </tr> <tr> <td rowspan="2">Indirect Costs for Reducing Environmental Impact</td> <td>Business waste disposal costs / Industrial waste disposal fees</td> <td>441,389</td> <td>312,146</td> <td>847,215</td> <td>627,586</td> <td>-</td> <td>2,228,336</td> <td>65</td> </tr> <tr> <td>Certification and monitoring fees</td> <td>296,494</td> <td>59,170</td> <td>28,953</td> <td></td> <td>143,482</td> <td>528,099</td> <td>15.4</td> </tr> <tr> <td colspan="2">Total Expenditures</td> <td>915,018</td> <td>688,905</td> <td>914,901</td> <td>627,586</td> <td>281,767</td> <td>3,428,177</td> <td>100</td> </tr> <tr> <td colspan="9" style="text-align: center;">Environmental Benefits</td> </tr> <tr> <td>Wastes recycling</td> <td>End-of-life electronic parts, production offcuts, etc.</td> <td>-</td> <td>13,205,436</td> <td>106,550</td> <td>313,215</td> <td>3,263,455</td> <td>16,888,656</td> <td></td> </tr> </tbody> </table>	Item Category	Plant	Phihong			Zerova		Total (NT\$)	Percentage (%)	Linkou headquarters	Dongguan (PHC, PHP)	Haiphong (PHV)	Zerova (ZTM)	Dongguan (ZCM)	Direct Costs for Mitigating Environmental Impact	Investment in energy-saving and carbon reduction equipment	177,135	132,985	9,038		-	319,158	9.31	Costs related to pollution control	-	184,604	29,695		138,285	352,584	10.28	Indirect Costs for Reducing Environmental Impact	Business waste disposal costs / Industrial waste disposal fees	441,389	312,146	847,215	627,586	-	2,228,336	65	Certification and monitoring fees	296,494	59,170	28,953		143,482	528,099	15.4	Total Expenditures		915,018	688,905	914,901	627,586	281,767	3,428,177	100	Environmental Benefits									Wastes recycling	End-of-life electronic parts, production offcuts, etc.	-	13,205,436	106,550	313,215	3,263,455	16,888,656		
Item Category	Plant	Phihong				Zerova		Total (NT\$)	Percentage (%)																																																																						
		Linkou headquarters	Dongguan (PHC, PHP)	Haiphong (PHV)	Zerova (ZTM)	Dongguan (ZCM)																																																																									
Direct Costs for Mitigating Environmental Impact	Investment in energy-saving and carbon reduction equipment	177,135	132,985	9,038		-	319,158	9.31																																																																							
	Costs related to pollution control	-	184,604	29,695		138,285	352,584	10.28																																																																							
Indirect Costs for Reducing Environmental Impact	Business waste disposal costs / Industrial waste disposal fees	441,389	312,146	847,215	627,586	-	2,228,336	65																																																																							
	Certification and monitoring fees	296,494	59,170	28,953		143,482	528,099	15.4																																																																							
Total Expenditures		915,018	688,905	914,901	627,586	281,767	3,428,177	100																																																																							
Environmental Benefits																																																																															
Wastes recycling	End-of-life electronic parts, production offcuts, etc.	-	13,205,436	106,550	313,215	3,263,455	16,888,656																																																																								

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
<p>4. Social issues</p> <p>(1) Does the Company formulate relevant management policies and procedures in accordance with related laws and regulations and international human rights conventions?</p>	V		<p>Protecting labor rights is a fundamental requirement for a responsible enterprise and an expectation of stakeholders such as consumers, customers, and governments. the Company is committed to fulfilling its corporate social responsibility and has formulated a human rights policy that supports the “UN Universal Declaration of Human Rights” and the “UN Guiding Principles on Business and Human Rights,” using the “Responsible Business Alliance (RBA) Code of Conduct” as its management mechanism. This policy covers all stakeholders, including the company itself, its supply chain, partners, and joint ventures. Through human rights risk identification, assessment, and management measures, we aim to reduce human rights risks, improve working conditions and employee welfare, and establish a comprehensive human rights management system.</p> <p>Human Rights Management Policies</p> <p>The Company uses the Responsible Business Alliance (RBA) Code of Conduct as the basis for measuring the management mechanisms of its operational activities concerning labor, health and safety, environment, and ethics.</p> <p>Promises</p> <p>Labor Rights Policy</p> <p>◎ Prohibition of Child Labor.</p> <p>◎ No form of forced labor is permitted; forced, bonded, or involuntary labor is not used.</p> <p>◎ Working hours and rest periods comply with the provisions of the Labor Standards Act.</p> <p>◎ Wages paid to workers shall comply with all relevant compensation laws.</p> <p>◎ Commitment to providing a workplace free from harassment and unlawful discrimination.</p> <p>◎ Open communication and direct engagement between employees and management are encouraged.</p> <p>◎ Respect for freedom of association.</p> <p>Human Rights Due Diligence</p> <p>Following the RBA Code of Conduct, we execute human rights due diligence. The purpose is to identify and further assess risks potentially arising from human rights issues, and correspondingly take action, implement risk mitigation measures, and pursue continuous improvement to fulfill commitments and responsibilities for upholding human rights.</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof	
	Yes	No	Summary		
(2) Does the Company formulate and implement reasonable employee benefits (including salary, leave and other benefits, etc.) and appropriately reflect the operating performance or results on the compensation of employees?	V		<p>Remuneration Policies The Company adheres to fair and transparent remuneration principles, providing employees with competitive compensation commensurate with their professional knowledge, skills, competencies, and duties. Concurrently, we strictly comply with local laws and regulations to ensure the reasonableness and legality of salaries.</p> <p>Remuneration Policies Pay for Competency: Determine salaries based on the degree to which employees meet job competencies and comply with local laws and regulations, ensuring fair and reasonable compensation. Fairness and Reasonableness: Adhere to principles of internal equity and consider external market salary equilibrium to provide employees with fair compensation packages. Annual Salary Adjustment: Adjust salaries based on the company’s operating results, employee performance, market salary positioning, external competitiveness for talent, and the annual price index to ensure the market competitiveness of the remuneration system. Operational Feedback: Provide feedback such as project bonuses, performance bonuses, and year-end bonuses based on the overall business achievement rate and growth rate of the previous year, recognizing and rewarding employees for their hard work. Employee Motivation and Retention The Company is committed to providing competitive salaries that align with local standards to attract and motivate outstanding talent, ensure organizational competitiveness, and achieve corporate sustainable development goals. If the company makes a profit in a given year, no less than ten percent (10%) is allocated for employee compensation, which is distributed in the form of stock or cash as resolved by the Board of Directors. Eligible employees of subsidiary companies are also included in the distribution. Furthermore, Phihong offers an employee stock ownership welfare plan, contributing 100% of the stock fund to individual accounts, and has established a long-term incentive plan involving a stock trust for senior managers. In 2025, despite the impact of U.S. tariff policies on the market economy, salary levels for indirect personnel at the Linkou headquarters and Tainan Zerova remained above the local minimum wage, while salaries for direct personnel at Dongguan Phihong, Dongguan Zerova, and Haiphong Phihong met local minimum wage standards. During the annual salary review process, we also consider market salary levels and factors such as inflation, we conducted a company-wide salary review and adjustment. The average salary adjustment rate in 2025 reached 2.13%, aimed at attracting more outstanding talent to join the Company while motivating high-performing current employees, achieving the goal of talent retention.</p>		In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
			<p>Employee Care</p> <p>Family-Friendly Support</p> <p>The Company is dedicated to creating a family-friendly work environment. Upholding the principles of caring for employees and sharing profits, we offer diverse welfare programs to support employees in achieving work-life balance. This includes regularly organizing Family Days and parenting courses, and providing various festival bonuses/gift money for Labor Day, Dragon Boat Festival, Mid-Autumn Festival, and Lunar New Year, strengthening the bond between families and the company. In addition to statutory leave, employees can also enjoy one day of paid birthday leave in their birth month. The Employee Welfare Committee also thoughtfully prepares birthday gift money and cakes, allowing colleagues to feel warmth and happiness alongside their work.</p> <p>To meet employees' family needs, we fully implement a flexible work schedule system from 07:30 to 09:30, accommodating parents who need to drop off/pick up children and employees with long commutes, enabling a seamless connection between work and family. For childcare needs, we offer several support measures:</p> <ul style="list-style-type: none"> ● Dedicated lactation rooms and specialized refrigerators are provided to ensure the hygiene and safety of breast milk storage. ● We cooperate with nearby educational institutions to offer childcare discounts, reducing the financial and time burdens on parents. ● In accordance with the Gender Equality in Employment Act, employees can apply for unpaid parental leave and are arranged to return to their positions upon completion of the leave, allowing colleagues to balance family and career development without worries during their parenting journey. <p>After the pandemic, we resumed hosting the Phihong Family Day, allowing children to come to work with their parents. Activities included singing and dancing, storytelling, station games, inflatable slides, and DIY craft courses, ensuring the children had a great time.</p> <p>We believe that by implementing family-friendly policies and continuously optimizing welfare measures, we can effectively enhance employees' sense of belonging and well-being, laying a solid foundation for the company's sustainable development. Receiving the Golden Award for Happy Enterprise for the fifth consecutive time is the best affirmation of our efforts.</p>  <p>Family-Friendly Support</p> <ul style="list-style-type: none"> Flexible Work Schedule System Maternity Grants and Festival Allowances/Bonuses Comprehensive Leave Policies and Unpaid Leave Measures Family Days and Parenting Courses Friendly Workplace Supporting Breastfeeding 	

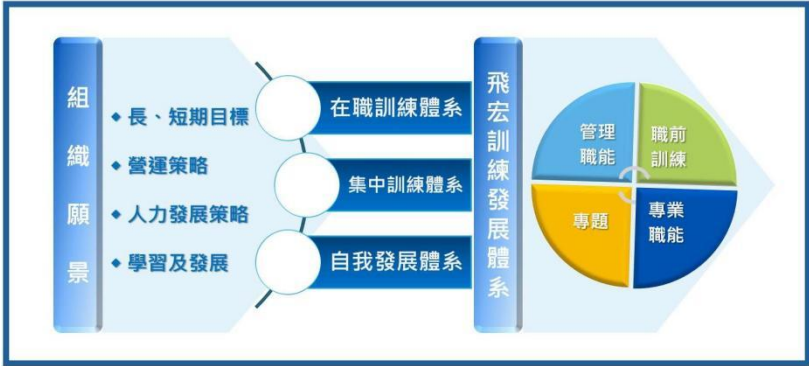
Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(3) Does the Company provide a safe and healthy work environment for employees and regularly organize health and safety training for employees?	V		<p>Occupational Safety and Health Management</p> <p>To protect and promote the health of all employees, the Company incorporates Occupational Safety and Health (OSH) management as one of the core strategies for corporate sustainable development. All plant sites are certified to the ISO 45001:2018 OSH management system standard, and we ensure the certificates remain continuously valid.</p> <p>The Group strictly complies with relevant occupational safety and health regulations, has formulated an “Occupational Safety and Health Policy,” and established an Occupational Safety and Health Committee to promote a comprehensive safety management system.</p> <p>In addition to adhering to regulations and company policies, we actively prevent occupational injuries, comprehensively inspect and supervise the working environment, and conduct regular hazard identification and risk assessments based on different operation types and environmental conditions. We prioritize the minimization of significant risks, and continuously integrate risk management into the tracking of the OSH management system.</p> <p>Furthermore, we conduct regular internal and external audits to ensure that each plant site complies with local government regulations and company policy requirements, thoroughly eliminating potential hazards in the workplace to provide employees with a safe and healthy working environment. In 2025, zero fatalities occurred within the Group, and zero cases of occupational diseases or serious occupational injuries were reported.</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies



Promoting items	Implementation																	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																																																																																																																																																																																																																
	Yes	No	Summary																																																																																																																																																																																																																															
			<p>【飛宏員工損失工作率/缺席率/事故件數】(GRI 403-8、403-9)</p> <table border="1"> <thead> <tr> <th rowspan="2">廠區</th> <th colspan="6">林口總部(PHT)</th> <th colspan="6">東莞飛宏(PHC & PHP)</th> <th colspan="6">海防飛宏(PHV)</th> </tr> <tr> <th colspan="2">2023</th> <th colspan="2">2024</th> <th colspan="2">2025</th> <th colspan="2">2023</th> <th colspan="2">2024</th> <th colspan="2">2025</th> <th colspan="2">2023</th> <th colspan="2">2024</th> <th colspan="2">2025</th> </tr> <tr> <th>性別</th> <th>男</th> <th>女</th> <th>男</th> <th>女</th> <th>男</th> <th>女</th> <th>男</th> <th>女</th> <th>男</th> <th>女</th> <th>男</th> <th>女</th> <th>男</th> <th>女</th> <th>男</th> <th>女</th> <th>男</th> <th>女</th> </tr> </thead> <tbody> <tr> <td>職業傷害率</td> <td>0.46</td> <td>0.00</td> <td>0.43</td> <td>0.59</td> <td>0.00</td> <td>0.00</td> <td>0.33</td> <td>0.23</td> <td>0.33</td> <td>0.38</td> <td>0.48</td> <td>0.25</td> <td>0.17</td> <td>0.00</td> <td>0.00</td> <td>0.09</td> <td>0.13</td> <td>0.15</td> </tr> <tr> <td>員工損失工作日率</td> <td>0.92</td> <td>0.00</td> <td>0.43</td> <td>0.88</td> <td>0.00</td> <td>0.00</td> <td>9.22</td> <td>14.07</td> <td>16.78</td> <td>9.81</td> <td>12.07</td> <td>2.91</td> <td>0.83</td> <td>0.00</td> <td>0.00</td> <td>0.37</td> <td>0.53</td> <td>3.78</td> </tr> <tr> <td>員工缺席率</td> <td>0.01</td> <td>0.01</td> <td>0.09</td> <td>0.12</td> <td>0.09</td> <td>0.10</td> <td>0.04</td> <td>0.04</td> <td>0.04</td> <td>0.03</td> <td>0.03</td> <td>0.02</td> <td>0.13</td> <td>0.12</td> <td>0.02</td> <td>0.02</td> <td>0.03</td> <td>0.03</td> </tr> <tr> <td>員工事故件數</td> <td>1</td> <td>0</td> <td>1</td> <td>1</td> <td>0</td> <td>0</td> <td>4</td> <td>2</td> <td>4</td> <td>3</td> <td>5</td> <td>2</td> <td>1</td> <td>0</td> <td>0</td> <td>1</td> <td>1</td> <td>2</td> </tr> </tbody> </table> <p>註 1：GRI：200,000 係數係指每 100 名員工每年工作 2000 小時做為計算基礎。 註 2：2025 年員工出勤總工時 林口總部：男性 438,240、女性 320,712；東莞飛宏：男性 2,096,536、女性 1,578,824；海防飛宏：男性 1,512,416、女性 2,594,144。 註 3：2025 年員工事故 林口總部：員工 0 件；東莞飛宏：員工共 7 人(倒傷 6 件、揮棒 1 件)；海防飛宏：員工共 3 人(倒傷 3 件)。 註 4：2025 年各廠區均無非員工傷害事故，比例為 0%。</p> <table border="1"> <thead> <tr> <th rowspan="2">廠區</th> <th colspan="6">台南馳諾瓦(ZTM)</th> <th colspan="4">東莞馳諾瓦(ZCM)</th> </tr> <tr> <th colspan="2">2023</th> <th colspan="2">2024</th> <th colspan="2">2025</th> <th colspan="2">2024</th> <th colspan="2">2025</th> </tr> <tr> <th>性別</th> <th>男</th> <th>女</th> <th>男</th> <th>女</th> <th>男</th> <th>女</th> <th>男</th> <th>女</th> <th>男</th> <th>女</th> </tr> </thead> <tbody> <tr> <td>職業傷害率</td> <td>1.53</td> <td>1.30</td> <td>0.47</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.70</td> <td>0.00</td> </tr> <tr> <td>員工損失工作日率</td> <td>19.51</td> <td>10.65</td> <td>3.74</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>25.83</td> <td>0.00</td> </tr> <tr> <td>員工缺席率</td> <td>0.03</td> <td>0.02</td> <td>0.01</td> <td>0.01</td> <td>1.59</td> <td>0.02</td> <td>0.03</td> <td>0.03</td> <td>0.03</td> <td>0.03</td> </tr> <tr> <td>員工事故件數</td> <td>2</td> <td>0</td> <td>2</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>1</td> <td>0</td> </tr> </tbody> </table> <p>Occupational Safety Education and Training</p> <p>Core Strategies and Vision</p> <p>The Company is dedicated to advancing comprehensive occupational safety and health education and training to enhance employee safety awareness, reduce the risk of workplace accidents, and foster a high-quality, healthy work environment. The training program encompasses orientation for new employees, hazard identification, specialized supervisor training, and emergency drills. It includes regular assessments and hands-on exercises to ensure that all employees thoroughly understand safety protocols and collectively uphold a "zero-accident" safety culture.</p>															廠區	林口總部(PHT)						東莞飛宏(PHC & PHP)						海防飛宏(PHV)						2023		2024		2025		2023		2024		2025		2023		2024		2025		性別	男	女	男	女	男	女	男	女	男	女	男	女	男	女	男	女	男	女	職業傷害率	0.46	0.00	0.43	0.59	0.00	0.00	0.33	0.23	0.33	0.38	0.48	0.25	0.17	0.00	0.00	0.09	0.13	0.15	員工損失工作日率	0.92	0.00	0.43	0.88	0.00	0.00	9.22	14.07	16.78	9.81	12.07	2.91	0.83	0.00	0.00	0.37	0.53	3.78	員工缺席率	0.01	0.01	0.09	0.12	0.09	0.10	0.04	0.04	0.04	0.03	0.03	0.02	0.13	0.12	0.02	0.02	0.03	0.03	員工事故件數	1	0	1	1	0	0	4	2	4	3	5	2	1	0	0	1	1	2	廠區	台南馳諾瓦(ZTM)						東莞馳諾瓦(ZCM)				2023		2024		2025		2024		2025		性別	男	女	男	女	男	女	男	女	男	女	職業傷害率	1.53	1.30	0.47	0.00	0.00	0.00	0.00	0.00	0.70	0.00	員工損失工作日率	19.51	10.65	3.74	0.00	0.00	0.00	0.00	0.00	25.83	0.00	員工缺席率	0.03	0.02	0.01	0.01	1.59	0.02	0.03	0.03	0.03	0.03	員工事故件數	2	0	2	0	0	0	0	0	1	0	
廠區	林口總部(PHT)						東莞飛宏(PHC & PHP)						海防飛宏(PHV)																																																																																																																																																																																																																					
	2023		2024		2025		2023		2024		2025		2023		2024		2025																																																																																																																																																																																																																	
性別	男	女	男	女	男	女	男	女	男	女	男	女	男	女	男	女	男	女																																																																																																																																																																																																																
職業傷害率	0.46	0.00	0.43	0.59	0.00	0.00	0.33	0.23	0.33	0.38	0.48	0.25	0.17	0.00	0.00	0.09	0.13	0.15																																																																																																																																																																																																																
員工損失工作日率	0.92	0.00	0.43	0.88	0.00	0.00	9.22	14.07	16.78	9.81	12.07	2.91	0.83	0.00	0.00	0.37	0.53	3.78																																																																																																																																																																																																																
員工缺席率	0.01	0.01	0.09	0.12	0.09	0.10	0.04	0.04	0.04	0.03	0.03	0.02	0.13	0.12	0.02	0.02	0.03	0.03																																																																																																																																																																																																																
員工事故件數	1	0	1	1	0	0	4	2	4	3	5	2	1	0	0	1	1	2																																																																																																																																																																																																																
廠區	台南馳諾瓦(ZTM)						東莞馳諾瓦(ZCM)																																																																																																																																																																																																																											
	2023		2024		2025		2024		2025																																																																																																																																																																																																																									
性別	男	女	男	女	男	女	男	女	男	女																																																																																																																																																																																																																								
職業傷害率	1.53	1.30	0.47	0.00	0.00	0.00	0.00	0.00	0.70	0.00																																																																																																																																																																																																																								
員工損失工作日率	19.51	10.65	3.74	0.00	0.00	0.00	0.00	0.00	25.83	0.00																																																																																																																																																																																																																								
員工缺席率	0.03	0.02	0.01	0.01	1.59	0.02	0.03	0.03	0.03	0.03																																																																																																																																																																																																																								
員工事故件數	2	0	2	0	0	0	0	0	1	0																																																																																																																																																																																																																								


Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																																																																																							
	Yes	No	Summary																																																																																								
			<p style="text-align: center;">2025 OSH Training Overview by Global Location</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">據點</th> <th>培訓項目</th> <th>關鍵成效 / 參與規模</th> </tr> </thead> <tbody> <tr> <td rowspan="2">台灣地區</td> <td>林口總部 (PHT)</td> <td>消防演練、CPR急救、自衛消防編組</td> <td>辦理2場次(8小時)，強化火災應變與急救實作能力。</td> </tr> <tr> <td>馳諾瓦 (ZTM)</td> <td>消防演練、化學品安全 (PPE/應變)</td> <td>消防演練達397人次；化學品專項培訓 20 人次。</td> </tr> <tr> <td rowspan="2">海外地區</td> <td>東莞廠區 (PHC、PHP、ZCM)</td> <td>EHS 知識競賽、企鵝急救培訓</td> <td>全員參與知識競賽；35名員工取得專業急救賦能。</td> </tr> <tr> <td>越南廠區 (PHV)</td> <td>政府專業取證、義務消防/急救編制</td> <td>建立85人專業應變小組(含消防、急救、EHS稽核員)。</td> </tr> </tbody> </table> <p style="text-align: center;">2025年職業安全衛生訓練統計表</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="2">員工屬性</th> <th rowspan="2">據點</th> <th colspan="3">飛宏</th> <th colspan="2">馳諾瓦</th> </tr> <tr> <th>林口總部 (PHT)</th> <th>東莞廠區 (PHC、PHP)</th> <th>海防廠區 (PHV)</th> <th>馳諾瓦 (ZTM)</th> <th>東莞馳諾瓦 (ZCM)</th> </tr> </thead> <tbody> <tr> <td rowspan="3">新進員工</td> <td>場次</td> <td>2</td> <td>104</td> <td>250</td> <td>4</td> <td>10</td> </tr> <tr> <td>人次</td> <td>40</td> <td>3,592</td> <td>833</td> <td>11</td> <td>206</td> </tr> <tr> <td>總人時數</td> <td>120</td> <td>3,592</td> <td>2,499</td> <td>66</td> <td>4,944</td> </tr> <tr> <td rowspan="3">在職員工</td> <td>場次</td> <td>2</td> <td>13</td> <td>18</td> <td>3</td> <td>7</td> </tr> <tr> <td>人次</td> <td>16</td> <td>6,542</td> <td>2,598</td> <td>417</td> <td>447</td> </tr> <tr> <td>總人時數</td> <td>32</td> <td>13,542</td> <td>11,605</td> <td>1,608</td> <td>447</td> </tr> <tr> <td rowspan="3">非員工</td> <td>場次</td> <td>-</td> <td>60</td> <td>4</td> <td>-</td> <td>2</td> </tr> <tr> <td>人次</td> <td>-</td> <td>60</td> <td>30</td> <td>-</td> <td>3</td> </tr> <tr> <td>總人時數</td> <td>-</td> <td>60</td> <td>120</td> <td>-</td> <td>6</td> </tr> </tbody> </table> 	據點		培訓項目	關鍵成效 / 參與規模	台灣地區	林口總部 (PHT)	消防演練、CPR急救、自衛消防編組	辦理2場次(8小時)，強化火災應變與急救實作能力。	馳諾瓦 (ZTM)	消防演練、化學品安全 (PPE/應變)	消防演練達397人次；化學品專項培訓 20 人次。	海外地區	東莞廠區 (PHC、PHP、ZCM)	EHS 知識競賽、企鵝急救培訓	全員參與知識競賽；35名員工取得專業急救賦能。	越南廠區 (PHV)	政府專業取證、義務消防/急救編制	建立85人專業應變小組(含消防、急救、EHS稽核員)。	員工屬性	據點	飛宏			馳諾瓦		林口總部 (PHT)	東莞廠區 (PHC、PHP)	海防廠區 (PHV)	馳諾瓦 (ZTM)	東莞馳諾瓦 (ZCM)	新進員工	場次	2	104	250	4	10	人次	40	3,592	833	11	206	總人時數	120	3,592	2,499	66	4,944	在職員工	場次	2	13	18	3	7	人次	16	6,542	2,598	417	447	總人時數	32	13,542	11,605	1,608	447	非員工	場次	-	60	4	-	2	人次	-	60	30	-	3	總人時數	-	60	120	-	6	
據點		培訓項目	關鍵成效 / 參與規模																																																																																								
台灣地區	林口總部 (PHT)	消防演練、CPR急救、自衛消防編組	辦理2場次(8小時)，強化火災應變與急救實作能力。																																																																																								
	馳諾瓦 (ZTM)	消防演練、化學品安全 (PPE/應變)	消防演練達397人次；化學品專項培訓 20 人次。																																																																																								
海外地區	東莞廠區 (PHC、PHP、ZCM)	EHS 知識競賽、企鵝急救培訓	全員參與知識競賽；35名員工取得專業急救賦能。																																																																																								
	越南廠區 (PHV)	政府專業取證、義務消防/急救編制	建立85人專業應變小組(含消防、急救、EHS稽核員)。																																																																																								
員工屬性	據點	飛宏			馳諾瓦																																																																																						
		林口總部 (PHT)	東莞廠區 (PHC、PHP)	海防廠區 (PHV)	馳諾瓦 (ZTM)	東莞馳諾瓦 (ZCM)																																																																																					
新進員工	場次	2	104	250	4	10																																																																																					
	人次	40	3,592	833	11	206																																																																																					
	總人時數	120	3,592	2,499	66	4,944																																																																																					
在職員工	場次	2	13	18	3	7																																																																																					
	人次	16	6,542	2,598	417	447																																																																																					
	總人時數	32	13,542	11,605	1,608	447																																																																																					
非員工	場次	-	60	4	-	2																																																																																					
	人次	-	60	30	-	3																																																																																					
	總人時數	-	60	120	-	6																																																																																					







Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(4) Does the Company establish effective career development and training plans for employees?	V		<p>Training Management System and Learning Framework</p> <p>The Company adheres to the PDDRO (Plan-Do-Check-Review-Outcome) training management cycle, establishing a comprehensive mechanism for planning, execution, development, evaluation, and outcome review to ensure that talent development aligns precisely with operational strategies and employees' career development. It offers a diverse range of courses tailored to different career stages and competency categories, including pre-employment training, professional skills, management development, and general literacy. Through a blended learning model that combines online and in-person sessions, the Company maximizes learning flexibility and practical application effectiveness. In 2025, the average training hours per employee reached 43.58 hours, with an exceptional completion rate of 145.3%, underscoring the organization's strong commitment to continuous learning.</p> <p>2025 Training Highlights and Accomplishments</p> <p>1. Internal Knowledge Transfer: Instructor Development and New Employee Mentoring</p> <ul style="list-style-type: none"> Internal Instructor System: Building on previous development efforts, the Company added 4 qualified internal instructors in 2025, who delivered 10 specialized courses throughout the year. By leveraging internal instructors, it deepened the transfer of the organization's tacit knowledge, effectively reducing reliance on external training and enhancing instructional effectiveness. New Employee Mentor System: The Company continued to promote the Buddy system and implemented annual refresher training. In 2025, a total of 36 employees completed the refresher training, with a post-training satisfaction score of 9.8 out of 10, significantly improving new employees' adaptability and the stability of cross-departmental collaboration. <p>2. Digital Transformation Empowerment: AI Literacy and Diversified Learning</p> <ul style="list-style-type: none"> AI Learning Workshops: Focusing on “AI Applications,” the Company’s book club hosted 58 sessions in 2025. This emphasis on digital literacy empowered employees to navigate AI trends, thereby strengthening the organization's ability to adapt to technological changes. Micro-Course Innovation: The Company introduced the “Add a Dash of AI” series into its micro-course system, integrating foundational AI knowledge into daily bite-sized learning sessions. This initiative fosters a digital transformation mindset across the entire workforce through a progressive, step-by-step approach. <p>3. Holistic Development Support: General Lectures and EAP</p> <ul style="list-style-type: none"> Enhancing Workplace Well-being: The Company organized four general lectures covering EAP (Employee Assistance Program), health promotion, and parenting and family support. By prioritizing work-life balance, it strives to cultivate a workplace that fosters a sense of belonging and well-being through a comprehensive support system. 	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
			<p>Deepening the Learning Organization Culture</p> <p>Through systematic talent development and refined learning mechanisms, the Company is progressively deepening its “learning organization” culture. From internal knowledge transfer and forward-looking AI literacy development to holistic support for employee well-being, it is consistently strengthening professional competitiveness and organizational resilience, positioning learning as the core driver of its sustainable operations.</p> <p>PhiHong Education and Training System</p>  <p>The diagram illustrates the PhiHong Education and Training System. On the left, a vertical bar labeled '組織願景' (Organizational Vision) lists four strategic areas: '長、短期目標' (Long-term and short-term goals), '營運策略' (Operational strategy), '人力發展策略' (Human resources development strategy), and '學習及發展' (Learning and development). These are connected to three training systems: '在職訓練體系' (On-job training system), '集中訓練體系' (Centralized training system), and '自我發展體系' (Self-development system). On the right, a vertical bar labeled '飛宏訓練發展體系' (PhiHong Training and Development System) is connected to a circular diagram divided into four quadrants: '管理職能' (Management competency), '職前訓練' (Pre-job training), '專業職能' (Professional competency), and '專題' (Specialized topics).</p>	
(5) Does the Company comply with relevant laws and regulations and international standards for the health and safety of customers, customer privacy, marketing and labeling of products and services, and formulate relevant consumer protection policies and complaint procedures?	V		<p>Green Product Management</p> <p>Restriction of Hazardous Substances</p> <p>The Company and its subsidiary brand, Zerova, are dedicated to safeguarding environmental health and safety through strict adherence to international regulations and client standards regarding hazardous substances. In response to global environmental trends, the Company has established comprehensive "Green Management and Hazardous Substance-Free Technical Standards." Through its digital green information platform and supplier management system, it ensures real-time synchronization of regulatory requirements and conducts regular training sessions.</p> <p>In practical implementation, the Company's “Environmental Management Substance Control Standards” comprehensively cover RoHS 2.0 (including testing for 10 restricted substances) and REACH SVHC regulations. In 2025, the Company completed the listing and promotion of 251 Substances of Very High Concern (SVHCs) across 35 batches in response to the latest ECHA announcements. Furthermore, it ensures 100% compliance for halogen-free products and adheres to the WEEE Directive as a foundational standard for product development, maximizing the potential for recovery and recycling. This demonstrates the Company's firm commitment to green supply chain management and corporate social responsibility.</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promoting items	Implementation		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
			<p>Product Recycling Rates and Environmental Impact</p> <p>The Company operates under a B2B business model and actively promotes a circular economy. In addition to ensuring that all products meet WEEE recycling rate requirements, the Company is scaling its use of recycled materials to mitigate environmental impact at the product's end-of-life stage.</p> <p>Power Supply Products: The primary raw materials used are metals and plastics. In 2025, the top five models accounted for 20.21% of total production, utilizing 602.48 metric tons of recyclable metals, 1,544.53 metric tons of plastics, and 572.54 metric tons of other materials. This combined 2,719.55 metric tons achieved an average recycling rate of 95.73%. Additionally, Zerova's flagship models have obtained third-party certification.</p> <p>Charging Station Products: The primary raw materials used are metal and PCBA. In 2025, production of DS flagship models accounted for 64% of total DC model output, utilizing 363.49 metric tons of recyclable metal, 12.59 metric tons of PCBA, and 5.22 metric tons of other raw materials. These models achieved an average recycling rate of 89.37%.</p> <p>Customer Privacy</p> <p>The Company is committed to maintaining the company's competitive advantages, intellectual property, and customer information, adhering to the principle of "Upholding integrity, strictly maintaining customer confidentiality" as its commitment to customer privacy rights. Referencing local regulations in its operating locations, and the EU's General Data Protection Regulation (GDPR), we have formulated "Procedures for Company Information Processing and Customer Data Protection" as the highest guiding principle for privacy protection. These procedures cover the Company, its subsidiaries, suppliers, contractors, external consultants, and other third-party partners, ensuring the security of customer data.</p> <p>Data Protection Operations and Responsible Units</p> <p>The Information Departments of the headquarters, branches, and factories are responsible for maintaining the company website and managing the enterprise operation systems. This includes handling user accounts for email and data sharing platforms, managing data permissions, and system access rights to ensure customer information security.</p> <p>Business Group Sales Departments: Responsible for customer data protection, maintenance, and update operations; only authorized personnel have access rights.</p> <p>Head Office Legal Affairs Office: Responsible for the review and official stamping of customer purchase (sales) agreements and confidentiality agreements (NDAs), sending contract expiration reminders, and maintaining and updating the contract system.</p>	


Promoting items	Implementation		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof		
	Yes	No				
			<p>Head Office Document Control Center (DCC) Unit: Responsible for registering, tracking, maintaining, and updating external documents submitted by various business groups from customers.</p> <p>Employee Training and Confidentiality Obligations New employees are required to undergo training on the “Code of Ethics and Business Conduct” and sign an “Intellectual Property Rights and Confidentiality Agreement,” thereby undertaking the obligation of confidentiality and data protection. All sales personnel and employees communicating with customers or handling customer documents, must strictly adhere to the Code of Ethics and Business Conduct, and are prohibited from disclosing, disseminating, or transmitting confidential customer information to competitors, business partners, suppliers, or unrelated third parties.</p> <p>Data Management and Protection The Company strictly adheres to the “Technical Document Control Procedures” and “Document Handling Procedures” to properly register, store, safeguard, and update external documents provided by customers, product technical data, software, and intellectual property rights information. The protection, management, and use of all electronic data media follow the “Electronic Information Management Procedures.”</p> <p>Trust and Cooperation The Company insists on rigorous and comprehensive protection mechanisms to manage confidential customer information and privacy rights, aiming to build trust and long-term cooperative relationships with customers, creating win-win situations.</p> <p>Privacy Protection Measures The Company regularly conducts privacy protection training for all personnel and evaluates its effectiveness. In addition to strengthening company-wide training and awareness programs, we also enhance the protection capabilities of cyber security software and hardware equipment through upgrades. Channels for reporting privacy concerns and whistleblowing are established; complaints or reports regarding privacy infringements or violations of the privacy policy can be made via a dedicated hotline or email. The Company adopts a zero-tolerance policy towards privacy protection, and any violation will result in disciplinary action according to the Company’s code of conduct. In 2025, the Company did not experience any incidents involving customer complaints about information disclosure, privacy breaches, or loss of customer data.</p>			
			<table border="1"> <tr> <td style="text-align: center;">Privacy Protection Hotline 03-3277288#1340</td> <td style="text-align: center;">Privacy Protection Contact Email Charles_Wang@phihong.com.tw</td> </tr> </table>	Privacy Protection Hotline 03-3277288#1340	Privacy Protection Contact Email Charles_Wang@phihong.com.tw	
Privacy Protection Hotline 03-3277288#1340	Privacy Protection Contact Email Charles_Wang@phihong.com.tw					

Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(6) Does the Company formulate a supplier management policy which requires suppliers to comply with the relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and disclose the suppliers' implementation?	V		<p>Supply Chain Management Policies</p> <p>The Company emphasizes the establishment of a sustainable supply chain. Through "Procurement Management Procedures" and related systems, supplier management processes are regulated to ensure operational risks are controllable and to promote stable development. We require suppliers to sign an "Integrity Commitment Agreement," a "Non-disclosure Agreement," an "Environmental Protection and Social Responsibility Commitment, and a "Conflict Minerals Survey" to ensure labor rights, environmental protection, ethical standards, and safety and health risk control are upheld, jointly building a responsible supply chain system.</p>  <p>1. Supplier Evaluation and Risk Management: Conduct operational reviews for new supplier to ensure supply chain stability and compliance.</p> <p>2. Conflict-Free Minerals Commitment: Strictly prohibit the use of conflict minerals from unknown sources or smelters not certified by the RBA (Responsible Business Alliance), ensuring raw material sources comply with ethical standards and regulations.</p> <p>3. Local procurement: Prioritize purchasing products from local suppliers to reduce logistics and transportation costs, lower carbon emissions simultaneously, and enhance supply chain efficiency and sustainable development.</p> <p>4. Green Procurement: Select goods and services that comply with environmental regulations to reduce environmental impact, promoting the joint practice of a green economy by the company and its supply chain partners.</p> <p>5. Supplier sustainability commitment: Require suppliers to comply with local regulations and the RBA Code of Business Conduct, jointly upholding labor rights, business ethics, and social responsibility to build a sustainable supply chain. The Company collaborates together with its suppliers, committed to reducing operational risks and costs, promoting supply chain transparency and responsible operations, and jointly moving towards a stable and sustainable future.</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

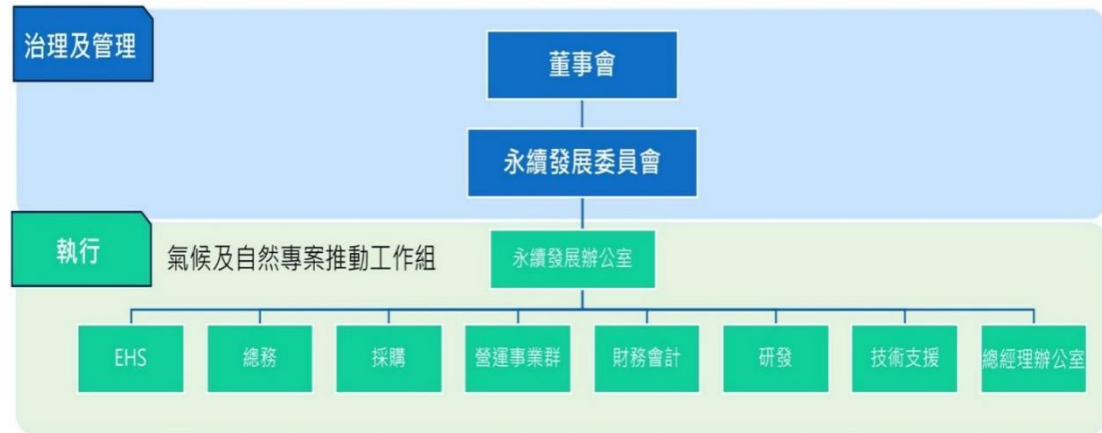
Promoting items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof						
	Yes	No	Summary							
5. Does the Company refer to the reporting standards or guidelines which are accepted internationally for compiling reports on non-financial information of the Company such as the sustainability report? Does the previous report obtain the assurance or verification statement of a third-party verification unit?	V		<p>Reporting Principles and External Assurance</p> <table border="1"> <tr> <td style="background-color: #e0f2f1; text-align: center;">  Non-financial Information </td> <td> <u>Standards Followed</u> <input checked="" type="checkbox"/> GRI Sustainability Reporting Standards 2021 <input checked="" type="checkbox"/> ISO 26000 Guidance on Social Responsibility <input checked="" type="checkbox"/> SASB Standards for the Electrical & Electronic Equipment & Components industry <input checked="" type="checkbox"/> TCFD Framework on Climate-Related Financial Disclosures <input checked="" type="checkbox"/> Carbon Disclosure CDP Climate Change/Water Security <input checked="" type="checkbox"/> United Nations Sustainable Development Goals (SDGs) <input checked="" type="checkbox"/> Code of Practice for the Sustainable Development of Listed OTC Companies </td> <td style="background-color: #e0f2f1; text-align: center;"> <u>External Assurance</u> <input checked="" type="checkbox"/> This report has been verified by AFNOR ASIA LTD. according to GRI Standards, SASB Sustainability Accounting Standards, TCFD recommendations, and AA1000 Assurance Standard (AA1000AS v3) at a Type 1 Moderate assurance level.) </td> </tr> <tr> <td style="background-color: #e0f2f1; text-align: center;">  Financial Information </td> <td> <u>Standards Followed</u> <input checked="" type="checkbox"/> International Financial Reporting Standards (IFRSs) endorsed and issued into effect by the Financial Supervisory Commission (FSC) <input checked="" type="checkbox"/> Standards for Financial Statements prepared by Securities </td> <td style="background-color: #e0f2f1; text-align: center;"> <u>Verification/Audit Organization</u> <input checked="" type="checkbox"/> Deloitte & Touche </td> </tr> </table>	 Non-financial Information	<u>Standards Followed</u> <input checked="" type="checkbox"/> GRI Sustainability Reporting Standards 2021 <input checked="" type="checkbox"/> ISO 26000 Guidance on Social Responsibility <input checked="" type="checkbox"/> SASB Standards for the Electrical & Electronic Equipment & Components industry <input checked="" type="checkbox"/> TCFD Framework on Climate-Related Financial Disclosures <input checked="" type="checkbox"/> Carbon Disclosure CDP Climate Change/Water Security <input checked="" type="checkbox"/> United Nations Sustainable Development Goals (SDGs) <input checked="" type="checkbox"/> Code of Practice for the Sustainable Development of Listed OTC Companies	<u>External Assurance</u> <input checked="" type="checkbox"/> This report has been verified by AFNOR ASIA LTD. according to GRI Standards, SASB Sustainability Accounting Standards, TCFD recommendations, and AA1000 Assurance Standard (AA1000AS v3) at a Type 1 Moderate assurance level.)	 Financial Information	<u>Standards Followed</u> <input checked="" type="checkbox"/> International Financial Reporting Standards (IFRSs) endorsed and issued into effect by the Financial Supervisory Commission (FSC) <input checked="" type="checkbox"/> Standards for Financial Statements prepared by Securities	<u>Verification/Audit Organization</u> <input checked="" type="checkbox"/> Deloitte & Touche	
 Non-financial Information	<u>Standards Followed</u> <input checked="" type="checkbox"/> GRI Sustainability Reporting Standards 2021 <input checked="" type="checkbox"/> ISO 26000 Guidance on Social Responsibility <input checked="" type="checkbox"/> SASB Standards for the Electrical & Electronic Equipment & Components industry <input checked="" type="checkbox"/> TCFD Framework on Climate-Related Financial Disclosures <input checked="" type="checkbox"/> Carbon Disclosure CDP Climate Change/Water Security <input checked="" type="checkbox"/> United Nations Sustainable Development Goals (SDGs) <input checked="" type="checkbox"/> Code of Practice for the Sustainable Development of Listed OTC Companies	<u>External Assurance</u> <input checked="" type="checkbox"/> This report has been verified by AFNOR ASIA LTD. according to GRI Standards, SASB Sustainability Accounting Standards, TCFD recommendations, and AA1000 Assurance Standard (AA1000AS v3) at a Type 1 Moderate assurance level.)								
 Financial Information	<u>Standards Followed</u> <input checked="" type="checkbox"/> International Financial Reporting Standards (IFRSs) endorsed and issued into effect by the Financial Supervisory Commission (FSC) <input checked="" type="checkbox"/> Standards for Financial Statements prepared by Securities	<u>Verification/Audit Organization</u> <input checked="" type="checkbox"/> Deloitte & Touche								
<p>6. If the Company has formulated its sustainable development best practice principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies,” any differences between the performance of sustainable development and the principles should be disclosed: The Company has established its “Code of Practice for Corporate Social Responsibility,” which was approved by the Board of Directors and formally implemented. Its operations are fully consistent with the “Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies.” In response to recent regulatory updates, the Company has aligned its internal code with the “Sustainable Development Best Practice Principles,” ratified following Board approval. This ensures that governance and sustainability practices remain in full compliance with prevailing TWSE/TPEX regulations and the latest sustainability requirements.</p>										
<p>7. Other important information that helps to understand the implementation status of sustainable development: The Company discloses its ESG performance through diverse and transparent channels to ensure stakeholders can stay informed of the latest developments in real time:</p> <ul style="list-style-type: none"> • Dedicated Sustainability Website: The Company operates an ESG website that consolidates the latest initiatives and performance data across Environmental (E), Social (S), and Governance (G) categories. • Annual Sustainability Report: Published annually (for 15 consecutive years), prepared in accordance with GRI and SASB standards, and incorporated the TNFD (Task Force on Nature-related Financial Disclosures) framework for the first time in 2025. • International Rating Achievements: Highlighting key accolades through press releases on the website, such as retaining the EcoVadis Gold rating (top 5% globally), achieving dual B ratings from CDP for Climate Change and Water Security, and winning the TCSA Gold Award for Sustainability Reporting. • Material Information and Annual Reports: Disclosing governance compliance and cyber security management plans in accordance with regulations on the TWSE's Public Information Observation Station and the Investor section of the Company's website. 										

Climate-related Information for TWSE/TPEX Listed Companies

1. Climate-related information implementation status

Item	Implementation
<p>1. Describe Board of Directors' management oversight and governance of climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities impact the Company's business, strategy and finances (short-term, medium-term, long-term).</p> <p>3. Describe the financial impact of extreme climate events and transformation actions.</p> <p>4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.</p> <p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, factor analysis and main financial impacts used should be described.</p> <p>6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transformation risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p> <p>8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of the offset carbon reduction credits or the number of renewable energy certificates (RECs) should be stated.</p> <p>9. Status of Greenhouse Gas (GHG) inventory and verification, along with reduction targets, strategies, and specific action plans (to be detailed separately in sections 1-1 and 1-2).</p>	<p>Strengthening Climate Resilience</p> <p>The Company actively aligns with international sustainability standards and supports the Task Force on Climate-related Financial Disclosures (TCFD). In 2025, it initiated a climate change management and disclosure process in accordance with the TCFD and TNFD frameworks, as well as IFRS S2 "Climate-related Disclosures." The Company focuses on four key dimensions: governance, strategy, risk and impact management, and metrics and targets, to comprehensively address climate and nature-related issues.</p> <p>To accurately identify the potential impacts of climate and nature-related issues on its operations and strategy, the Company has established a comprehensive risk and opportunity identification process that is reviewed annually. By integrating quantified financial impact data, it effectively monitors, manages, and responds to evolving variables. Through sustainable management, the Company actively seizes innovation opportunities arising from the transition to a low-carbon economy, steadily advancing toward its corporate sustainability vision. For more detailed information, please refer to the Company's 2025 Climate and Nature Biodiversity Report.</p> <p>Governance</p> <p>Based on the TCFD and TNFD frameworks, the Company has established a comprehensive climate and nature governance structure to ensure related risks and opportunities can be effectively managed with clear responsibilities and integrated into corporate operations and decision-making processes. The Board of Directors serves as the highest decision-making unit for the Group's climate and nature governance. Reporting to it is the "Sustainable Development Committee," chaired by the Group President, with participation from the Chief Sustainability Officer (CSO) and first-level executives from various business groups (or departments). The Committee is responsible for overseeing the Group's implementation effectiveness and progress towards targets on climate and nature issues. It actively promotes the Board's comprehensive assessment of the potential impacts, dependencies, risks, and opportunities associated with climate and nature issues when deliberating on major decisions, fully incorporating the opinions of various stakeholders to ensure a balance between sustainable development and corporate operational needs in the decision-making process.</p> <p>At the management and execution level, the "Sustainability Office," led by the CSO, serves as the Group's core unit dedicated to ESG affairs and is responsible for convening the "Climate and Nature Project Promotion Working Group." This working group coordinates the annual identification, assessment, and management process for climate- and nature-related risks and opportunities, assists the Board of Directors and the "Sustainable Development Committee" in understanding potential risks and opportunities, ensures operational risks are effectively monitored, and proposes specific suggestions for improvement.</p> <p>Each participating department, according to its scope of responsibilities, assesses the likelihood of occurrence and potential impact of risk and opportunity items, establishes a sound risk and opportunity management mechanism, formulates necessary response strategies, and ensures their effective execution.</p> <p>The Chief Sustainability Officer (CSO) will report quarterly to the Board of Directors on the implementation status and progress of the "Climate and Nature Project Promotion Working Group."</p> 

Governance structure diagram



Responsibilities and Reporting Frequency

Level	Governance / Execution Content	Reporting Frequency
Board of Directors	Oversee the management of climate and nature issues, reviewing the achievement of strategies and goals at all levels	At least once a year
Sustainable Development Committee	The General Manager is responsible for approving sustainable development-related policies and decisions, reviewing the annual performance of related issues	Once a month
Sustainability Office	Oversee the annual identification, assessment, and management process of climate and nature-related risks and opportunities, and regularly track and evaluate the implementation progress and effectiveness	Once a year
Climate and Nature Project Promotion Working Group	Implement climate and nature risk and opportunity management measures, and coordinate and communicate climate and nature issues with internal and external stakeholders	At least once a year

Linkage between Performance Indicators and Remuneration

The remuneration for the Group’s directors and senior managers is handled in accordance with the “Organizational Rules of the Remuneration Committee.” It is based on performance self-assessment results, which serve as the measurement basis for individual director and manager remuneration, and is reviewed by the Remuneration Committee before being submitted to the Board of Directors for resolution.

The salary structure for the Company’s President and senior managers is highly correlated with the company’s operating performance and individual performance indicators, and is also linked to sustainability performance indicators, including non-financial performance aspects such as corporate governance, green design, and environmental sustainability. This aims to closely align remuneration with the company’s long- and short-term operating goals and shareholder interests. For detailed linkage indicators and proportions, please refer to the Sustainability section on the company website.

Strategy

We deeply recognize the importance of climate and nature risks and opportunities for corporate sustainable operation, and incorporates low-carbon transition and environmental sustainability into its core strategy. The Group has set specific commitments for net-zero emissions and biodiversity protection, and reduces the environmental impact of its operations through proactive management and innovative technology.

Net-Zero Strategy

The Company is committed to achieving its net-zero emission goals and has formulated specific carbon reduction measures to comply with global net-zero transition requirements and international standards. The Group’s carbon reduction targets have passed the SBTi review, aiming to reduce Scope 1 and 2 emissions by 42% by 2030 compared to 2021, reduce Scope 3 emissions by 51.6% by 2030 compared to 2022, and achieve net-zero emissions by 2050. To achieve these goals, the Group actively promotes energy transition, increases the proportion of renewable energy use, and reduces dependence on fossil fuels through self-built solar power generation facilities and the purchase of green electricity certificates (RECs). Smart energy management systems are introduced at the plant level to optimize production processes and enhance energy efficiency.

On the product side, we actively develop low-carbon innovations, selects environmentally friendly materials, and optimizes manufacturing processes to reduce product carbon footprints. For example, the “Power-tool Charger,” developed using third-generation semiconductor Gallium Nitride (GaN) technology, enhances energy efficiency and reduces carbon emissions. Additionally, applying Silicon Carbide (SiC) technology to the “For E-bike Charger” achieves reductions in size and weight while lowering energy loss and improving energy efficiency. Zerova focuses on electric vehicle (EV) charging solutions and infrastructure consulting services. Leveraging its strong technical background, it has assisted in the global installation of over 100,000 charging stations, promoting green transportation transition and zero-carbon emission goals, making significant contributions to environmental protection and climate change mitigation. We also actively cooperate with supply chain partners to promote carbon reduction plans, encouraging suppliers to implement carbon inventories and GHG reduction strategies to ensure a comprehensive low-carbon transition of the supply chain.

Climate Risk and Opportunity Assessment Results and Management

The Company categorizes the risks and opportunities arising from climate and nature issues based on their time horizon: short-term (within 2 years), medium-term (2-6 years), and long-term (over 6 years). The Sustainability Office regularly identifies potential risks and opportunities systematically through international research reports, industry trend analysis, and multi-stakeholder feedback surveys. In 2025, the Company collected a total of 11 risks and 6 opportunities. During regular meetings of the Climate and Nature Project Promotion Working Group, questionnaires were used to invite various departments to conduct a comprehensive assessment based on the likelihood of occurrence and degree of impact of these risks and opportunities, and to prioritize key items for management. Following a comprehensive assessment of the likelihood and potential severity of impact, the Company identified the top six key risks with high likelihood and significant impact, as well as the top three major opportunities with significant potential.

Key risks include the impact of extreme weather events on plant operations, the financial shock from rising energy costs, and the effects of supply chain disruptions and energy price volatility on costs. To strengthen supply chain management, the Group has enhanced its supplier risk assessment mechanisms to ensure supply chain stability and resilience. On the opportunities side, the Group views low-carbon transition as a core strategy, creating competitive market advantages through measures such as technological innovation, product design

optimization, and renewable energy applications. For example, developing higher-efficiency energy-saving power products meet customer demand for low-carbon products, and actively participating in international green supply chain programs expands business opportunities. In summary, through clear strategic planning and execution, the Company actively responds to climate change and nature risks while seizing green transition opportunities to ensure the Company's long-term competitiveness.

Climate and Nature Risk Prioritization and Analysis Result



Key Climate/Nature Risk Items and Response Measures

Climate/Nature Risk Category		Risk Item	Risk Description	Degree of Impact	Likelihood of Occurrence	Time Horizon	Value Chain Position	Financial Impact	Response Measure
Climate	Policy and Legal	Energy saving and carbon reduction requirements for operations	In response to the global net-zero trend, the Group passed the Science-Based Targets (SBT) review in 2024 and will continue to drive transformation to achieve this target. Therefore, the Group needs to utilize more low-carbon technologies, such as the use of renewable energy, electricity storage facilities, and improvements in process energy efficiency, all of which require higher application costs.	High	High	Short, Medium, Long-term	Own Operations	Increased operating costs, Increased capital expenditure	<ol style="list-style-type: none"> 1. Continuously monitor regulations and legislative progress regarding carbon pricing in various countries. 2. Regularly evaluate and analyze internal carbon pricing, implementing it in plant operations to proactively promote carbon reduction measures and reduce financial impact. 3. Continuously and actively pursue self-built renewable energy sites and evaluate long-term green electricity purchase agreements (PPA) to stabilize the cost of obtaining green electricity.

	Climate	Policy and Legal	Carbon cost pass-through from the supply chain	Taiwan is expected to begin levying carbon fees starting in 2026; China's carbon trading market is already implemented; the EU will also begin imposing its Carbon Border Adjustment Mechanism (CBAM) starting in 2026. Although the Group is not directly subject to these levies, if some suppliers are charged high carbon taxes/fees or fines, they may pass these costs on to the Group.	Medium	High	Short to Medium-term	Upstream Supply Chain	Increased procurement costs	<ol style="list-style-type: none"> 1. Actively cooperate with supply chain partners to jointly promote carbon reduction and regularly track suppliers' carbon emission performance. 2. Adopt diverse and flexible procurement strategies to reduce the risk of cost pass-throughs. 3. Considering the impact of different regional carbon tax/fee policies, diversify away from high-carbon-risk suppliers.
	Climate, Nature	Policy and Legal	Environmental requirements and regulations for products	Electronic products must comply with product energy efficiency standards and environmental regulations that are successively issued and updated by various customer countries in response to climate change and environmental trend strategies. Product requirements include standards such as ENERGY STAR, use of recyclable packaging materials, use of recycled materials, 80 PLUS certification, etc. If the Group fails to respond in a timely manner, it may result in market access bans and loss of orders.	Medium	High	Medium to Long-term	Downstream Product Services	Decrease in business revenue / Revenue decline	<ol style="list-style-type: none"> 1. Establish a tracking mechanism for relevant regulations and conduct early-stage research and deployment of corresponding technologies. 2. Introduce circular manufacturing technologies and recycled materials. 3. Understand market trends and customer needs to carry out forward-looking technology development.
	Climate, Nature	Technology	Failure to embrace low-carbon technologies in a timely manner	If the Group fails to continuously research and develop various emerging green technologies and product solutions around new technology development, it may lose market competitiveness. Increasing R&D investment could also bring additional cost expenditures and resource investment to the Group.	High	Medium	Short, Medium to Long-term	Downstream Product Services	Increased R&D costs; Decrease in business revenue	<ol style="list-style-type: none"> 1. Continuously invest in low-carbon technology R&D, such as high-efficiency electric vehicle charging solutions and energy-saving power supplies. 2. Actively cooperate with supply chain partners to promote the use of low-carbon materials and renewable energy, building a green process system. 3. Strengthen the development and retention of R&D talent for green technologies.

	Climate	Physical - Long-term	Impact of long-term temperature rise	The long-term warming trend caused by climate change may affect the safety and health of workers, and also has a direct impact by increasing air conditioning system power usage, increasing energy consumption of cooling equipment, causing excessively high cooling water temperatures, thereby increasing the Group's operational costs.	Medium	Medium	Medium to Long-term	Own Operations	Increased operating costs	<ol style="list-style-type: none"> 1. Factory design incorporates high-efficiency insulation materials, installation of shading systems, and optimization of ventilation design. Regularly inspect and maintain air conditioning and cooling equipment to enhance energy use efficiency. 2. Implement a split-shift work system to avoid high-temperature periods, increase the frequency of rest breaks, and provide heatstroke prevention and cooling beverages/drinks. Establish a high-temperature warning mechanism and response procedures. 3. Use a smart energy management system to monitor electricity consumption, install heat recovery devices, regularly conduct equipment efficiency tests, and replace old, energy-consuming equipment.
	Climate, Nature	Physical - Long-term	Changes in rainfall patterns and distribution	Changes in rainfall patterns during dry and rainy seasons will affect reservoir water storage and flood prevention/control capabilities, thereby impacting the water supply system. Insufficient water supply may also lead to stoppages in operations and production lines. If flooding occurs, it will cause operational disruptions, affect employees' lives, and other issues. Associated recovery costs and delays in product delivery time will increase operating costs and reduce sales.	High	Medium	Medium to Long-term	Own Operations	Increased operating costs; Decrease in business revenue	<ol style="list-style-type: none"> 1. Install water storage facilities and "water piggy banks" (rainwater harvesting systems), introduce water recycling and reuse technology, and regularly maintain water supply equipment to ensure efficiency. 2. Establish a tiered management and control mechanism for water shortages or flooding, prepare alternative production plans, plan for personnel allocation and supply chain backup measures, and conduct regular drills to enhance

response capabilities.
3.Enhance the capacity of the plant's drainage system, install flood gates, establish a real-time monitoring system, adopt waterproof designs for critical equipment, and raise the ground floor elevation.

Climate/Natural Opportunity Ranking and Analysis Results



Key Climate/Nature Opportunity Projects and Response Strategies

Climate/ Nature Risk Category	Risk Item	Risk Description	Degree of Impact	Possibilit y of occurren ce	Time Horizo n	Value Chain Position	Finan cial Impa ct	Countermea sures	
Climate	Products / Services	Low-carbon technology and product development	Climate change accelerates the low-carbon transition, and countries continuously tighten carbon emission regulations, driving demand for energy saving and carbon reduction solutions, as well as charging and energy storage facilities. The Group possesses core technologies in power conversion and charging	High	High	Short to Medium-term	Downstream Product Services	Increase in business revenue	1. 1.Establish a waste data tracking system to monitor volume and costs and identify key areas for improvement. 2.Strategically cooperate with professional recyclers to optimize precious metal recovery processes and benefits. 3. Continuously expand the scope of

				equipment. By continuously developing higher-efficiency power supplies and smart charging solutions, along with possessing cross-disciplinary system integration capabilities, it is expected that opportunities to obtain policy subsidies can be increased, and business revenue from areas such as charging stations and energy storage systems can be expanded.						UL2799 certification/validation, considering the entire lifecycle from product design to final disposal, to increase the waste diversion rate.
	Climate	Energy Sources	Layout for low-carbon and alternative energy	Under the global trend of actively promoting energy transition, governments may increase the price of electricity from non-renewable sources to support the development of low-carbon and alternative energy. If the Group can proactively deploy self-built renewable energy sites and evaluate energy recovery or other alternative energy solutions early on, it will be advantageous for reducing future electricity usage costs	High	Medium	Short to Medium-term	Own Operations	Operating cost reduction	<ol style="list-style-type: none"> 1. Assess the potential for rooftop solar installation on plant buildings, plan a phased installation program, and self-generate green electricity to reduce electricity costs. 2. Inventory opportunities for process waste heat recovery at plant sites, establish heat reuse systems, and enhance energy use efficiency. 3. Continuously monitor green electricity procurement options, participate in Power Purchase Agreements (PPAs) at appropriate times, and lock in long-term electricity price advantages.
	Climate, Nature	Resilience	Using more efficient production and distribution	Following the trend of sustainable development, the use of smart manufacturing systems not only enhances production	High	High	Short	Own Operations	Operating cost reduction	<ol style="list-style-type: none"> 1. Establish a process energy monitoring system to analyze energy consumption hotspots and optimize production scheduling to lower

			process es	efficiency but is also a key tool for achieving corporate sustainability goals. By integrating production management and energy monitoring systems, real-time tracking of process energy consumption, optimization of production scheduling, and reduction of resource waste can be achieved. Such smart transformation not only lowers operating costs, but also strengthens positive impacts on the environmental aspect.						energy usage costs. 2.Introduce smart predictive maintenance functions to reduce the risk of equipment failure and decrease material and energy waste. 3.Establish a cross-plant promotion organization/team to share practical experience from implementing smart manufacturing across different plant sites.
--	--	--	---------------	---	--	--	--	--	--	--

Risk Management

The Company comprehensively identifies internal and external potential risks and impacts, covering domains such as operations, technology, cyber security, facilities, supply chain, finance, and personnel. We have established complete response mechanisms, encompassing early warning, response, crisis management, and recovery actions, with a dedicated unit responsible for execution, aiming to enhance risk resilience and ensure operational stability and sustainable development. For a detailed explanation, please refer to [section 2.3 Risk Management of this report](#).

Risk Management Framework

We continuously optimize our risk management mechanism, regularly identify emerging risks, and enhance response capabilities and The Risk Governance Organization, led by the Group President serving as CEO, integrates cross-departmental resources and systematically assesses environment, social, and governance (ESG) risks related to operations based on the Risk Management Handbook, aiming to strengthen corporate resilience and sustainability capabilities. aiming to strengthen corporate resilience and sustainability. The Group President reports to the Board of Directors annually on the execution status and results, ensuring the Board effectively oversees the implementation of the risk governance mechanism.

Climate-related Risk and Opportunity Identification and Assessment Process

STEP 1 Collect Issues Establish List of Climate- and Nature-related Risks and Opportunities	STEP 2 Identify and Assess Impacts Prioritize Risks and Opportunities	STEP 3 Formulate Strategies Key Risks and Opportunities: Formulate Response Measure Strategies	STEP 4 Monitor and Manage Follow PDCA Principles: Monitor Risks and Opportunities
Regularly collect external development trends and internally encountered climate- and nature-related issues through the Sustainability Office.	Assess the materiality of related issues based on their likelihood of occurrence and impact on the Group, then filter and prioritize risks requiring focused management or opportunities for active expansion.	For each risk and opportunity, further formulate feasible response strategies and specific measures, and set corresponding indicators and targets to facilitate subsequent monitoring and management operations.	Annually, follow PDCA principles to continuously monitor and manage significant climate- and nature-related risks and opportunities, regularly conduct reviews and improvements to ensure the appropriateness of related strategies and the effectiveness of implementation measures.

Risk and Opportunity Identification and Assessment Process

The Company constructs a comprehensive climate and nature risk management mechanism, identifying future challenges and business opportunities, incorporating them into corporate strategy and daily decision-making. We follow a four-step process for risk and opportunity assessment, ensuring risks are properly managed and opportunities fully grasped to enhance organizational resilience and create sustainable value. For key risks and opportunities, we formulate quantifiable response strategies and action plans, establish performance indicators and phased targets, and regularly review management effectiveness through the PDCA continuous improvement principle, ensuring the mechanism remains flexible and effective, while adjusting strategies in a timely manner to respond to market changes.

Through a well-established risk and opportunity assessment management process, the Group can not only respond rapidly to international regulatory and market changes but also actively expand its sustainability impact across the value chain, promoting joint participation of partners in climate and nature actions, ensuring the Group maintains its leading edge and operational resilience during the low-carbon transition.

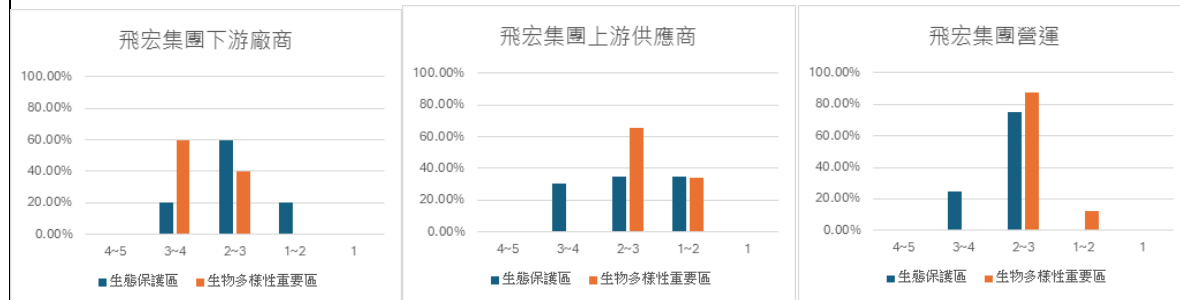
Value Chain Nature Risk Assessment

Responding to emerging trends in nature risk management, this year we initiated an assessment of potential impacts and risks in biodiversity-sensitive areas within our value chain. We utilized the World-Wide Fund for Nature's (WWF) Biodiversity Risk Filter tool to evaluate locations of upstream suppliers, our own operating sites, and downstream partners, serving as an important basis for future climate- and nature-related risk management and information disclosure. This assessment covered 100% of operating sites, core suppliers, and the site locations of all outsourced waste disposal vendors. Risk classification was conducted based on the degree of potential impact on "Protected Areas (PA)" and "Key Biodiversity Areas (KBA)" in each location to ensure the completeness and representativeness of the analysis results.

Impact levels are divided into five grades from 1 (lowest) to 5 (highest). We statistically analyzed all sites based on their score ranges (1, 1-2, 2-3, 3-4, 4-5) and analyzed whether each stage involved high potential risk areas (i.e., scores of 4-5).

As can be seen from the chart below [Chart not included in text prompt], none of the Group's sites – whether upstream suppliers, own operating sites, or downstream customers – fall within highly sensitive biodiversity areas (scores of 4-5). Most data points are concentrated in the medium-low risk zones (between 2-3 and 3-4), indicating that the overall risk related to biodiversity involvement across the value chain is currently relatively low. Although there is currently no significant involvement in high-risk areas, the Group will continue to monitor changes in biodiversity risks in the regions where value chain sites are located. We will integrate this information into supplier selection, site planning, and sustainability strategies to reduce potential impacts on natural

capital and strengthen our nature-related risk management capabilities.



Ensuring Uninterrupted Operations, More Robust Response

As climate change intensifies, extreme weather events and sudden disasters occur more frequently worldwide. To strengthen risk response capabilities and operational resilience, the Company has established Business Continuity Planning (BCP) as the basis for responding to operational disruption risks. When unforeseen events occur, response mechanisms can be swiftly activated to ensure timely operational recovery and minimize impact.

To ensure the long-term effectiveness of the BCP, the Company reviews and optimizes the plan content annually, and links it to Key Performance Indicators (KPIs) to enhance overall response effectiveness and management performance. The plan applies to all subsidiaries and branch offices within the Group, and is coordinated by the President to ensure the effective implementation of various operational performance indicators. Currently, Phihong has established Standard Operating Procedures (SOPs) for seven major operational disruption risks: natural disasters, man-made disasters, product safety, infectious diseases, industrial safety accidents, cyber security, and supplier emergencies. Potential risks are also mitigated through insurance mechanisms to reduce the financial impact of major incidents and ensure stable business operations.

Indicators and Targets

To address the potential impacts of climate and nature change on operations, the Company sets green operational targets and promotes specific strategies and target setting in aspects such as energy saving and carbon reduction, and renewable energy generation amount. The company also enhances its environmental management effectiveness by annually reviewing implementation performance and continuously formulating and implementing improvement measures.

Indicators	Performance in 2025	Short Term (2026 to 2027)	Medium Long-term (2027 to 2030)
Scope 1+2 Carbon Reduction Rate (Base Year 2021)	32.67%	32.9%	42.00%
Renewable Energy Annual Power Generation (Cumulative kWh)	2220.166	3,000,000	5,000,000

Note: Medium- to long-term renewable energy generation figures include the expected total power generation to be incorporated from the Company's U.S. subsidiary.

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NTD\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

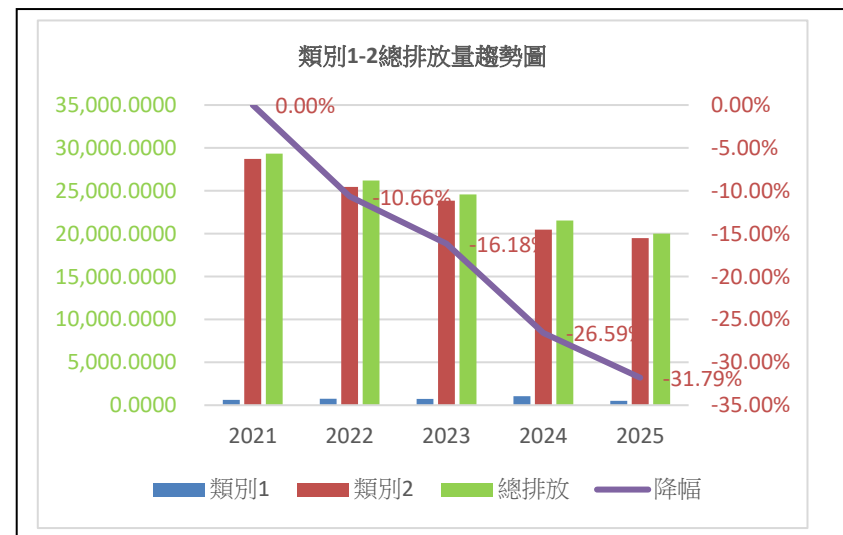
Greenhouse Gas Management and Carbon Reduction Performance

In 2025, the Company continues to conduct inventory according to the ISO 14064-1:2018 greenhouse gas inventory standard. The results show that the main source of greenhouse gas emissions is Scope 2 purchased electricity, accounting for 82.78% of total emissions. To reduce Scope 2 emissions, the Company introduced ISO 50001:2018 in 2024 to establish energy saving (electricity) targets and improve the energy use efficiency of equipment. Furthermore, we continue to pay attention to green energy issues and actively promote the planning and implementation of solar power generation, striving to reduce greenhouse gas emissions. Compared to the base year (2021), the total Scope 1 and Scope 2 emissions of the Group in 2025 have significantly decreased by 31.79%. Compared to the set SBT target (42% reduction by 2030), 75.69% of the emission reduction target has been achieved.

Scope 1+2 Greenhouse Gas Emissions (tCO₂e)

Item	2021 (Base Year)	2023	2024	2025	Change from Base Year
Scope 1	612.6000	727.7034	1,058.9241	514.5622	-16.00%
Scope 2	28,713.0830	23,853.6698	20,470.1035	19,487.7669	-32.13%
Total Emissions	29,325.6330	24,581.3732	21,529.0276	20,002.3291	-31.79%
Carbon emission density (tCO ₂ e / Million NTD Revenue)	2.39	1.99	1.98	2.04	-14.47%

Note: 2025 GWP values are based on IPCC AR6. Electricity emission factors: Taiwan region: 0.474 tCO₂e/MWh (2023 factor, Bureau of Energy, MOEA); Dongguan region: 0.5306 tCO₂e/MWh (2023 national factor, MEE China); Haiphong Pihong (Vietnam): 0.6592 tCO₂e/MWh (2023 factor, DCC Vietnam).

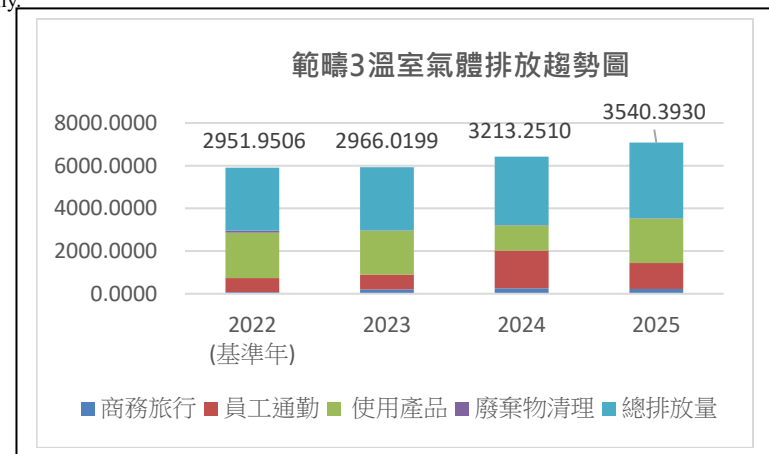


Scope 3 Greenhouse Gas Emissions

In Scope 3 management, the Company expanded its inventory scope based on an assessment of significant emission sources, covering not only existing waste and energy consumption but also business travel and employee commuting. In 2025, Scope 3 emissions increased by 19.93% compared to the base year, mainly driven by increases in employee commuting and business travel. Since Scope 3 emissions account for a limited proportion of the total, their impact on overall emissions is minimal, and the Company's overall carbon reduction strategy continues to advance steadily.

Scope 3 GHG Inventory Results Trend Table (tCO₂e)

Category	2022 (Base Year)	2023	2024	2025	Change from Base Year (2025/2022)
Business travel	76.9520	201.4096	258.5651	227.3781	195.48%
Employee commuting	656.2741	695.6473	1,768.8854	1,210.5640	84.46%
Use of sold products	2,127.3591	2,053.0052	1,169.7863	2,085.6495	-1.96%
Waste disposal	91.3654	15.9578	16.0142	16.8015	-83.58%
Total emissions	2,951.9506	2,966.0199	3,213.2510	3,540.3930	19.87%



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

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

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

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

Verification year	Assurance scope	Assurance organization	Assurance standards	Assurance opinion
2024	Category 1 & Category 2: Reasonable guarantees Category 3-4: Limited guarantees	AFNOR International	ISO 14064 14064- 1: 2018	None
2025	Category 1 & Category 2: Reasonable guarantees Category 3-4: Limited guarantees	AFNOR International (formerly Bellcert of AFNOR Group)	ISO 14064 14064- 1: 2018	Pending certification of Verification Statement

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that “Complete assurance information will be disclosed in the sustainability report.” If the Company does not prepare a sustainability report, it shall note that “Complete assurance information will be disclosed on the Market Observation Post System (MOPS),” and shall disclose the complete

assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate GovernanceCenter website.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

SBTi Science-Based Targets

The Company proactively participates in the SBTi and has set science-based emission reduction targets in accordance with its Net-Zero Standard. Using 2021 as the base year, the Company is committed to a 42% absolute reduction in Scope 1 and Scope 2 GHG emissions by 2030; for Scope 3 emissions, using 2022 as the base year, it aims to reduce carbon intensity by 51.6%, in alignment with the Paris Agreement's goal of limiting global warming to 1.5°C. These emission reduction targets were approved by the SBTi in March 2024.

Regarding carbon reduction, the Company has implemented measures such as increasing the use of renewable energy, replacing outdated air conditioning units and chiller equipment, and optimizing its product portfolio. As a result, by 2025, the Group's overall Scope 1 and Scope 2 emissions intensity decreased by 15.57% relative to the base year, with a total carbon reduction of 32.67%, significantly outperforming initial targets. For Scope 3 emissions management, the Company continues to execute three key strategies: sustainable procurement, localized management, and value chain decarbonization. These efforts are driving the low-carbon transformation of the supply chain and progressively fulfilling the Company's climate commitments and sustainable development goals.



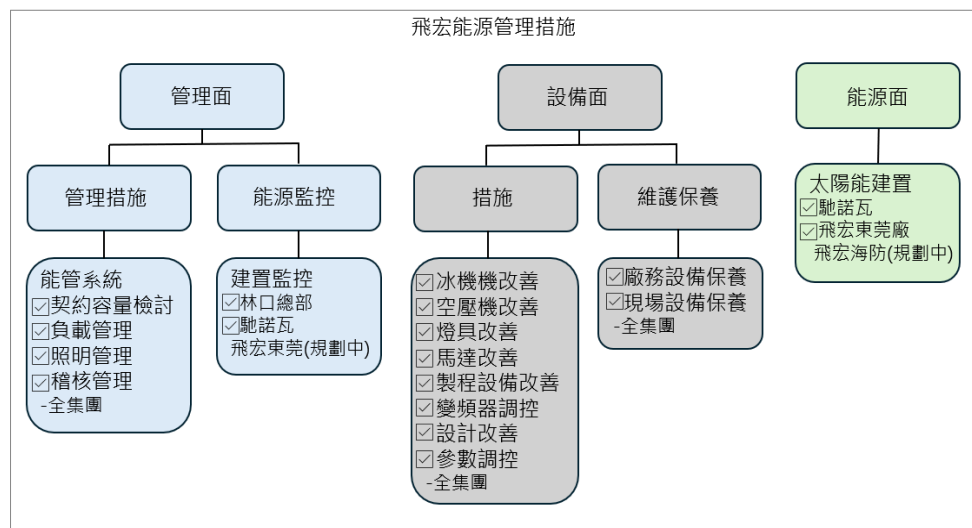
Energy Management and Low-Carbon Transition

To improve energy efficiency and reduce operational carbon emissions, the Company has implemented an energy management system since 2024. A dedicated energy

management team monitors consumption and conducts regular audits across all operational sites. This framework empowers the team to continuously identify energy-saving opportunities, set improvement targets, and ensure the effective implementation of efficiency measures through performance tracking and review mechanisms.

In line with energy conservation and renewable energy initiatives, the Linkou headquarters has optimized its high-efficiency cooling tower system. This upgrade, which commenced operation in 2025, is designed to improve the operational efficiency of the chilled water system. The Dongguan plant has completed the installation of Phases 1 through 3 of its solar power generation system, yielding 2.14 million kWh (7.7 million MJ) of electricity annually and reducing carbon emissions by 942.25 metric tons of CO₂e. Additionally, the Haiphong (Vietnam) and Zerova (Taiwan) facilities have transitioned their solar power system projects from the engineering assessment stage to the construction phase. These systems are slated for commissioning in the first half of 2026, with an annual power generation capacity of approximately 1.93 million kWh (6.948 million MJ) and an estimated carbon emissions reduction of approximately 941.2 metric tons of CO₂e. By optimizing energy-saving equipment and expanding renewable energy adoption, the Company continues to improve energy efficiency while steering its operations toward a low-carbon energy transition in support of long-term sustainability.

Plant site	Energy saving type	Main implementation projects	Investment amount (Unit: NT\$)	Execution status	Expected benefits
Linkou headquarters (PHT)	Air Conditioning System	Replacement of energy-consuming cooling towers (upgraded from original 300 RT to 450 RT)	NT\$2.85 million	Official operation commenced in January 2025.	Expected energy saving of 36,000 kWh/year (129.6 GJ), annual carbon reduction of 17 tCO ₂ e.
Pihong Dongguan (PHC, PHP)	Air compressor	Air compressor energy-saving retrofit plan.	NT\$2.64 million	In operational use.	Air compressor electricity consumption saved 40,352kWh, achieving an annual carbon reduction of 21.6529 tCO ₂ e.
	Green Power System	Phase I, II, III plant solar power generation system	Shared Energy Savings Cooperation Model	In operational use.	Actual total power generation in 2025 was 2.14 million kWh (7.7 million MJ), achieving an annual carbon reduction of 942.25 tCO ₂ e.
Haiphong plant	Green Power System	Installation of solar power generation	Shared Energy Savings Cooperation Model	Construction commences after signing the Letter of Intent (LOI) in Q1 2025. In operational use from the first half of 2026.	Expected annual electricity saving of 1 million kWh (3.6 million MJ) compared to traditional equipment, with an annual carbon emission reduction of 502 tCO ₂ e.
Zerova (ZTM)	Green Power System	Installation of solar power modules at Tainan Plants 1 and 3	Annual operating & maintenance cost NT\$440,000 / year	Feasibility study and contract signing completed in 2025, scheduled for completion and official operation in Q2 2026.	Expected annual power generation: 930,000 kWh (3.348 million MJ) Annual carbon reduction: 439.2 tCO ₂ e. Annual renewable energy certificates: 933.



INTERNAL CARBON PRICING (ICP) MANAGEMENT MECHANISM

To increase the integration of operational decisions with climate risks while enhancing energy conservation and carbon reduction performance, the Company formally implemented an Internal Carbon Pricing (ICP) mechanism in October 2025. This initiative aims to internalize carbon costs, strengthen carbon management within energy utilization and equipment investments, and align the Company's carbon reduction strategy with international net-zero trends.

Principles for Setting Carbon Prices and Management Framework

After comprehensive analysis of global carbon market trends, carbon fee and tax systems in major countries, supply chain net-zero requirements, and the Company's own carbon reduction roadmap, a shadow price of NT\$3,000 per metric ton has been established. This carbon price serves as a reference for the Company's internal energy management, equipment investments, and key operational decisions, in anticipation of evolving carbon-related costs.

The Company incorporates ICP into its procurement and modification processes for energy equipment, while quantifying potential carbon costs during investment appraisals. This ensures that decisions balance economic returns with energy efficiency, carbon emission impact, and life-cycle costs. On an annual basis, the Company reviews the appropriateness of its carbon pricing and benchmarks against the ICP trends of global technology leaders to ensure its strategy remains competitive and scientifically valid.

Application of ICP in Operational Processes

- **Energy Equipment Investment Assessment:** Incorporating the shadow carbon price into feasibility analyses to provide greater investment incentives for low-carbon equipment
- **Optimization of Energy and Carbon Management Systems:** Improving data quality and audit rigor to support the transparency and credibility of internal carbon pricing operations
- **Enhanced Climate Risk Management:** Leveraging internal carbon pricing to heighten decision-making sensitivity to escalating carbon costs and reducing medium- to long-term transition risks

Promoting Low-Carbon Technologies and Cross-Plant Exchange

Since 2025, the Company has hosted an annual "Group Low-Carbon Technology Investment and Energy-Saving Technology Exchange Event." By disseminating best practices across regions and facilities, the event accelerates the adoption of energy-saving and carbon-reduction technologies. These include high-efficiency process equipment, smart energy management, renewable energy applications, and process emission reductions; all of which drive continuous improvements in the Group's overall energy efficiency and carbon emissions performance.

Internal Carbon Pricing (Shadow Carbon Price) Mechanism and Process



Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT\$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

(6) Implementation Status of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
<p>1. Establishing ethical corporate management policies and measures</p> <p>(1) Does the Company develop ethical corporate management policies approved by the Board of Directors and clearly state its policies and practices of ethical corporate management in the regulations and external documents? Are the Board of Directors and the senior management committed to implementing business policies?</p> <p>(2) Does the Company establish the assessment system for the risks of unethical machine and regularly analyze and assess the business activities with higher risks of unethical conduct within its business scope? Does the Company establish prevention programs against unethical conduct which at least cover the prevention measures for the conduct specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(3) Does the Company establish and implement operating procedures, code of conduct, penalties for violation and complaint system in the prevention programs against unethical conduct, and review and revise the said programs regularly?</p>	V		<p>(1) The Company's business philosophy is "integrity, innovation and challenge". Integrity is the Company's core corporate value and the central thinking when implementing all activities. We have formulated the Ethical Corporate Management Best Practice Principles approved by the Board of Directors. In order to motivate all employees (100%) to implement it, we offer training designed based on the content of the Code of Corporate Ethics and Business Conduct on their first day of work and sign for approval after their training is completed.</p> <p>(2) The Company's Ethical Corporate Management Best Practice Principles cover the preventive measures against the unethical conduct mentioned in each paragraph of Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. In addition, according to said principles, we have conducted assessments of the ethical management risks, and the material risks identified are the inappropriate acceptance of gifts, the exchange of entertainment expense for suppliers' goods and services, and preferential treatment related to tenders in the field of procurement risks. Therefore, our company has designed a gift reporting mechanism in order to block the possibility of corruption, bribery, and extortion. Meanwhile, we have formulated anti-corruption and integrity clauses in the relevant contracts with suppliers/manufacturers, and required them to sign and return the Anti-corruption Commitment Letter. Insider trading is strictly prohibited, and opportunities for corruption are eliminated, so as to implement anti-corruption in daily management and business activities.</p> <p>(3) We have formulated the "Ethical Corporate Management Best Practice Principles" and "Corporate Ethics and Business Code of Conduct" to establish a corporate culture of honesty and integrity and implement fully the moral honesty policy. In addition, result verification and reward/punishment regulations in the "employee manual" are set so employees clearly understand the code of conduct and accept the reward and punishment as set in the regulations.</p> <p>The Company has also formulated the Employee Grievance Management Regulations and the Illegal, Unethical, or Dishonest Conduct Reporting Regulations to clearly regulate internal and external grievance process management. Since 2020, we have sent letters to all employees and suppliers quarterly, reiterating the importance of compliance with ethics and integrity and the information on the grievance mailboxes, to promote and implement ethical management actively.</p>	<p>(1) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p> <p>(2) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p> <p>(3) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p>
<p>2. Implementing ethical corporate management</p> <p>(1) Does the Company evaluate the ethical records of transaction partners, and stipulate the clauses of ethical conduct in the contracts signed with the transaction partners?</p>	V		<p>(1) In the relevant contracts between the Company and suppliers, it is clearly stipulated that suppliers must follow and meet the requirements of the RBA (including the code of ethics), and that any damage to the Company's ethical management and clean corporate image is prohibited in order to eliminate any possible corruption. In addition, this is also one of the necessary items</p>	<p>(1) In compliance with the Ethical Corporate Management Best Practice Principles for</p>

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
<p>(2) Does the Company establish an unit under the Board of Directors that is exclusive for the promotion of ethical corporate management and reports regularly (at least once a year) to the Board of Directors the supervision of ethical corporate management policies and prevention programs against unethical conduct?</p> <p>(3) Does the Company adopt policies to prevent conflicts of interest and provide a proper appeal system and implement them thoroughly?</p> <p>(4) Does the Company have an effective accounting system and internal control system set up to facilitate ethical corporate management? Does the internal audit unit formulate audit plans based on risk assessment results of unethical conduct, and audit compliance with the unethical conduct prevention programs by itself or by the CPAs?</p> <p>(5) Does the Company organize internal and external training on ethical corporate management on a regular basis?</p>	V		<p>in the supplier review and audit.</p> <p>(2) The Company established the Corporate Sustainable Development Committee in 2014, chaired by the General Manager, with the executive assistant to the General Manager Office as the executive secretary, and the first-level supervisors of business groups as ex officio members, responsible for the seven corporate social responsibility issues of corporate governance, green R&D, supply chain management, environmental sustainability, customer service, employee care, and social participation. Ethical management is under the corporate governance promotion team and is implemented by the Audit Office.</p> <p>(3) The Company has established “regulations of the board meetings” to regulate any conflict of interest in the board operations, and has used “corporate ethics and business code of conduct” to regulate the employees to prevent conflict of interest. In addition, there is a grievance channel for stakeholders. Hsien-yi Wang, manager of the Audit Office of the Company, serves as the point of contact for acceptance of complaints from all stakeholders and to respond.</p> <p>(4) The Audit Office under the Board of Directors timely discovers possible deficiencies in the internal control system through routine or ad-hoc audits and provides suggestions for improvement, while submitting audit reports to the Audit Committee and the Chairman and reporting on the implementation status and results to the Board of Directors, to implement the spirit of corporate governance.</p> <p>(5) The Company organizes occasional ethical management education and training. In order to motivate all employees (100%) to implement it, we offer training on the Code of Corporate Ethics and Business Conduct on their endorsed day of work and sign for approval after their training is completed. In addition, in the subsequent new recruits training, the importance and implementation of ethical management will also be taught.</p>	<p>TWSE/GTSM Listed Companies.</p> <p>(2) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p> <p>(3) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p> <p>(4) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p> <p>(5) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p>
<p>3. Implementing the whistle-blowing system</p> <p>(1) Does the Company formulate a concrete whistle-blowing and reward system, build convenient grievance channels, and assign the appropriate personnel to investigate the reported parties?</p> <p>(2) Does the Company establish standard operating procedures for the investigation on complaints and the follow-up measures to be adopted after the investigation is completed as well as the relevant confidentiality mechanisms?</p> <p>(3) Does the Company take measures to protect whistle-blowers from inappropriate disciplinary actions?</p>	V		<p>(1) The Company has formulated the “Employee Grievance Management Regulations” and set up Employee Complaint Mailboxes to allow employees to express their opinions in a safe and confidential manner through a rigorous and safe reporting mechanism. There are also “Stakeholders Complaint Mailbox” and “Illegal and Unethical Employee Reporting Mailbox” on the Company’s website, so that all stakeholders can have channels for complaints. The personnel or unit responsible for handling complaints will verify the content of the complaint upon receipt. If illegal, unethical, or dishonest behavior is confirmed, penalties will be imposed according to the severity of the situation.</p> <p>(2) The Employee Grievance Management Regulations and the Illegal, Unethical, or Dishonest Conduct Response Regulations established by the Company have clearly defined the standard operating procedures, confidentiality mechanisms, and whistleblower protection mechanisms.</p> <p>(3) Same as above.</p>	<p>(1) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p> <p>(2) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p> <p>(3) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p>

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
4. Enhancing disclosure of information Does the Company disclose the content and performance of the Ethical Corporate Management Best Practice Principles on the company website and Market Observation Post System?	V		The Company's website (www.phihong.com.tw): <ul style="list-style-type: none"> • "Investor" section: The latest financial information and material information are disclosed, and ethical management operations are included. • ESG Section: Announces complete ESG sustainability reports from 2009 to the present, all including full disclosure of the practice and implementation of integrity management and ethical conduct. (https://www.phihongesg.com/)	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
5. If the Company has formulated its ethical corporate management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," any differences between the performance of ethical corporate management and the principles should be disclosed: In accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, the Company has formulated the Company's Ethical Corporate Management Best Practice Principles to fully implement the requirements of ethical management in the operations of the Board of Directors and corporate governance. Although there is a considerable degree of interest in the interaction between enterprises and governments and between enterprises and enterprises, in order to avoid affecting business integrity and eliminating the risk of corruption, we firmly oppose any behavior that undermines integrity, ethics, corporate image, and interests and define the reward and disciplinary action system in the Employee Code and the Code of Corporate Ethics and Business Conduct, aiming to eliminate any possible corruption. We have designed a reporting mechanism for gifts given by suppliers/manufacturers to prevent the possibility of corruption, bribery, and extortion in the first place, and also included anti-corruption and integrity clauses in relevant contracts with cooperating suppliers/manufacturers for compliance. In order to abide by this together, we will never allow the opportunity for corruption to occur. Various measures have been taken to directly implement anti-corruption in daily management and business behaviors. Since the implementation, there has never been any corruption so far.				
6. Other significant information that helps to understand the implementation of ethical corporate management (e.g., review of and amendments to ethical corporate management policies): In addition to the latest financial information, material information, and related information on honest and trustworthy operations is available on the company website (www.phihongtech.com) in the "Investment Section," detailed disclosures of important information on ethical management can also be found in the "ESG Sustainability" section of the company website's past "ESG Sustainability Reports."				

(7) Other important information enhancing the understanding of corporate governance operations: None.

(8) Implementation Status of Internal Control System

1. Statement on Internal Control System

Phihong Technology Co., Ltd.
Statement on Internal Control System

Date: March 12, 2026

Statement on the Company's Internal Control System for the Year 2025: Based on our self-assessment, we hereby declare as follows:

1. The Company recognizes that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Board of Directors and the Managers of the Company, and that the Company has established such a system. The purpose is to provide reasonable assurance of the effectiveness and efficiency of operations (including profitability, performance and safety of assets), reliability of reporting, timeliness, transparency and compliance with relevant regulations and relevant Act and regulations.
2. No matter how well designed, an effective internal control system can only provide reasonable assurance of the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism and once deficiencies are identified, the Company will take corrective action.
3. The Company determines the effectiveness of the design and implementation of the internal control system in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Regulations").
The judgments of the internal control system adopted in the Regulations are based on the process of management control, and the internal control system is divided into five components: 1. environmental control, 2. risk assessment, 3. operational control, 4. information and communication, and 5. operational supervision. Each component consists of several items. Please refer to the "Regulations" for the aforementioned items.
4. The Company has adopted the items of internal control system judgment mentioned above to evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the preceding evaluation, the Company believes that the design and implementation of the Company's internal control system (including supervision and management of subsidiaries) on December 31, 2025, including the understanding of the extent to which operational effectiveness and efficiency objectives are achieved, the reliability of reporting, timeliness, transparency and compliance with relevant regulations and relevant Act and regulations are effective, and that they can reasonably ensure the achievement of the above objectives.
6. This statement will be the main content of the Company's annual report and public explanatory statement and will be made available to the public. If the contents of the above-mentioned disclosures contain any misrepresentations or nondisclosures, the Company will be subject to legal liability in accordance with Article 20, Article 32, Article 171, and Article 174 under the Securities and Exchange Act.
7. Hereby declare that this statement was approved by the board of directors at the board meeting held on March 12, 2026, and out of the 9 directors present, none of them filed an objection, and the rest agreed to the contents of this statement.

Phihong Technology Co., Ltd.

Chairman: Lin, Chung-Min (signature)

President: Lin, Kuan-Hong (signature)

2. If an accountant is appointed to review the internal control system, the accountant's review report should be disclosed: Not applicable.

(9) Important resolutions of the shareholders' meeting and the Board of Directors in the most recent year and up to the date of publication of the annual report

1. Significant resolutions of 2025 shareholders' meeting:

Important Motion Summary	Implementation
1. Recognizing Matters: · Acknowledged the 2024 annual financial statement. · Approve the 2024 earnings distribution plan. 2. Matters to be Discussed: · Amendment to the “Articles of Incorporation”. 3. Election Matter: By-election of one Director.	1. · Resolution passed. · Resolution passed. 2. · In effect. 3. By-election completed.

2. Important resolutions of the Board of Directors:

Important resolutions for the year 2025 and up to the end of April 2026 are as follows:

Date	Summary	Implementation
January 15, 2025	Proposed to apply for a line of credit case with various banks for 2025.	The relevant operations have been carried out in accordance with the resolution.
	The Company's 2025 Operating Budget.	The relevant operations have been carried out in accordance with the resolution.
	Appointment of the Company's 2025 CPAs and Audit fees.	The relevant operations have been carried out in accordance with the resolution.
	The Company's 2025 “Pre-Approved Non-Assurance Services”.	The relevant operations have been carried out in accordance with the resolution.
	Assessment of Independence and Suitability of the Company's CPAs	The relevant operations have been carried out in accordance with the resolution.
	Amendment to the “Rules Governing Financial and Business Matters Between the Company and its Related Parties”.	The relevant operations have been carried out in accordance with the resolution.
	Disposal of Phihong Technology Japan's Toyochō Office.	The relevant operations have been carried out in accordance with the resolution.
March 11, 2025	The Company's 2024 Business Report and the Financial Statements (including Consolidated and Standalone Financial Statements).	It has been announced on the Market Observation Post System and proposed to the 2025 Shareholders Meeting for recognition.
	The Company's 2024 Profit Distribution Proposal.	It has been announced on the Market Observation Post System and proposed to the 2025 Shareholders Meeting for recognition.
	Distribution of remuneration to employees and directors of the Company for 2024.	It has been announced on the Market Observation Post System and proposed to the 2025 Shareholders Meeting for recognition.
	The Company's 2024 “Statement on Internal Control Systems”.	The relevant operations have been carried out in accordance with the resolution.
	By-election of one director.	It has been announced on the Market Observation Post System and proposed to the 2025 Shareholders Meeting for election.
	Nomination of candidates list for one independent director seat	It has been announced on Market Observation Post System Website.
	Accepting shareholder proposals and nomination of director candidates for the 2026 Shareholders Meeting.	It has been announced on Market Observation Post System Website.
	Matters relating to the convening the 2025 Shareholders Meeting.	Proposed for discussion at the 2024 ordinary General Meeting of Shareholders in accordance with the law.
	The Company's subsequent public offering of privately placed common shares issued in 2021.	It has been announced on Market Observation Post System Website.
	Proposal for Defining the Scope of the Company's Entry-Level Employees.	The relevant operations have been carried out in accordance with the resolution.
	Amendments to the Company's “Articles of Incorporation”.	Proposed for discussion at the 2025 Shareholders Meeting.
	Loan of Company Funds to Zerova's 100%-owned overseas direct and indirect subsidiaries.	The relevant operations have been carried out in accordance with the resolution.
	Loan of Zerova (Singapore) Funds to 100%-owned overseas direct and indirect subsidiaries.	The relevant operations have been carried out in accordance with the resolution.
Review of the General Manager's company car leasing arrangement.	The relevant operations have been carried out in accordance with the resolution.	
April 10, 2025	Proposal to conduct the 5th share repurchase and share cancellation in accordance with the law.	It has been announced on Market Observation Post System Website.
	Amendments to the Company's “Articles of Incorporation”.	Proposed for discussion at the 2025 Shareholders Meeting.
May 13, 2025	The Company's Consolidated Financial Statements for Q1 2025.	It has been announced on Market Observation Post System Website.

Date	Summary	Implementation
July 24, 2025	Amendment to the Company's 2025 Operating Budget.	The relevant operations have been carried out in accordance with the resolution.
	Setting the capital reduction record date for the Company's repurchased treasury shares.	The relevant operations have been carried out in accordance with the resolution.
August 12, 2025	The Company's Consolidated Financial Statements for Q2 2025.	It has been announced on Market Observation Post System Website.
	The Company's 2024 Sustainability Report.	It has been announced on Market Observation Post System Website
	The Company's Guarantee for Phihong Vietnam.	The relevant operations have been carried out in accordance with the resolution.
	Adjustment of interest rates on the loan from subsidiary "Phihong Electronics (Suzhou) Co., Ltd." to "Dongguan Phitek Electronics Co., Ltd."	The relevant operations have been carried out in accordance with the resolution.
	Review of remuneration for directors concurrently serving as managers of Zerova.	The relevant operations have been carried out in accordance with the resolution.
	The Company's 2024 directors' remuneration distribution plan.	The relevant operations have been carried out in accordance with the resolution.
November 7, 2025	Proposal for the Election of the Vice Chairman of the 15th Term.	It has been announced on Market Observation Post System Website.
	The Company's permanent appointment of the Head of Accounting.	It has been announced on Market Observation Post System Website.
	The Company's Consolidated Financial Statements for Q3 2025.	It has been announced on Market Observation Post System Website.
	The Company's loan of funds to Phihong Japan (PHJ).	The relevant operations have been carried out in accordance with the resolution.
	Subsidiary Phihong Suzhou (PHZ)'s loan of funds to Phihong Dongguan (PHC).	The relevant operations have been carried out in accordance with the resolution.
	Plan for the 2026 Director Continuing Education.	The relevant operations have been carried out in accordance with the resolution.
	The Company's 2026 Audit Plan.	In effect.
	Amendments to the "Payroll Cycle Control Operating Procedures" and "Payroll Audit Procedures"	In effect.
	Amendments to the Company's "Sustainable Development Best Practice Principles".	In effect.
	Subsidiary Phihong Vietnam (PHV)'s investment in Vietnamese land.	In effect.
	The Company's cash capital increase for Phihong Vietnam (PHV).	In effect.
	Amendments to the Company's Approval Authority Table.	In effect.
	The Company's 2024 managers' remuneration distribution plan.	It has been distributed in accordance with the resolution.
	Distribution of the 2024 remuneration for directors and managers concurrently serving as managers of Zerova.	It has been distributed in accordance with the resolution.
February 5, 2026	The Company's 2026 Operating Budget.	In effect
	Proposed to apply for a line of credit case with various banks for 2026.	In effect
	Zerova plans to establish a direct or indirect 100%-owned subsidiary in the UK.	The relevant procedures have been carried out in accordance with the resolution.
	The Company's loan of funds to Phihong Japan (PHJ).	The relevant procedures have been carried out in accordance with the resolution.
	Loan of Company Funds to Zerova's 100%-owned overseas direct and indirect subsidiaries.	It has been announced on Market Observation Post System Website.
	Appointment of the Company's 2026 CPAs and Audit fees.	The relevant procedures have been carried out in accordance with the resolution.
	The Company's 2026 "Pre-Approved Non-Assurance Services".	The relevant procedures have been carried out in accordance with the resolution.
	Evaluation of the Independence and Suitability of the Company's CPAs.	The relevant procedures have been carried out in accordance with the resolution.
	The Company's cash capital increase for Phihong Vietnam (PHV).	It has been announced on Market Observation Post System Website.
	Review of the 2025 Business Expense Proposal for the Company's Directors and Independent Directors	The relevant procedures have been carried out in accordance with the resolution.
	Proposal for pay adjustment for the Company vice president Chien, Wen-Sung	The relevant procedures have been carried out in accordance with the resolution.
	The Company's 2025 managers' year-end remuneration distribution plan.	It has been distributed in accordance with the resolution.
	The Company's 2025 directors' and Zerova managers' year-end remuneration distribution plan.	It has been distributed in accordance with the resolution.

Date	Summary	Implementation
Mar. 12, 2026	The Company's 2025 Business Report and the Financial Statements (including Consolidated and Individual).	It has been announced on the Market Observation Post System and submitted for approval at the 2026 Shareholders' Meeting.
	The Company's 2025 earnings distribution proposal.	It has been announced on the Market Observation Post System and submitted for approval at the 2026 Shareholders' Meeting.
	The Company's 2025 "Statement on Internal Control System".	It has been announced on the Market Observation Post System .
	Full election of all directors.	It has been announced on Market Observation Post System Website and submitted for election at the 2026 Shareholders' Meeting.
	Matters relating to the convening the 2026 Shareholders Meeting.	It has been announced on Market Observation Post System Website.
	Accepting shareholder proposals and nomination of director candidates for the 2026 Shareholders Meeting.	It has been announced on Market Observation Post System Website.
	List of director and independent director candidates.	It has been announced on Market Observation Post System Website.
	Proposal for lifting the non-compete restriction for newly appointed directors.	It has been announced on Market Observation Post System Website and submitted for discussion at the 2026 Shareholders' Meeting.

(10) In the most recent year and as of the date of publication of the annual report, if the directors or supervisors have different opinions on important resolutions passed by the board of directors and have records or written statements, the main content: None.

4. Information on CPA Professional Fees

(1) Audit Fees

Name of the public accounting firm	Name of CPA	CPA Audition Period	Audit Fees	Non-audit Fees	Total	Note
Deloitte & Touche	Chang, Chih-I	January 1, 2025 - December 31, 2025	6,080	1,877	7,957	The main item is that the firm's tax department provided services totaling NT\$ 1,050,000; handled overseas company maintenance fees, economic substance reports, financial reporting, and director's authority certificates for NT\$ 482,000; NT\$60,000 for services related to Investment Commission reporting and filing. NT\$285,000 for matters including private placement re-registration as a public company, articles of incorporation amendment, by-election of directors, and cancellation of treasury shares.
	Hong, Kuo-Tien	January 1, 2025 - December 31, 2025				

Please specify the non-audit fee-based services (e.g., tax certification, assurance, or other financial advisory services)

Note: If the company changed its auditor or accounting firm this year, please list the audit periods separately and explain the reason for the change in the remark's column. Please disclose the audit and non-audit fees paid in order. The non-audit fees should also include a description of the services provided.

- (2) If the accounting firm is replaced and the Audit Fee paid in the replacement year is reduced compared to the Audit Fee in the previous year, the amount and reason of the audit public fee before and after the replacement shall be disclosed: None.
- (3) A decrease in audit fees of more than 10% compared to the previous year shall be disclosed, including the amount and percentage of the decrease and the reason for the decrease: None.

5. Information on Replacement of CPAs:

There were no such cases in the most recent year and up to the date of publication of the annual report.

6. Chairman, President, or Any Managerial Officer in Charge of Financial or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the CPAs' Accounting Firm or at an Affiliate of Such Accounting Firm

There were no such cases in the most recent year and up to the date of publication of the annual report.

7. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (in the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report) by Directors, Managerial Officers, or Shareholders with a Stake of More than 10%

(1) Change in Equity Interests by Directors, Managerial Officers, or Major Shareholders: Unit: shares

Title	Name	Year of 2025		Year of 2026 As of April 13	
		Number of Shares Number of Increase (Decrease)	Number of Pledge of Shares Number of Increase (Decrease)	Number of Shares Number of Increase (Decrease)	Number of Pledge of Shares Number of Increase (Decrease)
Chairman and CEO	Lin, Chung-Min	0	11,550,000 (950,000)	0	0 (600,000)
Director	Lin, Fei-Hong	0	536,000	0	0
Director	Kuan Feng Investment Ltd.	0	0	0	0
	Representative: Chiang, Wei-Feng	0	0	0	0
Director	Kuan Feng Investment Ltd.	0	0	0	0
	Representative: Lin, Kuan-Hong (Note 1)	0	700,000	0	0
Director	Taiwan Cement Corporation (Note 2)	0	0	0	0
	Representative: Yu, Ming-Jen (Note 2)	0	0	0	0
Director	Chen, Chun-Cheng (Note 3)	0	0	0	0
Independent Director	Hong, Yu-Yuan	0	0	0	0
Independent Director	Lin, Kuei-Hong	0	0	0	0
Independent Director	Wu, Chung-Shu	0	0	0	0
Independent Director	Kang, Hui-Mei	0	0	0	0
Group President	Lin, Kuan-Hong	0	700,000	0	0
Vice President	Chang, Yuan-Shun	0	0	0	0
Vice President	Chien, Wen-Sung	0	0	0	0
Assistant Vice President	Liu, Jia-Xiang (Note 4)	0	0	0	0
Head of Finance	Li, Pei-Yi	0	0	0	0
Head of Accounting	Chen, Kuei-Chih (Note 5)	0	0	0	0
Head of Accounting	Chiang, Yao-Lin (Note 5)	0	0	0	0

Note 1: The original corporate director representative of the Guan Feng Investment Co., Ltd., Lin Yang-Hong, resigned on December 31, 2024. Effective from January 1, 2025, the newly appointed corporate director representative is Lin Kuan-Hong.

Note 2: Note 1: Taiwan Cement Corporation resigned as a corporate director of the Company on August 14, 2025, and simultaneously dismissed its appointed director representative, Mr. Yu Ming-Jen.

Note 3: At the Company's Annual General Shareholders' Meeting held on June 10, 2025, one director position was filled through a by-election. Chen, Chun-Cheng was newly appointed as a director of the Company and was subsequently elected as Vice Chairman of the Company by a resolution of the Board of Directors on November 7, 2025.

Note 4: Assistant Vice President Liu, Jia-Xiang left the Company on July 18, 2025.

Note 5: Due to a job rotation within the Company, Chen, Kuei-Chih resigned from the position of Head of Accounting on August 31, 2025. On the same date, Chiang, Yao-Lin began serving as Acting Head of Accounting on August 31, 2025, and was subsequently approved by the Audit Committee and the Board of Directors to assume the role of Head of Accounting on November 7, 2025.

(2) Information on the counterparty of equity interests transferred or pledged where the counterparty is a related party:

Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by Directors, Managerial Officers, or Shareholders with a Stake of More than 10%.

8. Information of Shareholder Being a Related Party, Spouse or Relative within the Second Degree of Kinship of Another with number of shareholding ranked in top 10.

April 13, 2026 Unit: shares; %

Name	Personal Shareholding		Shareholding Held by Spouse & Minor Children		Shareholding Total Held in the Name of Others		Title, Name and Relationship of Shareholder Being a Related Party, Spouse or Relative within the Second Degree of Kinship of Another with number of shareholding ranked in top 10.		Note
	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Title (or Name)	Relationship	
Lin, Chung-Min	54,541,837	12.84	4,240,081	1.00	None	None	Chien, Shu-Nu	Spouse	None
							Lin, Fei-Hong	Father and son	
							Lin, Yang-Hong	Father and son	
							Lin, Kuan-Hong	Father and son	
Chien, Shu-Nu	4,240,081	1.00	54,541,837	12.84	None	None	Lin, Chung-Min	Spouse	None
							Lin, Fei-Hong	Mother and Son	
							Lin, Yang-Hong	Mother and Son	
							Lin, Kuan-Hong	Mother and Son	
Lin, Fei-Hong	3,644,122	0.86	None	None	None	None	Lin, Chung-Min	Father and son	None
							Chien, Shu-Nu	Mother and Son	
							Lin, Kuan-Hong	Sibling	
							Lin, Yang-Hong	Sibling	
Lin, Yang-Hong	3,643,759	0.86	63	0.00	None	None	Lin, Chung-Min	Father and son	None
							Chien, Shu-Nu	Mother and Son	
							Lin, Fei-Hong	Sibling	
							Lin, Kuan-Hong	Sibling	
Lin, Kuan-Hong	3,619,122	0.85	None	None	None	None	Lin, Chung-Min	Father and son	None
							Chien, Shu-Nu	Mother and Son	
							Lin, Fei-Hong	Sibling	
							Lin, Yang-Hong	Sibling	
Kuan Feng Investment Ltd.	3,374,625	0.79	None	None	None	None	None	None	None
Kuan Feng Investment Ltd. Representative: Chiang Wei-Feng	None	None	None	None	None	None	None	None	None
Representative of Kuan Feng Investment Ltd: Lin, Kuan-Hong	3,619,122	0.85	None	None	None	None	Lin, Chung-Min	Father and son	None
							Chien, Shu-Nu	Mother and Son	
							Lin, Fei-Hong	Sibling	
							Lin, Yang-Hong	Sibling	
JPMorgan Chase Bank, N.A., Custody Account for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	2,378,768	0.56	None	None	None	None	None	None	None
HSBC Bank (Taiwan) Limited, Custody Account for Goldman Sachs International Investment Account	2,341,320	0.55	None	None	None	None	None	None	None
Citibank (Taiwan) Limited, Custody Account for BNP Paribas Investment Operations S.N.C.	2,152,078	0.51	None	None	None	None	None	None	None
JPMorgan Chase Bank, N.A., Taipei Branch, Custody Account for Vanguard Emerging Markets Stock Index Fund, managed by The Vanguard Group	2,133,706	0.50	None	None	None	None	None	None	None

9. The number of shares held by the company, its directors, managers, and businesses directly or indirectly controlled by the company in the same investee company, and the consolidated holding ratio

December 31, 2025; Unit: Shares; %

Makes investments (Note)	Investments by the Company		Investments by Directors, Supervisors, Managers and Direct or Indirect Control Business		Comprehensive Investments	
	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)
PHIHONG INTERNATIONAL CORP.	98,059,683	100%	-	-	98,059,683	100%
PHIHONG USA CORP.	3,100,000	100%	-	-	3,100,000	100%
PHITEK INTERNATIONAL CO., LTD.	18,840,000	100%	-	-	18,840,000	100%
ASCENT ALLIANCE LTD.	12,012,600	100%	-	-	12,012,600	100%
PHIHONG TECHNOLOGY JAPAN CO., LTD.	25,000	100%	-	-	25,000	100%
PHIHONG VIETNAM CO., LTD.	65,000,000	100%	-	-	65,000,000	100%
Guang-Lai Investment Co., Ltd.	13,975,828	100%	-	-	13,975,828	100%
Zerova Technologies Taiwan Limited	699,272,603	100%	-	-	699,272,603	100%

Note: The Company adopts the equity method to account for its investments.

III. Fundraising Status

1. Capital and Shares

(1) Source of Capital

1. Formation of Capital Stock

Unit: NT\$ thousand; Shares

Year Month	Offering Price	Authorized Capital Stock		Paid-in Capital Stock		Source of Capital	Note	
		Number of Shares	Amount	Number of Shares	Amount		Property Other Than Cash Provided as Capital Contributions	Others
Dec. 1972	100	2,000	200	2,000	200	Company Set-up	None	-
Jul. 1977	100	30,000	3,000	30,000	3,000	Cash capital increase by NT\$2,800	None	-
Jul. 1981	100	200,000	20,000	200,000	20,000	Cash capital increase by NT\$17,000	None	-
Oct. 1983	100	300,000	30,000	300,000	30,000	Cash capital increase by NT\$10,000	None	-
Sep. 1985	100	400,000	40,000	400,000	40,000	Cash capital increase by NT\$10,000	None	-
Dec. 1987	100	600,000	60,000	600,000	60,000	Cash capital increase by NT\$20,000	None	-
Dec. 1989	10	14,000,000	140,000	14,000,000	140,000	Cash capital increase by NT\$68,000 Surplus capital increase by NT\$12,000	None	-
Dec. 1990	10	40,000,000	400,000	20,900,000	209,000	Cash capital increase by NT\$48,000 Surplus capital increase by NT\$16,800 Capital surplus by NT\$4,200	None	Securities and Exchange Commission of the Ministry of Finance Order (79)-Tai-Cai-Zheng-(Yi) No. 02636 issued on October 15, 1990
Oct. 1991	10	40,000,000	400,000	22,990,000	229,900	Surplus capital increase by NT\$20,900	None	Securities and Exchange Commission of the Ministry of Finance Order (80)-Tai-Cai-Zheng-(Yi) No. 01608 issued on July 19, 1991
Oct. 1997	10	40,000,000	400,000	32,163,141	321,631	Cash capital increase by NT\$49,000 Surplus capital increase by NT\$41,382 Employee bonus of NT\$1,349	None	Securities and Futures Commission of the Ministry of Finance Order (86)-Tai-Cai-Zheng-(Yi) No. 52641 issued on July 4, 1997
Jan. 1998	10	40,000,000	400,000	37,263,141	372,631	Cash capital increase by NT\$51,000	None	Securities and Futures Commission of the Ministry of Finance Order (86)-Tai-Cai-Zheng-(Yi) No. 82966 issued on November 13, 1997
Jul. 1998	10	140,000,000	1,400,000	65,000,000	650,000	Surplus capital increase by NT\$68,610 Employee bonus of NT\$8,759	None	Securities and Futures Commission of the Ministry of Finance Order (87)-Tai-Cai-Zheng-(Yi) No. 58899 issued on July 9, 1998
Jun. 1999	10	140,000,000	1,400,000	107,000,000	1,070,000	Surplus capital increase NTS 393,474 Employee bonus of NT\$26,526	None	Securities and Futures Commission of the Ministry of Finance Order (88)-Tai-Cai-Zheng-(Yi) No. 56307 issued on June 21, 1999
May, 2000	10	180,000,000	1,800,000	153,460,000	1,534,600	Surplus capital increase NTS 482,000 Employee bonus of NT\$36,600	None	Securities and Futures Commission of the Ministry of Finance Order (89)-Tai-Cai-Zheng-(Yi) No. 41689 issued on May 12, 2000
May, 2001	10	280,000,000	2,800,000	196,050,000	1,960,500	Surplus capital increase by NTS 383,650 Employee bonus of NT\$42,250	None	Securities and Futures Commission of the Ministry of Finance Order (90)-Tai-Cai-Zheng-(Yi) No. 129627 issued on May 15, 2001
Jun. 2002	10	430,000,000	4,300,000	257,119,474	2,571,195	Surplus capital increase by NTS352,890 Employee bonus of NT\$42,010 ECB conversion of NT\$215,795	None	Securities and Futures Commission of the Ministry of Finance Letter Tai-Cai-Zheng-Yi-Zi No. 0910118459 issued on June 20, 2002 Securities and Futures Commission of the Ministry of Finance Letter Tai-Cai-Zheng-Yi-Zi No. 0910135864 issued on July 1, 2002
Jun. 2003	10	520,000,000	5,200,000	292,381,563	2,923,816	Surplus capital increase by NT\$308,543 Employee bonus of NT\$44,078	None	Securities and Futures Commission of the Ministry of Finance Letter Tai-Cai-Zheng-Yi-Zi No. 0920128469 issued on June 30, 2003
Mar. 2004	10	520,000,000	5,200,000	293,156,653	2,931,567	ECB conversion of NT\$7,751	None	Securities and Futures Commission of the Ministry of Finance Letter Tai-Cai-Zheng-Yi-Zi No. 0920151091 issued on November 26, 2003
Jun. 2004	10	520,000,000	5,200,000	310,338,987	3,103,390	Surplus capital increase by NT\$146,678 Employee bonus of NT\$25,145	None	Securities and Futures Commission of the Ministry of Finance Letter Tai-Cai-Zheng-Yi-Zi No. 0930124323 issued on June 1, 2004
Aug. 2005	10	520,000,000	5,200,000	319,614,482	3,196,145	Surplus capital increase by NT\$85,432 Employee bonus of 7,323	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Yi-Zi No. 0940126807 issued on July 4, 2005
Feb. 2006	10	520,000,000	5,200,000	314,049,482	3,140,495	Capital Reduction from Treasury Stock NT\$5,650	None	Securities and Futures Commission of the Ministry of Finance Letter Tai-Cai-Zheng-Yi-Zi No. 0920107679 issued on March 5, 2003
Aug. 2006	10	520,000,000	5,200,000	339,883,829	3,398,838	Surplus capital increase by NTS 220,537 Employee bonus of 37,806	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Yi-Zi No. 0950126931 issued on June 28, 2006
Dec. 2006	10	520,000,000	5,200,000	329,883,829	3,298,838	Capital Reduction from Treasury Stock NTS100,000	None	Securities and Futures Commission of the Ministry of Finance Letter Tai-Cai-Zheng-Yi-Zi No. 0920160062 issued on December 18, 2003
Aug. 2007	10	520,000,000	5,200,000	348,828,587	3,488,286	Surplus capital increase by NTS 148,448 Employee bonus of NT\$41,000	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Yi-Zi No. 0960032161 issued on June 26, 2007
Aug. 2008	10	600,000,000	6,000,000	384,050,910	3,840,509	Surplus capital increase by NTS 303,481 Employee bonus of NT\$48,742	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Yi-Zi No. 0970031683 issued on June 26, 2008
Jun. 2009	10	600,000,000	6,000,000	367,587,910	3,675,879	Capital Reduction from Treasury Stock NTS16,463	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-San-Zi No. 0980018409 issued on April 27, 2009
May, 2010	10	600,000,000	6,000,000	371,754,910	3,717,549	Employee Stock Option NT\$41,670	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Yi-Zi No. 0960069508 issued on December 11, 2007
Jul. 2010	10	600,000,000	6,000,000	372,376,910	3,723,769	Employee Stock Option NT\$6,220	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Yi-Zi No. 0960069508 issued on December 11, 2007
Aug. 2010	10	600,000,000	6,000,000	272,376,910	2,723,769	Cash capital reduction by NT\$1,000,000	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Fa-Zi No. 0990033560 issued on July 9, 2010
Jan. 2011	10	600,000,000	6,000,000	272,548,910	2,725,489	Employee Stock Option NT\$1,720	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Yi-Zi No. 0960069508 issued on December 11, 2007

Year Month	Offering Price	Authorized Capital Stock		Paid-in Capital Stock		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Property Other Than Cash Provided as Capital Contributions	Others
May 2011	10	600,000,000	6,000,000	274,806,910	2,748,069	Employee Stock Option NTS 22,580	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Yi-Zi No. 0960069508 issued on December 11, 2007
Jul. 2011	10	600,000,000	6,000,000	274,870,910	2,748,709	Employee Stock Option NTS640	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Yi-Zi No. 0960069508 issued on December 11, 2007
Sep. 2011	10	600,000,000	6,000,000	274,932,910	2,749,329	Employee Stock Option NTS620	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Yi-Zi No. 0960069508 issued on December 11, 2007
Apr. 2012	10	600,000,000	6,000,000	276,858,910	2,768,589	Employee Stock Option NTS19,260	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Yi-Zi No. 0960069508 issued on December 11, 2007
Jul. 2012	10	600,000,000	6,000,000	277,043,910	2,770,439	Employee Stock Option NTS1,850	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Yi-Zi No. 0960069508 issued on December 11, 2007
Jan. 2013	10	600,000,000	6,000,000	277,108,910	2,771,089	Employee Stock Option NTS650	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Yi-Zi No. 0960069508 issued on December 11, 2007
Apr. 2013	10	600,000,000	6,000,000	277,163,910	2,771,639	Employee Stock Option NTS550	None	Financial Supervisory Commission of the Executive Yuan Letter Jin-Guang-Zheng-Yi-Zi No. 0960069508 issued on December 11, 2007
Dec. 2014	10	600,000,000	6,000,000	277,688,416	2,776,884	CB conversion of NTS5,245	None	Department of Commerce of the Ministry of Economic Affairs Letter Jing-Shou-Shang-Zi No. 0301242790 issued on December 25, 2014
Mar. 2017	10	600,000,000	6,000,000	337,688,416	3,376,884	Cash capital increase by NTS600,000	None	Department of Commerce of the Ministry of Economic Affairs Letter Jing-Shou-Shang-Zi No. 10601037870 issued on March 24, 2017
Mar. 2022	10	600,000,000	6,000,000	375,208,416	3,752,084	Capital increase by NTS375,200 through private offering	None	Department of Commerce of the Ministry of Economic Affairs Letter Jing-Shou-Shang-Zi No. 11101045330 issued on March 23, 2022
Nov. 2023	10	600,000,000	6,000,000	431,208,416	4,312,084	Cash capital increase by NTS560,000	None	Department of Commerce of the Ministry of Economic Affairs Letter Jing-Shou-Shang-Zi No. 11230214220 issued on November 24, 2023
Oct. 2025	10	600,000,000	6,000,000	424,772,416	4,247,724	Capital Reduction from Treasury Stock NTS64,360	None	Department of Commerce of the Ministry of Economic Affairs Letter Jing-Shou-Shang-Zi No. 11430132350 issued on October 21, 2025

2. Types of Shares

April 13, 2026 Unit: Shares

Shares Category	Authorized Capital Stock				Note
	Outstanding Shares		Unissued Shares	Total	
	Listed	Private Placement			
Ordinary Shares	424,772,416	-	175,227,584	600,000,000	

3. Information related to the consolidated reporting system: None.

(2) List of major shareholders: Shareholders holding more than 5% of the total shares or ranking among the top ten shareholders in terms of equity ratio

April 13, 2026 Unit: shares; %

Name of Major Shareholder	Number of Shares	Percentage of Ownership (%)
Lin, Chung-Min	54,541,837	12.84%
Chien, Shu-Nu	4,240,081	1.00%
Lin, Fei-Hong	3,644,122	0.86%
Lin, Yang-Hong	3,643,759	0.86%
Lin, Kuan-Hong	3,619,122	0.85%
Kuan Feng Investment Ltd.	3,374,625	0.79%
Chase Bank N.A., Taipei Branch Custody Account for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	2,378,768	0.56%
HSBC Bank (Taiwan) Limited, Custody Account for Goldman Sachs International Investment Account	2,341,320	0.55%
Citibank (Taiwan) Limited, Custody Account for BNP Paribas Investment Operations S.N.C.	2,152,078	0.51%
JPMorgan Chase Bank, N.A., Taipei Branch, Custody Account for Vanguard Emerging Markets Stock Index Fund, managed by The Vanguard Group	2,133,706	0.50%

(3) Company Dividend Policy and Implementation Status

1. Dividend Policy:

If the Company has profits after the annual closing of accounts, it shall, after paying taxes and making up for accumulated losses, set aside 10% as legal reserve. However, when the legal reserve has reached the

Company's paid-in capital, the Company may stop setting aside such reserve. The remaining profits shall be set aside or reversed as special reserve in accordance with laws and regulations. If there are remaining profits, together with accumulated undistributed earnings, the Board of Directors shall prepare a profit distribution proposal and submit it to the shareholders' meeting for resolution on shareholders' dividend distribution.

The Company's dividend policy takes into consideration future capital requirements and long-term financial planning. If the distributable earnings for the current year do not reach 15% of the paid-in capital, no distribution will be made. If the distributable earnings for the current year exceed 15% of the paid-in capital, then no less than 10% of the current year's distributable earnings shall be distributed as shareholders' dividends, with cash dividends being no less than 10% of the total annual dividend distribution.

2. Distribution of dividends proposed in the shareholders' meeting:

The Company reported a net loss of NT\$634,668,111 for 2025. At the beginning of the period, retained earnings totaled NT\$514,748,104 and after adding the remeasurement amount of the defined benefit plan of NT\$997,834, the accumulated deficit to be offset at the end of the period amounted to NT\$118,922,173. The legal reserve stood at NT\$353,185,871. The Company proposes to offset the loss using the legal reserve. Following the offset, the legal reserve will be NT\$234,263,698 and the accumulated deficit to be offset will be NT\$0.

According to the Company's Articles of Incorporation, no distribution shall be made if the current year's distributable surplus is less than 15% of the paid-in capital. Given that the distributable surplus for 2025 is NT\$ 0, falling below this threshold, it is proposed that no surplus be distributed.

(4) Impact of the proposed stock dividends at this shareholders' meeting on the company's business performance and earnings per share:

No stock dividends are proposed at this annual shareholders' meeting, and the company is not required to disclose financial forecasts for 2026, so there is no need to disclose annual estimated information.

(5) Employee, Director, and Supervisor Compensation

1. Percentages or ranges of employee and director compensation as stated in the company's articles of incorporation:

If the Company records a profit for the year, it shall appropriate no less than 10% as employee remuneration. Of this amount, no less than 10% shall be specifically allocated to non-executive employees. Remuneration may be distributed in the form of stock or cash. The distribution targets include employees of subordinates who fulfill certain conditions. The Board may resolve to appropriate no more than 2% of the profits above as remuneration to Directors. The proposal for the distribution of remuneration to employees and remuneration to Directors shall be reported at the shareholders' meeting. If the Company has accumulated losses, it shall reserve the amount for compensation and then appropriate remuneration to employees and remuneration to Directors based on the ratio in the preceding paragraph.

As stated above, pursuant to the Company's Articles of Incorporation, employee remuneration is calculated and distributed to non-executive employees at a minimum rate of 1% of annual profits. As the Company recorded a loss in 2025, neither employee nor directors' remuneration was distributed.

2. The basis for the estimation of the remuneration of employees and directors in the current period, the basis for the calculation of the number of shares of the remuneration of employees distributed by shares, and the accounting procedure if the actual distribution amount is different from the estimated number:

- (1) The valuation basis for the estimated labor amount of employees and directors in this period is based on the consideration of the profit of the current year.
- (2) Calculation basis for stock bonus distribution: Not applicable.
- (3) If actual distribution amounts differ from estimated amounts, the difference will be recorded as profit or loss in the following year.

3. Remuneration distribution approved by the Board of Directors

In 2025, the Company reported a net loss after tax of NT\$634,668,000. In accordance with the Company's Articles of Incorporation, it is proposed to not distribute employee compensation or directors' compensation.

4. Actual distribution of employee and director compensation in the previous year:

The Company's employee compensation for 2024 was NT\$22,840,011 and director compensation was NT\$4,568,002, with no differences from the recognized employee and director compensation.

(6) Status of a company repurchasing its own shares:

1. Repurchases already completed:

The Company's Board of Directors approved the fifth share repurchase and cancellation plan on April 10, 2025. Additionally, on July 24, 2025, the Board of Directors approved the capital reduction record date for this share repurchase, setting July 30, 2025, as the capital reduction record date. The plan has been fully executed, and the details are as follows:

Repurchase no.	5 th (tranche)
Purpose of repurchase	To protect the Company's credit rating and shareholders' equity
Type of shares bought back	Common shares
Maximum total amount of share repurchases	NT\$ 297,000,000
Planned repurchase period	April 11, 2025 to June 10, 2025
Planned amount of shares to be bought back	6,600,000 shares
Planned repurchase price range	NT\$ 14.5~ NT\$ 45.0
Actual repurchase period	April 22, 2025 to June 3, 2025
Actual number t of shares bought back	6,436,000 shares
Average actual repurchase price	NT\$ 24.66
Amount of shares bought back	NT\$ 158,704,831
Ratio of the number of shares already repurchased to the number of shares intended to be repurchased (%)	97.52%
The number of repurchased shares that have been cancelled or transferred	6,436,000 shares
Accumulated number of the company's shares held by the company Ratio of the accumulated number of the company's shares held by the company to the total number of issued shares (%)	0 shares 0.00%

2. Any repurchase still in progress: None

2. Corporate Bonds

(1) Issuance of Corporate Bonds

Types of Corporate Bonds	The 1st Secured Ordinary Corporate Bond of 2021
Issue (Handle) Date	March 25, 2021
Value	NT\$10,000,000
Issuance & Conversion Location	Taipei Exchange
Offering Price	Issued at par value
Total Value	NT\$700,000,000
Interest rate	Annual Coupon Rate is 0.60%
Term	5-year term, expiry date: March 25, 2026
Guarantee Agency	The Company's debt guarantee institution is as below: Hua Nan Commercial Bank Ltd. The issuance amount is NT\$700 million
Trustee	Bank Sinopac Co., Ltd.
Underwriting Agency	KGI Securities Co., Ltd.
Certification Attorney	Yicheng United Law Firm, Attorney Guo, Hui-Ji
CPA	Deloitte & Touche
Repayment Method	The corporate bonds will be repaid in one lump sum on the maturity date from the issue date

Outstanding principal as at the date of publication of the annual report		NT\$0		
Terms of redemption or prepayment		None		
Restrictive Clause		None		
Name of credit rating agency, rating date, corporate bond rating results		Agency name: Taiwan Ratings		
		Corporation Rating level:		
		Guarantee Agency	Rating level:	Rating date
		Hua Nan Commercial Bank	twAA+	June 19, 2020
Other rights	Total ordinary shares, overseas depositary receipts or other marketable securities converted (exchanged or subscribed) up to the date of publication of the annual report	None		
	Issuance and Conversion (Exchange or Subscription) Method	Measures for the Issuance of the 1st Secured Ordinary Corporate Bonds of Pihong Technology Co., Ltd. in 2021		
Issuance and conversion, or share subscription method, issuance conditions may dilute the equity and the impact on existing shareholders' rights and interests		None		
The name of the custodian institution for the subject of the exchange		None		

(2) Converting corporate bond information: None.

3. Preferred Shares

There were no such cases in the most recent year and up to the date of publication of the annual report.

4. Global Depository Shares

There were no such cases in the most recent year and up to the date of publication of the annual report.

5. Employee share subscription warrants

There were no such cases in the most recent year and up to the date of publication of the annual report.

6. New Restricted Employee Shares

There were no such cases in the most recent year and up to the date of publication of the annual report.

7. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies

There were no such cases in the most recent year and up to the date of publication of the annual report.

8. Status of fund deployment plan execution: None.

IV. Overview of Operations

1. Description of Business

(1) Scope of Business:

1. The main contents of the business and the percentages of respective business

Unit: NT\$ thousand, %

Main Product Category	Consolidated net operating revenue for 2025	
	Amount	Percentage %
Power Supply Unit	6,535,260	66.72%
Electric Vehicle Energy	3,253,301	33.21%
Others	7,006	0.07%
Total	9,795,567	100%

2. The scope of business of the Company

1. CC01010 Power Generation, Transmission and Distribution Machinery Manufacturing.
2. CC01020 Electric Wires and Cables Manufacturing.
3. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.
4. CC01060 Wired Communication Equipment and Apparatus Manufacturing.
5. CC01080 Electronics Components Manufacturing.
6. CC01110 Computer and Peripheral Equipment Manufacturing.
7. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
8. CD01030 Motor Vehicles and Parts Manufacturing.
9. CD01040 Motorcycles and Parts Manufacturing.
10. F113020 Wholesale of Household Appliance.
11. F113070 Wholesale of Telecom Instruments.
12. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
13. F119010 Wholesale of Electronic Materials.
14. 14. International Trade.
15. F213060 Retail Sale of Telecommunication Apparatus.
16. IG03010 Energy Technical Services.
17. ZZ99999 All business items that are not prohibited or restricted by Act and, except those that are subject to special approval.

3. The Company's main products and services: Research and development, design, production and sales of the charging post for power supplies and electric vehicles (EVs).

4. Future planned R&D new products - Marketing Department

- 4.1 Power Supply Products:

The research and development direction for future	Products and applications related to future research and development
(1) Development and applications of wide bandgap semiconductor GaN in power supplies	Power supply products of high-frequency, miniaturization, and high-efficiency
(2) Development and applications of active bridge circuit architecture	Power supply products of high-frequency, miniaturization, and high-efficiency
(3) Development and applications of bridgeless totem pole PFC circuit architecture	Power supply products of high-frequency, miniaturization, and high-efficiency
(4) Development and application of soft switching ACF/LLC/AHB/PSFB circuit architecture	Power supply products of high-frequency, miniaturization, and high-efficiency
(5) Development and applications of planarized magnetic elements	Power supply products of high-frequency, miniaturization, and high-efficiency
(6) Power supply technologies of low leakage current	Power supplies for medical, mobile phone, NB, netcom applications, etc.

The research and development direction for future	Products and applications related to future research and development
(7) Development of high-wattage AC/DC power supply platforms and power supplies	Power supplies for industrial, networking, server, and automation equipment Power supplies
(8) Development of high-wattage DC/AC power supply platforms and power supplies	Uninterruptible power supplies/Inverters
(9) Development of technologies and products related to Ethernet power supply	PoE midspan adapters, open-frame board power supplies, and CRPS redundant modules
(10) 18W-240W USB PD 3.1 adapters	Applications such as express charging of mobile phones, NBs, tablets, power tools, netcoms, POSes and other Type C interfaces
(11) 30W-500W adapters of high power density	Networking, micro-projectors, consumer electronics, gaming notebooks, AIO PCs, and other applications
(12) The research and development of software/hardware technologies associated with 60W-2000W power battery charging	Applications such as electric vehicles, power tools, service/industrial robots, etc.
(13) The research and development of software/hardware technologies associated with robust audio applications	Audio products for construction sites
(14) Fully digital 350W-3000W power supply platform and product development	Gaming, networking, server power supplies

4.2 charging station:

Products to be developed			
AC EVSE	Bi-directional AX32	1P/32A	CE/UL
	Bi-directional AX48	1P/48A	CE/UL/CNS
	Bi-directional AX80	1P/80A	CE/UL
DC EVSE	G4 360(liquid cooling)	360kW	CE/UL
	G4 480+ Pantograph	480kW	CE/UL
	G4 480 x N + G4 MCS	480kWxN	CE/UL
	Bi-directional DDDO360	360kW	CE/UL
	Bi-directional DW/DM 10/22	10/22kW	CE/UL
PSU	Bi-directional small power	10~15kW	CE/UL
(H)EMS	EEBUS/IEEE 2030.5/Echonet- lite	Interface between BESS, EVSE and backend Smart home energy management	
Micro-grid	OpenADR/IEC 61850-90-8	It can be implemented in EVSE or EMS	
Artificial Intelligence	CNN/DRL	1. plate recognition 2. Charge routing and minimize power cost	
Wireless charging	ISO 15118-8/20 SAE J2954		

(2) Industry Overview - Marketing Department

1. Industry overview and development

The power supply unit (PSU) function is to supply unstable power from the outside and convert it into the stable voltage and current for electronic products after voltage stabilization and frequency conversion. Therefore, most electronic products have built-in power supplies or are externally connected to convert AC mains power into DC power of various voltages, so power supplies can be said to be the heart of electronic products. And according to its function and basic structure, it can be divided into the linear power supply (LPS) and switched-mode power supply (SMPS). The advantages of the SMPS are that the product is small in size, light in weight, and has a wide range of external input voltages, coupled with high power density/conversion efficiency, which contributing to the expansion of the application scope. SMPS is the basic product of power electronic technology. It is relatively mature in technology, has low barriers to entry, and has diversified and a wide variety of products. According to data from the Industry & Technology Intelligence Service, Industrial Technology Research Institute, Taiwan's large SMPS suppliers mainly focus on power supplies for information communication, and are mostly ODM.

In the electric vehicle charging equipment sector, with the rapid development of the electric vehicle market, the demand for charging infrastructure continues to increase. Companies need to pay attention to market trends, actively invest in developing high-efficiency and high-power charging technologies, and collaborate with governments and other enterprises to participate in the construction of charging infrastructure to seize market opportunities and drive business transformation and growth. According to TrendForce’s research, the construction of global public EV charging stations is constrained by land and power grid planning. Combined with the slowdown in new energy vehicle market growth, the growth rate in 2024 will be 30%, significantly lower than 60% in 2023. The electric vehicle charging equipment market presents both opportunities and challenges.

Currently, various transportation tools, including buses, passenger cars, logistics vehicles, ships, and aircraft, have accelerated the popularization of charging infrastructure. With the expansion of the electric vehicle market, related industries such as electric vehicles, batteries, and infrastructure have flourished. Having identified the rising issue of energy saving and environmental protection trends in electric vehicles, the global electric vehicle market is projected to have a compound annual growth rate of 29% over the next ten years. Total sales of electric vehicles are expected to grow from 2.7 million units in 2020 to 12 million units in 2025. In other words, the electric vehicle charging market will also grow upward. After market analysis, the number of charging stations must quickly exceed the level of electric vehicle popularity to serve public charging for electric vehicles. Therefore, it has been decided to establish an independent subsidiary to focus on the electric vehicle charging business. The company will fully expand its electric vehicle charging business, specializing in the electric vehicle (EV) charging market, considering charging application scenarios, including residential, commercial, and fleet chargers, to increase flexibility and adaptability for drivers’ charging experiences.

2. Product Forms and Application Fields - Marketing Department

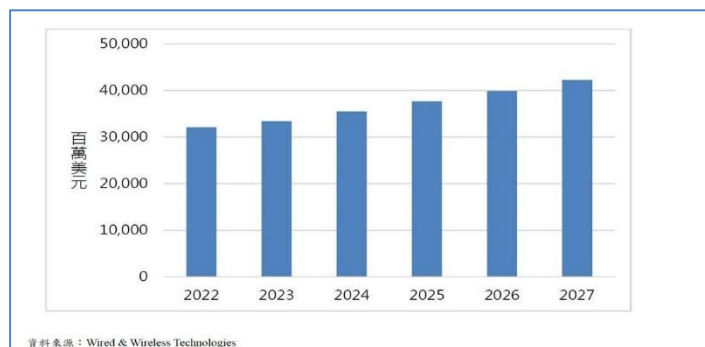
Type of Input / Output	Category	Purpose
AC/DC	Demand for chargers for consumer electronics	The main feature is the high efficiency, high density, constant voltage, and constant current charging function, which meets the needs for lightweight, thinness, smallness, and portability. The power is between 5W and 330W. It is mostly used in electronic products, such as mobile phones, tablets, NBs, and AR/VR helmets.
AC/DC	Demand for chargers for power batteries	It is mostly customized design, and the wattage in the application is also higher. Because of the use condition, the dustproof and waterproof requirements are stricter. If medium-sized chargers are machine tools, robots, and general EVs, the wattage in the application is usually 40W to kilowatts. In the case of large chargers or electric buses, it is usually 30KW to 720KW.
AC/DC	Medical adapter	The medical external power supply is covered by a plastic case, with stricter safety requirements, such as low leakage current. It is mostly used in respirators, medical testing, or cosmetic equipment, and the power is between 5W and 100W.
AC/DC	General adapter	The main features are high efficiency, high reliability, and constant voltage output (mainly 12/19/24/48V), and it is mostly standard products, with power between 6W and 500W. It is mostly used in electronic products or industrial control applications, such as POS, network communication, displays, and printers.
AC/DC	Open-Frame	The main features are high efficiency, high reliability, natural heat dissipation, and single or multiple sets of constant voltage outputs, it is mostly standard products, with power between 30W and 1000W. It is mostly used in electronic products or industrial control applications, such as network communication, TV, general household appliances, and multifunction printers.
DC/DC	Battery balance and management module	When a battery pack is being charged, it can balance a single battery capacity for charging control to avoid overheating and overloading of the single battery.
DC/AC	Inverter	It is used in LCD monitors or TV backlight modules, boosting DC to 600 volts in AC to provide power to cold cathode fluorescent lamp (CCFL).
DC/AC	Battery Inverter	There are AC input function or solar panels to charge the battery, and the button can be pressed to convert DC of the battery into AC output (concept of AC mobile power).
AC/AC	UPS	Uninterruptible power supply system (UPS) is generally divided into online and off-line operating modes. It is usually connected to AC mains to charge the built-in battery module. When the power is cut off, it converts the battery power into AC to output power to computers and other electronic products.
MCU/Firmware	Battery pack control	With the design of the battery management system software, the charging, detection, protection, and voltage and current feedback is realized in the form of software, and built in the MCU based on the concept of modularized design.

Source: Basic information on power supply manufacturing from Taiwan Institute of Economic Research

3. Current Status and Development of the Industry - Marketing Department

3.1 The global power supply industry has been undergoing consolidation and fierce market competition, leading to an integration trend. Taiwanese manufacturers currently dominate global market share and competition, including leading domestic manufacturers Delta Electronics, Lite-On Technology, and Chicony Power, as well as second-tier manufacturers such as FSP Technology, Mean Well, and Sirtec. Among them, Delta Electronics is the largest, accounting for more than half of the global market share. Each competitor in the power supply industry has different conditions. Therefore, due to differences in product positioning, companies of medium-sized and above in the market focus on operating specific application areas and developing their competitive advantages through technology and customer relationships.

For many years, our country has been a major producer of global IT and many other consumer electronic products. Our country's power supply industry is highly competitive. Regarding the global market size of switching power supplies (see chart below), in 2023, due to the sluggish global economy and weak sales in most application markets, although there is still considerable demand in AI servers, LED lighting power supplies, and medical power supplies, the overall market size in 2023 was only about US\$33.3 billion, representing a growth of approximately 4% compared to 2022. The global switching power supply market size in 2024 is expected to be approximately US\$36 billion, a slight increase of 7.5% compared to 2023.



Global SMPS market scale

Source: Micro-Tech Consultants

Since the development of science and technology in the future will center around be cloud information network, Internet of Things (IOT), wireless communication, AI, 5G, HPC, energy storage, EV charging, smart grids, smart devices, energy saving and carbon reduction, the power supply technology is to integrate the high-frequency/high-efficiency technology for power treatment, and the design of power supplies is to aim at “compactness, high efficiency, high reliability, intelligent control, and use of environmentally-friendly recycled materials, where importance is attached to the consumption of the minimum raw materials, the production of the lowest carbon emission, and the generation of the highest energy efficiency, so as to comply with the requirements of various environmental protection regulations. The application will be more extensive and will be more closely integrated with system applications, forming an industry, spanning different fields of knowledge and technologies. Therefore, the application fields that the Company is striving to enter include:

(1) Power supply for cloud information network

Provide power supplies mainly for various equipment such as servers, switches, POSes, Hubs, Routers, etc.

(2) Power supply for battery energy storage

Provides various lead-acid batteries, Ni-MH, Li-ion, solar cells, and energy storage systems for power conversion and energy supply.

(3) UPS uninterruptible power supply system

Uninterruptible power supply systems are connected to Windows/NAS/4G or 5G mobile communications networks for the management of power supply status of devices, abnormal alerts, and power.

(4) Power supply for wearable products and portable consumer electronic products

Provides a variety of power adapters for Tablets, MP3 players, PDAs, PSXs, DVDs, Smartphones, Digital cameras, GPS devices, and Set Top Boxes.

(5) USB PD Adaptor

Continuously developing technology in response to the new USB PD 3.1 standard, designing a new product that is thinner, smaller, and more cost-effective. It can automatically adjust different output voltages and currents to meet the needs of different end devices, supporting mobile phones, tablets, laptops, displays, E-bikes, network communications, power tools, AR/VR headsets, and other products. This reduces the number of power supply products used, thereby reducing the consumption of raw materials, in response to the EU's September 2021 regulations on common chargers for electronic devices and the trend towards carbon reduction.

(6) Wide bandgap semiconductors

Wide bandgap semiconductors such as GaN/SiC can be used in applications of high power density and high efficiency to further improve the efficiency of power products, achieve better energy saving effects, and reduce the consumption of raw materials through reduced volume.

(7) EVs charging solutions

Provide complete software and hardware charging solutions for various EVs, such as electric buses, electric vehicles, electric motorcycles, electric bicycles, electric tricycles, and electric wheelchairs

(8) Power supply for power tools

Provide intelligent charging management of batteries to power tools so as to improve battery safety and service life. The capacity of the lithium battery used in machine tools is gradually increasing, so the output power of the charger for the machine tools is also getting higher and higher.

(9) Medical equipment power supply

Provide home medical equipment power supplies that meet the medical-grade safety requirements of IEC 60601.

(10) Lithium battery charger for robots

In response to Industry 4.0 and smart factories, the aging society's home care needs, the labor shortage caused by a declining birthrate, and contactless protection and services during the pandemic, the demand for various industrial and service robots such as AGV/AMR/Drone/humanoid robots has increased, thus resulting in a positive correlation growth trend for lithium battery chargers.

(11) POE Injector

Reducing wiring costs and providing convenience when deploying network and surveillance equipment by simultaneously transmitting power and data through Ethernet cables has become a trend. Besides early applications like internet phones, security cameras, and video systems, 5G FWA/small base stations, low-orbit satellite communications, Smart Poles, and AIOT applications will further increase its demand daily.

(12) POE switch open-frame power supply and POE CRPS Redundant modules.

With the continuous construction of large data centers and various application network platforms, network switches have also increased in recent years. In addition, because of the increasing number of connected devices and data transmission, POE open-frame power supplies and POE CRPS Redundant modules have become indispensable.

(13) Slim and CRPS Redundant power modules for server applications in network security, edge computing, industrial control, automation, and artificial intelligence

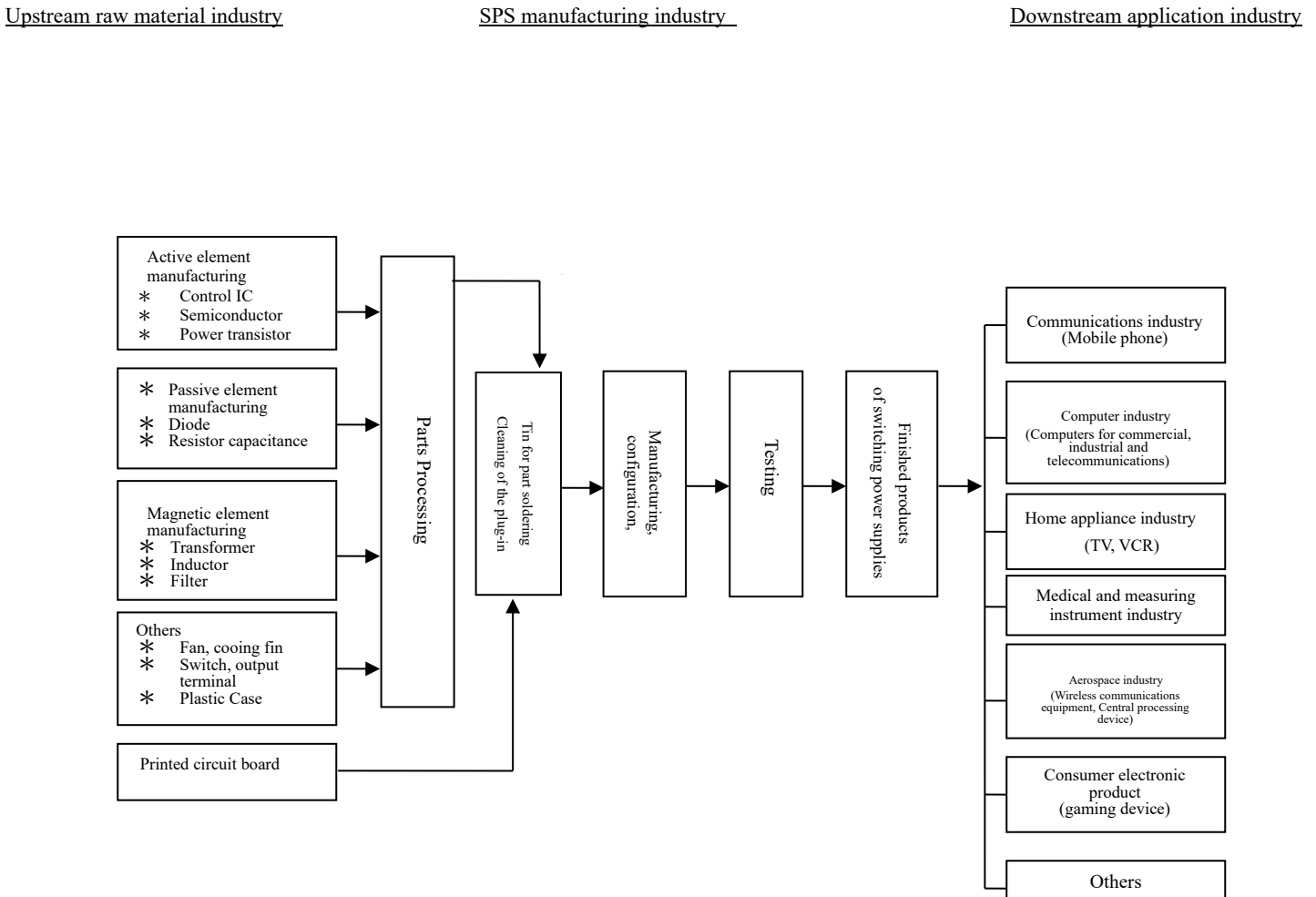
Development of slim/thin/short power supply modules in response to system usage conditions including outdoor applications with high humidity and temperature, device space limitations, increasing number of connected devices and data transmission volume, incorporating fully digital intelligent control mechanisms, providing flexible customization needs including low noise, bi-directional airflow, conformal coating, wide range standby output voltage, 1U/2U 1+1 or N+1 with modular connector.

3.2 Correlation between upstream, midstream, and downstream sectors of the power supply industry

(1) The relevance of upstream raw materials to the industry

The main raw materials for switching power supplies can be roughly divided into active components, passive components, magnetic components, and printed circuit boards (Figure 1). Among them, the quality and stability requirements for active components are strict. Therefore, the main material control ICs can be domestically produced in Taiwan or use foreign brands. Passive components include transformer cores, magnetic components, diodes, switches, and output terminals, all of which can be domestically produced. In the domestic electronics industry, it is an industry with a high degree of self-sufficiency.

Figure 1 diagram of structure of the switching power supply industry



(2) Correlation between downstream application products and switching power supplies

The domestically produced SMPS are mainly used in communication products, computers, and their peripheral products. With the thriving development of the cloud information industry, there are currently many domestic information products ranking first in terms of the world's production, and SMPS is one. With Therefore supply is an indispensable component for downstream communication products and computer peripherals, network cloud equipment, consumer electronics, and industrial equipment. Thus, it has created tremendous business opportunities for the power supply industry.

3.3 Global Charging Station Market Trends:

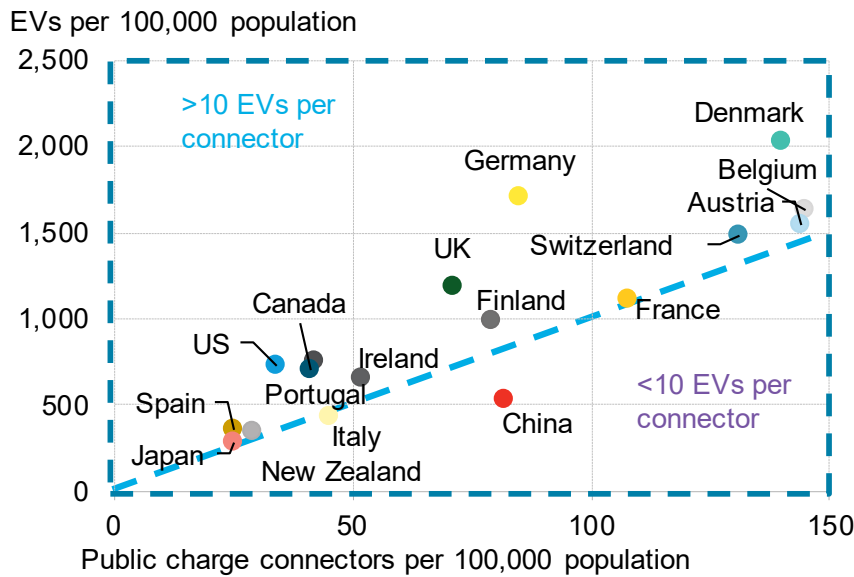
- **Market Size Continues to Expand:** The global EV charging station market is expected to reach \$32.86 billion in 2024, growing at a CAGR of 25.94%, and is projected to reach US\$104.09 billion by 2029.
- **Public Charging Station Deployment Slows Down:** According to TrendForce's survey, the construction of global public EV charging stations is constrained by land and power grid planning. Combined with the slowdown in new energy vehicle market growth, the growth rate in 2024 is expected to be 30%, significantly lower than 60% in 2023.
- **High-Power Charging Technology Development:** To reduce charging time, charging equipment manufacturers worldwide are actively developing high-power charging technology, while automakers are launching new energy vehicles supporting 800V voltage systems to improve charging efficiency.

- Policy Support and Infrastructure Investment: For example, the U.S. Infrastructure Investment and Jobs Act plans to build at least 500,000 public EV charging stations nationwide by 2030, with US\$7.5 billion allocated for charging station construction.

Starting in 2022, the U.S. federal government will allocate US\$5 billion to states over five years to establish a national fast-charging network, improve the uneven distribution of charging stations across states, and increase charging station installations in rural and agricultural areas. In 2021, EU countries formulated the “Oil to Electric Transition” plan, requiring 27 member states to mandatorily comply with related EV charging station measures. The plan sets targets to increase charging stations to 1 million by 2023 and 2.8 million by 2025. To reduce range anxiety among the public, European public charging stations must be within 60 kilometers of each other, and public charging stations must provide a minimum charging power of 150KW.

Ratio of new energy vehicles to public charging stations in various countries

EVs per 100,000 population

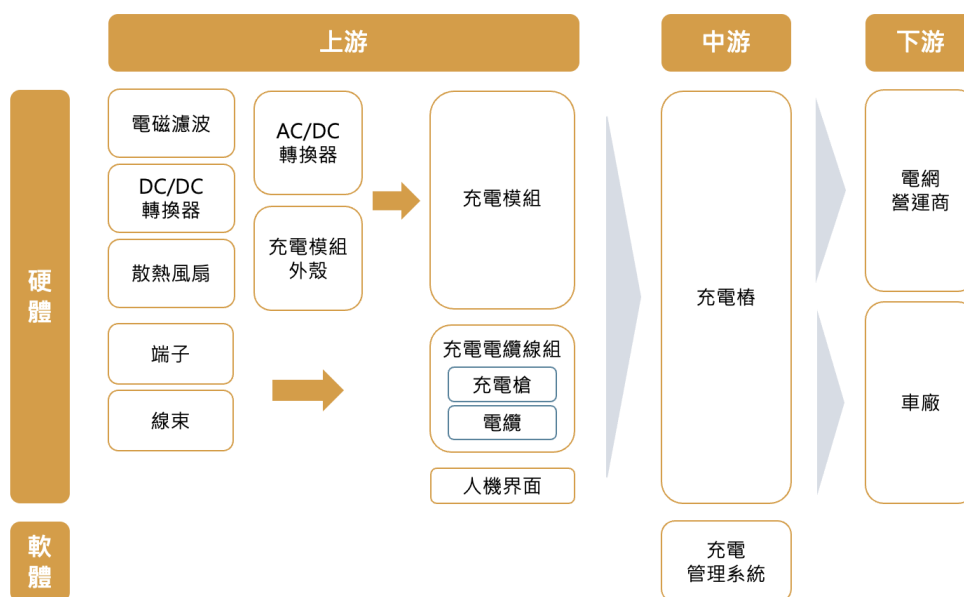


Source: Bloomberg NEF (2023)

3.4 Correlation between upstream, midstream, and downstream industries in the charging station industry

In the past, public charging stations mainly adopted AC slow charging technology. However, with increasing consumer range anxiety and changes in national subsidy policies, the future trend will be towards DC fast charging. The focus of this transformation is on the reform of charging modules (including semiconductor components), charging cables, and charging guns.

- (1) Silicon-based and silicon carbide-based power semiconductors will be indispensable
Charging stations are mainly composed of charging modules, cables, charging guns, and human-machine interfaces (displays). Among these components, the charging module accounts for about 45% to 55% of the overall cost and is considered the core of key technologies. The semiconductor components in the charging module directly affect the performance of the charging station. Currently, DC fast charging stations mainly use silicon-based IGBT or silicon carbide (SiC) technology, and with the acceleration of charging pile construction and the increasing demand for high-power fast charging, the usage of power semiconductors will also increase significantly.
- (2) Cables require high heat dissipation and must use liquid-cooled cable assemblies (including cables and charging guns)
In addition to upgrading the semiconductor modules of the charging module, high-power charging stations also need to solve the heat problems of cables and charging guns, because the requirements for heat dissipation at the charging end are very high. As the current of DC fast charging stations exceeds 400A (400 times that of mobile phone chargers), a large amount of waste heat will be generated when passing through the conductor. High temperatures not only reduce the charging current, thereby reducing charging efficiency, but also shorten the life of the surrounding insulating materials such as cables and charging guns, so the overall heat dissipation specifications also need to be improved.



4. Product Development Trends - Marketing Department

(1) Trends in product miniaturization and refinement

Due to the thriving development of consumer electronics products in the downstream sector, the demand for light, thin and short, and portable features with an exquisite appearance has become the focus in mainstream design. In response, power supplies must be developed towards miniaturization and exquisiteness. Therefore, components in the upstream sector are also moving towards the miniaturization and multi-function features, such as multi-function, high-tech, or high value-added chip-type components.

(2) Trends in product and technology improvement

Driven by factors, such as the rapid launch of information and communication products, high efficiency and thinness of products, and the reduction of gross margin due to the maturity of the existing standard product market, manufacturers have begun to develop and learn new technologies to strengthen their ability to develop and design high value-added products, to obtain new orders. For example, power supplies are being developed in the direction of high output power, high efficiency, as well as high dust and water resistance, to be used in communication products, gaming NBs, power battery chargers, and servers with stricter requirements.

(3) Trends in using energy-efficient and recycled materials

In order to mitigate the impact on the earth's ecological environment of the current extreme climate caused by greenhouse gas emissions, in recent years, an array of brand factories and governments have put forward various commitments such as net zero, carbon neutrality, or low carbon emission reduction, etc. As an important part of the energy conversion process, power supplies play a crucial role in helping mitigate such impact. The European Union, the United States, and other countries have formulated regulations on the efficiency and standby power of power supply, such as requirements for the effectiveness of DoE/Erp/CoC which have become the basic threshold in the market. To this end, in order to meet the increasingly stringent energy-saving and environmental protection requirements, the management at the technical level and of the product life cycle for the power supplies had become more important as time goes. In addition, how to improve the efficiency of energy use in the production process, the use of clean renewable energy, and the introduction of PCR recycled materials are also questions for future product design.

(4) Trends in automated production

On the one hand, due to the maturity of the standard product market, coupled with the enterprises in mainland China joining this industry, the price competition is fierce. However, in recent years, the prices of raw materials have continued to rise, labor costs in mainland China have increased significantly, and the labor force has declined, making it difficult to recruit workers and lead to personnel's high mobility. Thus, the cost of power supplies and the pressure on quality control has increased year by year. The only way to increase the economic scale is through automated production, which will lead to a decline in product prices and the need for manpower. Thus, product design in line with automated production, and the investment in automated production lines are inevitable.

(5) Trends in digital power

With the increasingly stringent energy-saving standards and requirements for product miniaturization and intelligent communication for systems, digital power supply design has gradually replaced the traditional analog circuit design method. The number of parts used can be reduced through efficiency optimization parameter design and function integration to achieve miniaturization. In addition, digital power supplies have the following advantages:

- A. Less affected by the component error, characteristic drift, and aging.
- B. The parameters set can be changed at any time in response to changes in different environments.
- C. The operating status can be recorded for reference and debugging.
- D. Product differentiation can be achieved through program settings without hardware replacement to reduce inventory.
- E. It can self-monitor the software, enhance the efficiency of product testing, and even replace functions to reduce the defective rate of production.
- F. Product identification, operating records, and follow-up tracking can all be stored in memory for future management and debugging.

(6) USB PD 3.1 EPR Adaptor/Charger

The market has begun developing products for USB PD 3.1 EPR 140/180/240W specifications to meet increasing demand from brand manufacturers, mainly targeting various products including gaming/creator laptops, gaming monitors, projector equipment, E-bikes, networking devices, power tools, etc., to comply with the EU’s common charger regulations for electronic devices issued in September 2021, and to reduce carbon emissions.

(7) The proportion of new energy vehicles and public charging stations varies significantly among countries due to policy

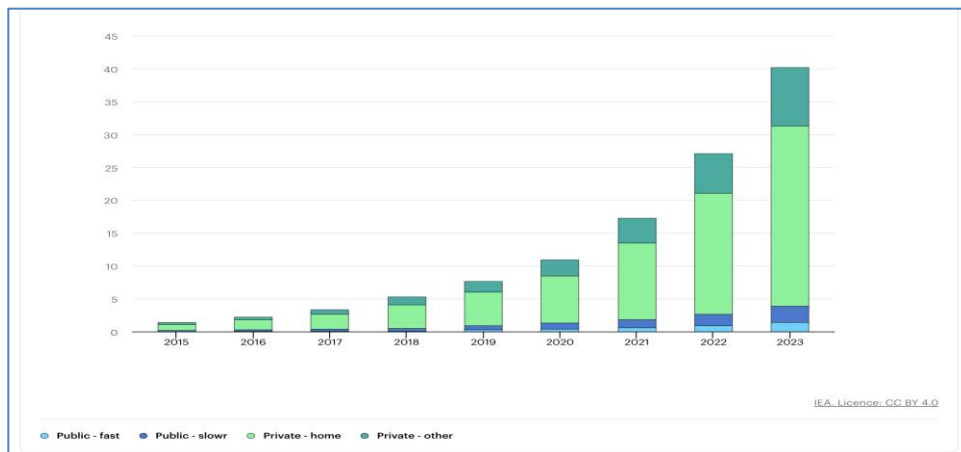
Significant differences exist in infrastructure investment and technological development. China leads in infrastructure scale and fast-charging technology, while Europe excels in intelligent management and policy regulation. With the rapid growth of the global new energy vehicle market, countries need to accelerate the construction of more efficient and intelligent public charging networks to support future demand.

(8) EV High-Power Fast Charging and Bi-directional Charging Trends

One crucial factor in the popularization of electric vehicles is addressing user range anxiety. A DC high-power charging station solution that achieves 80% charging within 20 minutes is the design trend. Furthermore, meeting the CCS regulation requirements for bidirectional charging systems by 2025, enabling electric vehicles to feed power back to the grid or energy storage systems to form a smart power grid, is crucial. This aims to improve green energy utilization, manage peak/off-peak electricity, increase power usage efficiency, and meet emergency power supply needs. The research and integration of related hardware and software technologies will be a key focus in the future.

(9) High-power parallel cabinet charging trend

In response to the trend of high-power charging, the research and development direction focuses on DC high-power electric vehicle charging stations to enhance efficiency, fast charging, safety, and reliability. To achieve this goal, the R&D team adopts a 480kW modular power module to convert AC to DC, and provides high-power DC to electric vehicles through the charging station charging gun. The split design allows for more flexible site space planning. In addition, this 480kW power cabinet can be paralleled to 960kW, providing up to 6 simultaneous charging outputs. It has the most advanced power dynamic allocation technology, which can more effectively utilize charging efficiency, and meet the demanding charging needs. As the currently highest-power commercial single DC fast charging connector in the world, it meets the charging needs of future commercial heavy vehicles, electric vessels, etc., leading the innovation and development of electric vehicle (EV) charging technology.



Ratio of new energy vehicles to public charging stations by country

5.Product Competition-Market Department :

(1) External Competitors

Established in 1972, our company initially focused on importing high-tech instruments and equipment. Starting in 1973, we began manufacturing autotransformers and linear power supplies, gradually expanding our product line to include various power supplies and adapters. In recent years, we have successfully developed energy storage systems and electric vehicle charging products, with applications extending to green energy and electric vehicles. However, power supplies for consumer electronics still account for the majority of our business.

Given the numerous domestic and international manufacturers of power supplies and the wide variety of products, coupled with our export ratio exceeding 90% annually, our main competitors are spread across the globe.

(1) External Competitors

Established in 1972, the Company initially focused on importing high-tech instruments and equipment. Starting in 1973, we began manufacturing autotransformers and linear power supplies, gradually expanding our product line to include various power supplies and adapters. In recent years, we have successfully developed energy storage systems and electric vehicle charging products, with applications extending to green energy and electric vehicles. However, power supplies for consumer electronics still account for the majority of our business. Given the numerous domestic and international manufacturers of power supplies and the wide variety of products, coupled with our export ratio exceeding 90% annually, our main competitors are spread across the globe.

Major power supply suppliers in the world

Name of suppliers	
EU, US, Japan	Emerson, Schneider, SMA, Eaton, Power-one, Flextronics, Eltek Valere, Murata, TDK-Lambda, AEG, Friwo, ABB, SIEMENZ
Mainland China, HK	Aohai, Chi-Yir, Ten Pao, Honoto, Gospower, Megmeet, Yada, Great Wall, Salcomp
Taiwan	Delta, LITE-ON, Chicony Power, FSP, AcBel, MEAN WELL, Phihong

(2) Product substitutability

Most electronic products have built-in or externally connected power supplies of various forms to convert AC power into DC power of various voltages or enable normal operation of electronic products through DC power supply technology. Thus, power supplies can be said to be the heart of electronic products, one of the indispensable components of electronic products. On the whole, no matter what form of supply of power it is, there is no other component that can completely replace this kind of analog power model.

(3) External competitors of charging stations

Name of suppliers	
EU, US, Japan	1.EVgo Services LLC 2.PlugShare Inc. 3.Electrify America LLC 4.Greenlots Networks Inc. 5.Blink Charging Co. 6.Autel Intelligent Technology Corp., Ltd. 7.ChargePoint Holdings Inc. 8.Tesla Supercharger Network 9.SIEMENZ 10.Panasonic 11.Nichicon 12.Omoron
Mainland China, HK	1.EasyMile 2.State Grid Corporation of China NARI Technology Development Co., Ltd. 3.Teradyne, Inc. 4.Kstar New Energy Co., Ltd. 5.Xuji Group Corporation 6.Sungrow Power Supply Co., Ltd. 7.ZTE Corporation 8.CHINT Electric Co., Ltd. 9.COSLIGHT Group 10.Star Charge 11.Teld New Energy Co., Ltd. 12.State Grid Corporation of China 13.ZhiChong Technology Co., Ltd.
Taiwan	1.Delta Electronics 2.Shihlin Electric & Engineering Corporation 3.Pegatron Corporation 4.Fortune Electric Co. Ltd. 5.eTreego 6.LITEON Technology 7.Chung Hsin Electric & Machinery Manufacturing Corporation

(3) Technology and R&D Overview - Marketing Department

1. The Company's technological capabilities

The Company's products have an extensive scope of applications, from fields of low power smartphones and consumer electronics to mid-to-high power applications (such as electronic sport NB, power battery charger, power over ethernet (POE), AIOT, smart safety monitoring, 5G small cell/ LEO/ GEO/FWA automated equipment, and EV charging station), with the following design advantages of multiple aspects:

High Efficiency and Energy Saving: Maximum full-load efficiency can reach over 96%, and average efficiency can reach over 93%, significantly exceeding the latest regulations of DoE 6.0 and CoC tier 2 >89%.

Power density: For general products from 30 to 420W on the market, the natural cooling adaptor's function is 7~12W/in³. However, the Company is able to achieve the function of 16W/in³ and above at present, and we continue to make new breakthroughs and innovations

Design of Type C express charging: Such design meets the specifications of USB PD3.1, QC4.0, 3.3V ~ 21V PPS (Programmable Power Supply), and active power sharing of multi-port products, which can work with battery packs for the requirements of bidirectional charging/ power supply and terminal market applications. At present, such products cover the range of 18W ~ 240W.

Lightning-resistant and antistatic capacity: At present, the lightning-resistance capacity is designed to reach more than 6KV in outdoor applications, and the ESD prevention and control capacity can reach more than 15KV in non-contact air discharge mode. Moreover, in the above test procedure, the power supply can meet the normal output requirements of Class A.

Integration of numerical control: With a complete software/firmware engineering team, and through close technical cooperation with MCU manufacturers, the integration ability of the R&D team has been greatly enhanced in software/hardware research and development, thus increasing the design competitiveness in related industries.

Institutional design: IP67 waterproof and dustproof design, having over 500 times tumble tests, various replaceable AC adaptors and patented folding PIN.

Design under safety regulations: In addition to general communication standards such as UL/EN 62368, safety regulations are also observed, includes standards such as: UL/EN 60601 for medical applications; EN60335, UL1310, and UL1012 for home appliances and industrial control; and UL2594/2202, IEC61851, CNS15511/15700, and GB/T18487/34657 for vehicle charging stations, etc.

EV/DC fast charging design: Most of the charging stations in the market are designed for general AC slow charging, with few manufacturers offering DC fast charging stations, and mostly within 180KW. FSP Technology currently reaches 480KW, continuously breaking through and combining with new technology innovation, moving towards 720KW.

2. R&D expenditures

Unit: NT\$1,000Unit: NT\$ thousand

Item	Year	Consolidated Financial Statements	
		Year of 2024	Year of 2025
R&D Expenditures		966,376	857,787
Operating revenue		10,897,729	9,795,567
Percentage of Operating Income		8.87%	8.76%

3. Results achieved in the most recent year and before the date of publication of the Annual Report

Year	Products under R&D
2025	<ol style="list-style-type: none"> 1. Completed the development of USB PD 65W/100W/140W/240W products incorporating 3rd-generation semiconductors, and offers a variety of industrial designs (IDs), including fixed wall-mounted, interchangeable head wall-mounted, and desktop types, to meet diverse customer needs and application scenarios, thereby expanding sales opportunities and channels. Fixed or detachable output cable designs are also available to comply with EU Type-C regulatory requirements. 2. Completed the development of fanless and fan-cooling POE open-frame models across 100W/260W/460W/550W/950W, actively targeting the data center and network switch market. 3. Industry-leading completion of bidirectional power and data conversion technology between POE and Type-C, including POE 30W/60W injectors, to help customers achieve smart home and office application scenarios. 4. Development of 350W fully digital redundant power modules and N+1 redundant power supply systems, actively targeting high-end niche markets such as data centers, network switches, and network security systems. 5. Development of 330W gallium nitride power supply products for gaming laptops. 6. Bidirectional power technology enabling V2G (Vehicle-to-Grid): Effectively utilizing EV power to allow electric vehicles nationwide to feed back into the national grid or home energy storage systems during emergencies. Completed development of the DW50 series, which supports dual-gun simultaneous charging, bidirectional V2G (UL 1741/9741), and EV reverse discharge activation upon power outage. Available in pole-mounted, wall-mounted, and portable configurations, equipped with a 10-inch touchscreen to meet various application scenarios. 7. Large-scale charging product design - DQ 480: Supports up to 4 guns (including up to 2 liquid-cooled guns), with all 4 guns capable of simultaneous charging. Charging current reaches 500A (boost up to 750A). At an ambient temperature of 50°C, it delivers full 480kW power without derating. Equipped with a 21-inch advertising screen (optional) and a 7-inch operation screen, it meets the needs of high-power integrated charging stations or commercial outdoor advertising charging stations. 8. MCS (Megawatt Charging System) heavy-duty vehicle charging technology development: Supports Level 2 MCS and CCS, with dual-gun and 16-gun designs, enabling simultaneous charging and dynamic power sharing. MCS current output supports 1,500–3,000A; CCS current can boost to 600A. Energy density is superior to industry competitor Alpitronic, saving installation space. Supports all Zerova gun cabinets. Applied to heavy-duty vehicles, including long-range tankers, electric yachts, and mining transport vehicles, covering commercial consumer, high-end private consumption, and licensed/specialized industries. 9. AC/DC hybrid charging-storage integrated charging pile technology: Supports energy storage systems and bidirectional V2G to allow energy storage systems to return power to the grid. This reduces grid power demand, enables peak shaving and valley filling to improve grid efficiency and stability, and also supports PCS (Power Conversion System) functionality to lower overall costs.

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

1. Short-term Development Plan for Power Supply:

- (1) To eliminate deficits and strengthen the overall system to turn losses into profits. To refine the human system and product technical capabilities of the product business group in order to increase the number of new customers, new applications and development cases. To deepen supply chain management, grasp the price fluctuations of raw materials in the Town market is, and integrate the standardization of materials for the design, in order to reduce product costs and strengthen competitiveness of the product price. Effectively manage the inventory amount of products and materials through the digital platform and strike a balance between the operational risks and the ability to secure orders.
- (2) Marketing strategy:
To formulate cost optimization countermeasures and pricing strategies to improve the gross profits of the top 5 clients / 20 product models in all product business groups. To reduce the order share of low-power/ low-margin product models, and to **undertake** the development of high-power/multi-port fast-charging/high-margin emerging industries/niche markets application product models development.

(3) Production strategy:

To introduce automated production equipment into mass model production, and to introduce a Cell production line for small quantity production with diversities of models. To actively improve the production process to improve production efficiency, planning, and management in accordance with customer product needs and services, to continue to assure quality through standardized management. Reduce production and processing costs to enhance product price competitiveness by introducing automated precision production equipment, robotic arms, shared production tools and fixtures, developing new processes, etc., to achieve capacity expansion and increase production value.

2. Short-term Development Plan for Charging Stations

- (1) Strategic Partners: Zerova Technology has established close collaboration with multiple charging station operators such as Upower, EVOASIS , Noodoe EV, and Yes Charging, jointly deploying charging infrastructure. We continue to partner with passenger transport operators and government agencies, participating in bids for public bus and government agency charging projects, to expand the charging ecosystem. We also collaborate with car manufacturers such as Porsche and Audi Taiwan to build charging facilities in Taiwan.
- (2) Charging Station Certification: While expanding market presence, Zerova Technologies maintains excellent quality and adheres to international safety standards. In addition to the VPC safety certification from Taiwan’s Bureau of Standards, Metrology and Inspection, we have also obtained certifications including US Energy Star, UL, Intertek, and UL certifications, as well as European CE, CB, EV Ready, and Japanese JARI certifications.
- (3) Production Expansion: To meet the global demand for charging stations and expand into global markets, Zerova Technologies, in addition to its production bases in Dongguan and Vietnam, is also continuing the expansion of its second and third factories in Tainan to increase global charging station production capacity. Furthermore, to expand into the Japanese market, a factory in Chiba, Japan was launched, actively preparing for business expansion in the Japanese market.

3. Long-term development plan:

(1) R&D strategy:

Power Supply Products:

- A. Core GaN Product Design, Production Technology, and Supply Chain Bargaining Advantages: Providing customers with substantial benefits in high efficiency, lightweight, miniaturization, cost-effectiveness, and ESG energy saving and carbon reduction, ensuring technological leadership and market segmentation.
- B. Utilizing Years of Experience in Computer Simulation and Physical Design, along with Big Data Collection: Ensuring 100% design feasibility, thereby shortening product development cycles and reducing development costs and resources, winning customers’ professional trust.
- C. Targeting Power Battery Charger Product Applications: Continuously optimizing and developing high-efficiency circuit platforms and new heat dissipation and waterproof solutions, integrating software R&D capabilities to meet customer demands for fast charging, lightweight, miniaturization, and cost reduction, thereby enhancing market competitiveness.
- D. USB PD 3.1 240W Power Platform, Direct Battery Charging Technology, and Product Development: Expanding the application field of USB PD power from consumer products to gaming laptops, power tools, electric bicycles, network communications, etc.
- E. 350-2000W Fully Digital Power Platform Technology and Product Development: Actively entering high-end niche markets such as 5G communications, data centers/network switches, network security systems, and gaming desktop power supplies.

Charging Station Equipment Products:

Continuously innovating and expanding product applications in key vertical fields, focusing on the R&D of high-power, high-margin charging equipment above 360kW. Main products include:

- A. Cybersecurity Technology Implementation: Through techniques like end-to-end encryption, multi-layer authentication, and compliance with international standards (such as UN R155 and ISO/SAE 21434), we ensure driver data privacy and the stable operation of charging infrastructure, reducing resource waste or operational interruptions caused by security threats. This comprehensively enhances user confidence and accelerates the adoption and sustainable development of low-carbon transportation.
- B. Power Technology Achieving V2H, V2G Functions: Effectively utilizing the power of EVs, allowing EVs nationwide to feed power back to the national grid or home energy storage systems during emergencies using bidirectional power technology applications. Combined with the above items and grid balancing technology, it can effectively manage the entire power system, applicable to household electricity, microgrids, or power company support.
- C. Large-scale Charging Product Design (480kW - 720kW): From high-power 480kW energy cabinets combined up to 720kW integrated charging stations, or large-screen outdoor advertising charging stations for commercial sites. Developing larger charging systems capable of charging multiple EVs simultaneously, utilizing “dynamic smart allocation” software technology to effectively improve charging distribution efficiency.

D. Megawatt Charging Technology Development for Heavy-duty Vehicles: Applied to heavy-duty vehicles, including long-haul tankers, electric yachts, and mining transport vehicles, covering commercial consumption, high-end private consumption, and licensed industries.

(2) Marketing strategy:

Power Supply Products:

- A. Focusing on cost structure improvements
- B. Reorganizing production layouts to reduce costs and improve competitiveness
- C. Deeply exploring strategic niche markets, customers, and product
- D. Emphasizing high margin standard products and diversified business model
- E. Focus on high quality profitability, not blindly pursuing revenue growth
- F. Build GaN core technology and value

Charging Equipment Products:

- A. Focusing on expanding its scale and increasing the global sales network
- B. Recruit and build international management team to accelerate growth
- C. Continuing research and development and innovation to ensure long-term competitiveness
- D. Strategically selecting the right markets to achieve healthy and sustainable growth
- E. Pursuing high quality revenue
- F. Concentrating on quality, customer service and delivery capability
- G. Continuing establish a strong business model with diversified revenues

(3) Production strategy:

Keep abreast of customers' demands and fluctuation in the market supply chain during low and peak seasons and establish a comprehensive production and sales platform to minimize risk of shortage of labor in mainland China in the hope of achieving production stability. In response to the threats of the US-China trade war and the avoidance of risks related to the concentration in the Dongguan area, actively strengthen the ratio of production capacity and orders for the production base in Vietnam. Meanwhile, combine the production resources in the Dongguan area to improve the utilization and output value, benefiting our asset activation.

Strengthen supply chain management and establish a local supply chain in Vietnam to closely monitor market raw material price volatility, supply-demand situations, and delivery risks. This aims to lower purchasing costs and enable the timely formulation and execution of strategic inventory planning, thereby enhancing competitiveness in product pricing and delivery.

(4) Strategic Partners:

As a continuing global leader in charging equipment, Zerova Technology provides partners with a one-stop solution from design, production, validation to service. Zerova continues to focus on developing opportunities in the all-electric vehicle sector, actively expanding into international markets to meet global charging equipment demands. Current market expansion includes Japan, Thailand, Singapore, Malaysia, with European and American markets also being major targets for charging station expansion. We have established partnerships with local hotels, apartment buildings, parking lots, gas stations, and heavy vehicle fleets, building a solid business foundation in this competitive market. Meanwhile, we are actively developing the Taiwan market through localization, establishing strategic partnerships with multiple third-party partners to ensure fast and reliable service, perfectly aligning with the latest technologies from electric vehicle manufacturers to achieve optimal charging results.

2. Analysis of Market as well as Production and Marketing Situation

(1) Analysis of Market

1. Percentages and areas of domestic and foreign sales of the main products in the last two years:

(1) Sales Percentage

Unit:%

Main Product \ Year	Year of 2024	Year of 2025
Power supply	57.78%	66.72%
Electric Vehicle Energy	42.11%	33.21%
Others	0.11%	0.07%
Total	100%	100%

(2) Region of Sales

Unit: NT\$ thousand

Region of Sales \ Year	Year of 2024	Year of 2025
Domestic sales revenue	670,025	873,317
Asia	3,634,183	3,570,721
Americas	4,13,648	3,458,645
Europe	2,28,466	1,620,699
Others	173,407	272,185

2. With the current thriving development of cloud information networks, optoelectronic applications, smart device applications (such as wearable devices), automotive electronics, and green energy concepts, the application range of power supplies is expanding. Industrial applications continue to increase, including personal computers, communications, networking, optoelectronic, precision instruments, automobiles, and information appliances. About 85% of them are concentrated in consumer electronics, mobile communications products, personal computers, and peripheral products, so the industrial demand is mainly linked to the fluctuations of the overall economy and the information, communication, and electronics industries, particularly their subindustries.

(1) Supply side

According to research data from market research firm MTC (Micro-Tech Consultants), the global switching power supply market size reached 50.617 billion USD in 2022. As the market scale continues to expand in applications, it is estimated to reach 59.686 billion USD by 2025, showing a year-over-year growth trend as the market scale continues to expand in applications.

(2) Demand side

Although power supplies have a wide range of applications, since 85% of products are concentrated in consumer electronics, mobile communications, personal computers, and their peripheral equipment, industry demand is deeply influenced by changes in the information and communication electronics industry. The following describes the industry applications that the company has entered and operates in:

A. 5G fixed wireless access (FWA) market

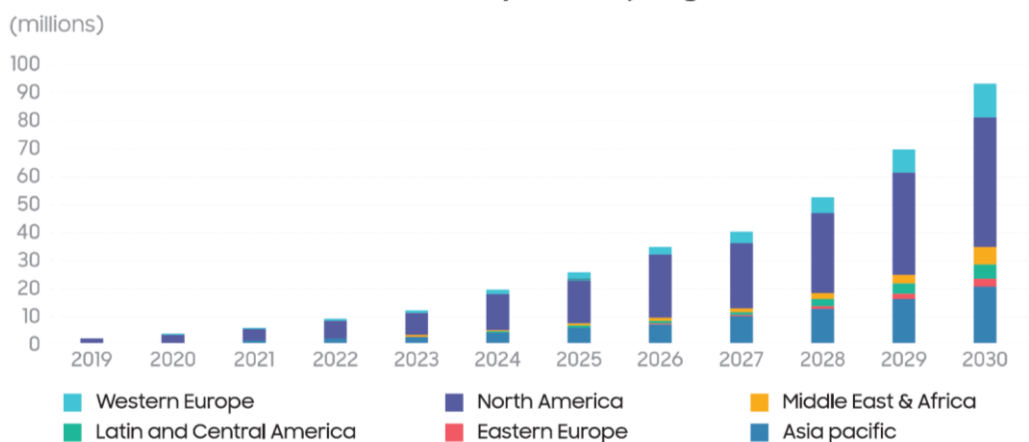
Telecom service providers are actively deploying the 5G infrastructure. Global 5G commercial networks became more popular in 2021. There is no need to build private enterprise networks, and enterprises can also quickly establish intranets among branches through 5G FWA, to complete the last bit of the journey to replace traditional wired networks. Fixed wireless access (FWA) refers to the use of user equipment that supports mobile networks to provide broadband access links with the theoretical transmission speed ten times faster than 4G in the 5G era. The 5G download speeds can reach up to the Gb level, which is comparable to optical fiber networks. The industry is optimistic about 5G. A new wave of FWA applications derived from 5G, by means of 5G wireless high-speed transmission, will break through the deployment restrictions of wired networks.

Ericsson pointed out that the increased demand for fixed-line broadband at home has also led to a substantial increase in the transmission through FWA providers. Ericsson estimated that the number of global FWA users will grow more than three times by 2026, exceeding 180 million users, and will account for a quarter of the overall mobile data transmission. As of July 2020, there were 37 5G FWA telecom providers worldwide for commercial purposes, mainly in the U.S. and Europe.

1. The U.S.: To bridge the gap in network construction between urban and rural areas, the FCC has continued to subsidize telecom companies to provide network and voice services in rural areas since 2015. Most telecom companies adopt FWA to reduce costs and rapidly expand the coverage to achieve the goal set by FCC. In the future, it is expected to shift from 4G or FWA on unlicensed spectrum to 5G in order to improve the quality of the connection.
2. Many telecom companies in the U.S. originally only provided fixed-line services and won the bid for the CBRS frequency band to provide FWA services.
3. Europe: 4G FWA was originally popular in many European countries, and it is expected to be upgraded to 5G.

At present, in addition to Nokia and Ericsson, domestic players, such as Foxconn, Compal, Zyxel, Arcadyan, Askey, Wistron, Alpha, Accton, Sercomm, and Cameo, have launched 5G FWA-related products, including indoor or outdoor 5G FWA products.

5G-Based FWA CPE Unit Shipments by Region (2019-2030)



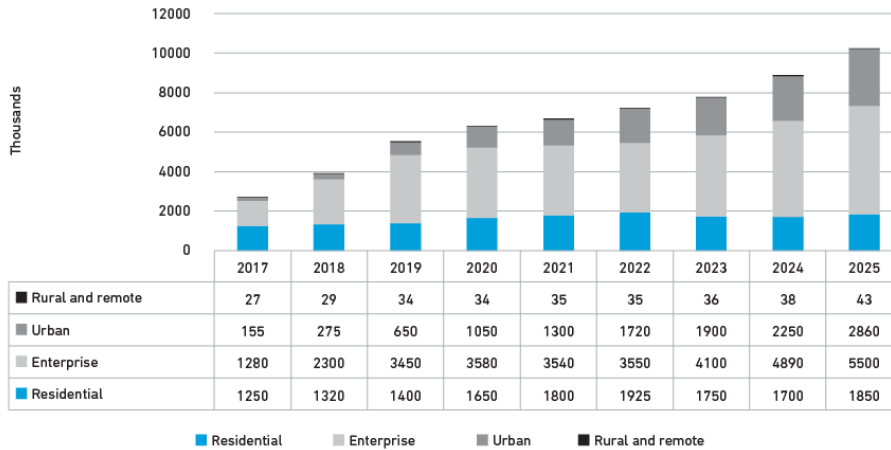
(Source : SNS Telecom)

B. 5G small cell base stations and enterprise private network market

According to MIC, it is estimated that global telecom companies will spend US\$1.1 trillion to build networks from 2020 to 2025, of which nearly 80% will be used on 5G, showing that telecom companies hold high hopes for 5G business opportunities. In addition, both the loosening of European and U.S. regulations and the development of private networks will help increase the willingness of mobile service providers to deploy the infrastructure. Small base stations are expected to grow more significantly from 2022 to 2023. However, global telecom companies build large base stations first and then adopt small base stations to enhance the quality of indoor or building communications. Therefore, MIC also predicts that small cell business opportunities will not grow significantly until 2022–2023. By 2026, global 5G small cells will account for more than 90% of the market.

Optimistic about the global 5G market, the three major international public cloud companies have also rushed into this market to provide related services as well as to provide flexible deployment solutions incorporating cloud-native technologies. Targeting the needs of 5G edge computing for enterprises private networks, MICROSOFT launched a 5G edge computing solution for enterprise private networks, jointly with VERIZON in September 2021, where Azure Stack Edge was used to build a 5G private network in the mmWave millimeter wave band. Moreover, GOOGLE Cloud launched the Distributed Cloud in October 2021 which can be deployed to the computer room of enterprises. Such service can deploy base stations and edge computing computer rooms in host mode to meet the needs of enterprises in building private networks. AWS also released a preview version of AWS Private 5G at the 2021 product conference to simplify the complexity of deploying a private network. Enterprises only need to decide the region and network bandwidth of the 5G private network to be deployed, and then AWS can provide the necessary elements for the 5G private network, including small base stations, 5G core networks, and RAN software, SIM cards, and other devices that can be added or decreased flexibly, and deployed in a few days, where the charges are calculated according to actual usage. Although licenses for the dedicated frequency band is not to be released until 2022, there are quite a few practical cases of 5G private networks or 5G private networks of commercial frequency domestically, including industrial cases such as manufacturing, tourism, transportation, cultural exhibitions, disaster prevention and relief, manufacturing, medical care, education and learning, etc.

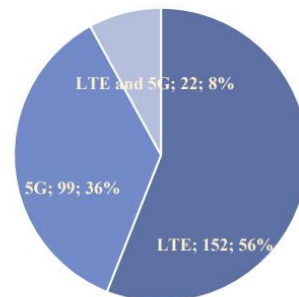
Small cell deployments and upgrades by environment 2017-2025



已佈署專網的國家/地區
(含試點與商用)



專網佈署按技術劃分



資料來源：GSA，MIC整理，2021年9月

截至2021年8月

- ❖ 全球有45個國家/地區已有4G或5G專網，或已釋出5G專網頻譜，有370間公司已佈署或測試專網，或取得專網頻譜
- ❖ 有近50家設備供應商參與了4G或5G專網的設備供應
- ❖ 公網營運商參與68個專網
- ❖ 370個專用網路中，能確定採用之行動通訊技術的專網有273個，其中使用5G有99個，同時使用4G與5G有22個，使用4G有152個

MIC®

C. PoE power supply market

The market size of Ethernet power supply solutions exceeded US\$700 million in 2018 and is expected to grow at a compound annual growth rate of more than 15% from 2019 to 2025. PoE technology is widely used to support IoT projects, such as smart cities, smart grid projects, and smart buildings. The IoT communication network adopts PoE to power smart infrastructure so as to meet the IoT needs. By 2025, the power sourcing equipment (PSE) field is expected to account for more than 40% of the market share of Ethernet power supply solutions because the equipment is widely used to meet the power requirements of powered devices, including wireless access points, cameras, VoIP phones, and POS terminals.

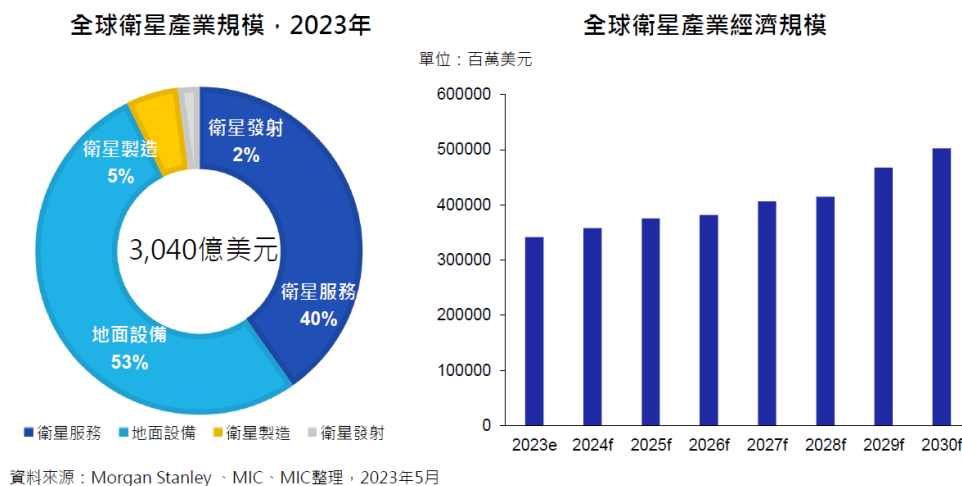
As IoT technology grows continuously in vertical industries of manufacturing, retail, healthcare, and transportation, the deployment of PoE-enabled switches and routers (that provide gigabyte speeds for connected devices) is to explode as well. Various construction measures by the government, such as Industry 4.0 and smart city development, are to gradually increase the adoption of PoE solutions to improve energy efficiency by enabling the sharing of power and data through the same Ethernet cable infrastructure.

The market of Power over Ethernet solutions in the North American accounted for more than 40% of the industry share in 2018, which is expected to maintain its dominant position in the market from 2019 to 2025.



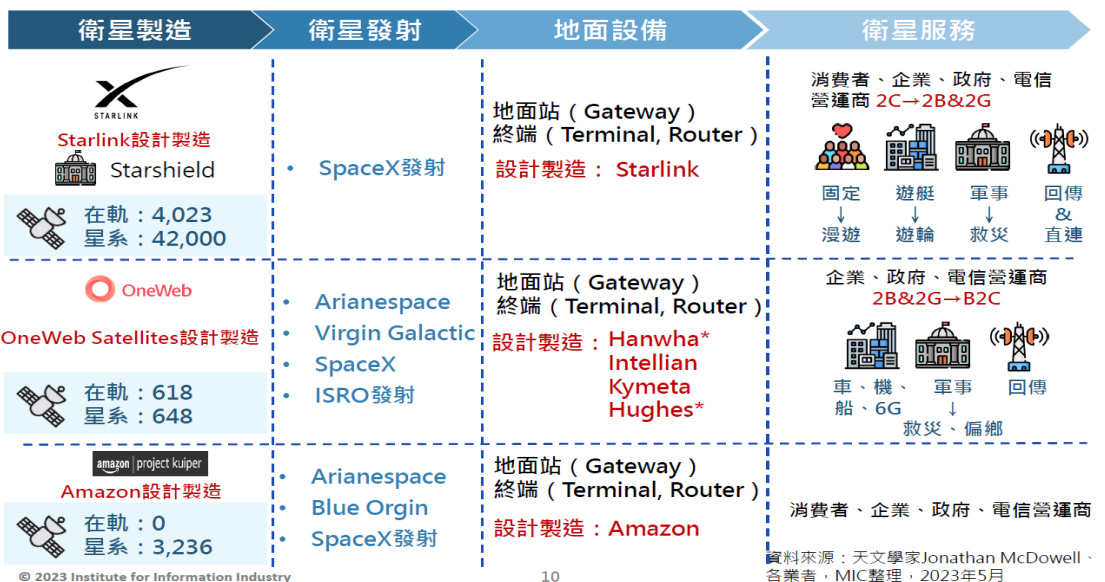
D. LEO Low Earth Orbit Satellite Communication Market

MIC predicted that the global satellite industry scale will reach US\$ 304 billion in 2023; ground equipment production value will reach US\$ 154.4 billion, accounting for 53%; satellite services will reach US\$ 118.4 billion, accounting for 40%. With major countries developing sovereign satellites and commercial low-orbit satellites, the global satellite industry scale is expected to grow to US\$ 502.2 billion by 2030.



The launch speed of satellites accelerated after 2017. In 2021, 1,673 satellites were launched. Among the 5,465 satellites worldwide in 2022, 4,700 were low-Earth orbit satellites used for communication, remote sensing, scientific applications, etc. MIC predicts that low-Earth orbit satellites will grow from 7,500 to 17,350 from 2023 to 2030.

With SpaceX's Starlink and Europe's OneWeb, two satellite network service providers, accelerating the deployment of low Earth orbit (LEO) satellite constellations to provide broadband internet access to the ground, some analysts believe that satellite communication was mainly used for communication in areas where general network services could not reach, such as navigation and mountainous areas. However, with the rise of private satellite operators such as Starlink, OneWeb, and Amazon's Project Kuiper, they can not only provide home wireless network services but are also expected to enter the mobile satellite broadband network service market in the future, potentially eating into the currently immature 5G mobile communication market.



資料來源：MIC，2023年5月

E. General market of NB and Chrome book

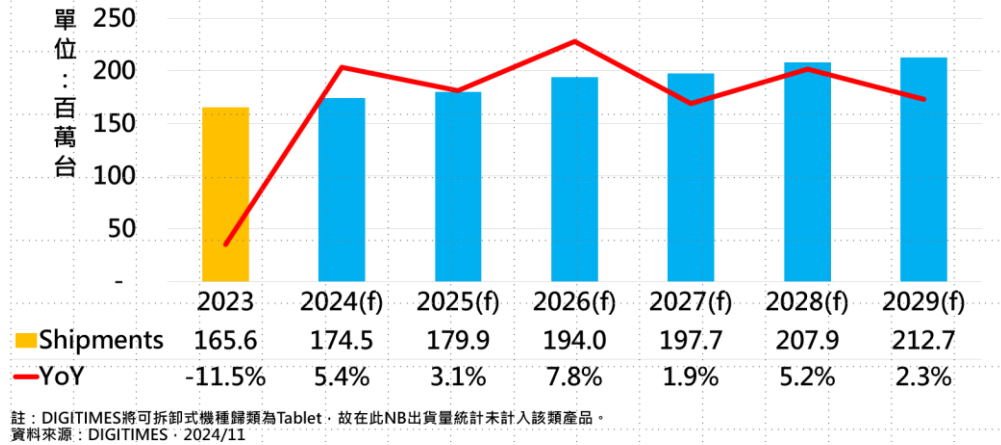
DIGITIMES expects the global NB shipment CAGR to be 4% from 2024 to 2029. In 2025, potential tariffs on NB imposed by Trump and persistent inflation risks will hinder NB growth. However, Japan's NEXT GIGA education project and increased corporate replacement demand are expected to ultimately contribute to a small 3.1% growth in NB shipments.

In 2026, global NB shipments are expected to grow by 7.8%, the highest growth rate in the next five years. This is due to the completion of non-Chinese supply chains for brands, and significant growth in mid-to-high-end consumer devices driven by new MacBook releases and mature AI NB applications. NB shipment growth momentum is expected to slow temporarily in 2027. In 2028, the popularization of AI NB and the end-of-life for Windows 11 will trigger a new wave of replacements. In 2029, NB growth is expected to slow down again.

Regarding the much-anticipated AI NB market, 39.35 million units are expected to ship in 2024. Over the next two years, driven by Intel, AMD, Qualcomm, and Apple's continuous promotion of generative AI applications using NPUs, shipments will nearly double, rapidly increasing the overall market share of AI NBs to over 70%.

In 2025, major brands are expected to see growth compared to 2024. ASUS and HP, in particular, are expected to outperform other brands, benefiting from the launch of NVIDIA's new generation of GPUs and the completion of organizational restructuring and supply chain relocation, respectively.

未來5年全球NB出貨量與成長率預測



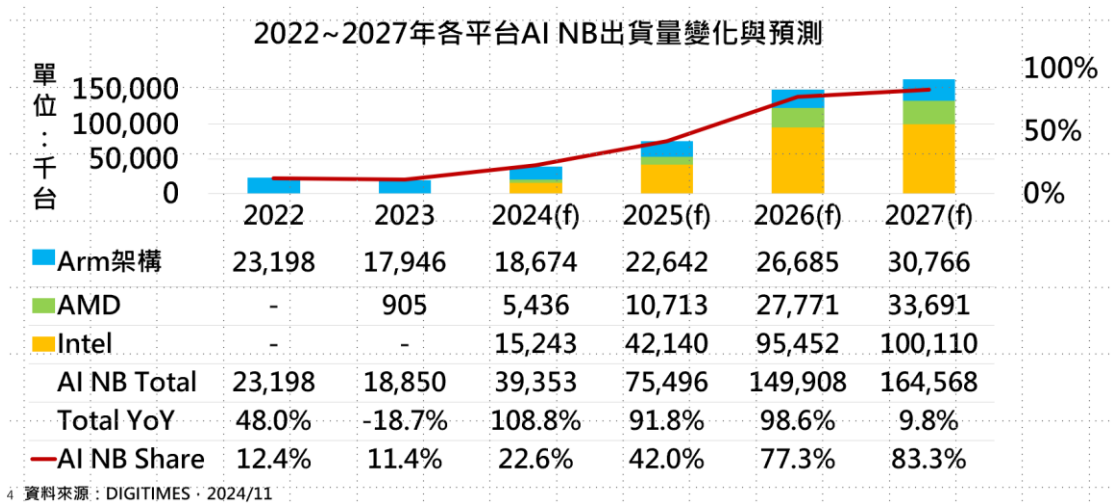
By 2025, except for Samsung Electronics and Huawei, the shipments of the top ten brands are expected to grow compared to 2024. Among them, ASUS, HP, and Apple will achieve growth rates exceeding 5%, making them the better performers among the top 10 brands.

1. ASUS's shipments are expected to grow by 7.7% in 2025, mainly due to the gaming market, which accounts for over 30% of its shipments, which will benefit from the launch of NVIDIA's new RTX50 series graphics cards. Additionally, AMD's CPU platform will have a stronger presence in 2025, which will benefit ASUS, whose product focus is concentrated on AMD models.
2. HP's shipments are expected to grow by 7.1% in 2025, showing the best performance among the top three brands. In 2024, HP's shipments were suppressed due to leadership changes, organizational restructuring, and accelerated supply chain relocation from China, resulting in a lower base. In 2025, HP will be more aggressive in commercial, educational tenders, and high-end consumer machines, and with overseas supply chain capacity basically in place, it can avoid potential threats from increased U.S. tariffs on notebook exports from China.
3. Apple's shipments are expected to grow by 6% in 2025. The MacBook Pro with M4 processor launched in Q4 2024 shows better performance improvement than its predecessor, and the simultaneously released Apple Intelligence service has also been well received by the market, both increasing confidence in Apple's return to growth in 2025. In mid-2025, the MacBook Air's upgrade from M3 to M4 processor is expected to bring a new wave of growth momentum for Apple. Currently, macOS leads Windows and ChromeOS in generative AI-related applications, which is likely to attract more consumers.
4. Due to U.S. Department of Commerce restrictions, Huawei can no longer purchase Intel processors, which will cause its shipments to shrink significantly in 2025.

DIGITIME defines AI NB as notebook models equipped with processors that include CPU, iGPU (integrated GPU), and NPU. In 2024, global AI NB shipments were expected to reach 39.35 million units, more than doubling compared to 2023, with AI NB accounting for 22.6% of total NB shipments.

1. AI NB shipments with Arm architecture processors are estimated at 18.67 million units in 2024, with Apple MacBook series, all classified as AI NB, accounting for over 90% of Arm architecture model shipments. WoA (Windows on Arm) models equipped with Qualcomm Snapdragon X processors, launching in June 2024, are expected to ship 700,000-800,000 units in 2024.
2. Intel's 2024 AI NB shipments will mainly consist of models using Meteor Lake processors, while Lunar Lake, with NPU computing power of 48 TOPS, will launch in September 2024. Due to high platform costs and limited brand promotion, 2024 shipments are expected to only reach 500,000-600,000 units.
3. AMD launched AI NB processors one year earlier than Intel, but due to limited adoption by notebook brands, its 2024 shipments will rank last among the three major platforms.

In 2025 and 2026, AI NB is expected to maintain significant growth momentum. The main growth driver in 2025 will be Intel, as all mainstream CPU platforms after Meteor Lake will include NPU. As Raptor Lake and Alder Lake without NPU phase out from the market, Intel's AI NB share of overall NB will continue to rise substantially. By 2026, overall, AI NB shipments will account for 77.3% of total NB shipments. Due to high penetration, growth is expected to slow to 9.8% in 2027, with overall AI NB penetration rate exceeding 80%.



F. E-bike market

With the rising awareness of environmental protection and the popularization of fitness concepts, e-bikes have become a new “green transportation tool” with the advantages of power conservation, free of pollution, and low noise. As the technology becomes more sophisticated and the unit price is lower, the market scale has grown substantially. By 2024, the global demand for e-bikes is expected to grow by 3.7% every year, reaching 28.7 million units.

However, as the global COVID-19 pandemic has disrupted the supply chain of e-bikes and forced many retailers to close business, consumer spending in this field was significantly reduced. Thus, the sales of e-bikes in 2020 fell to slightly more than 23 million units.

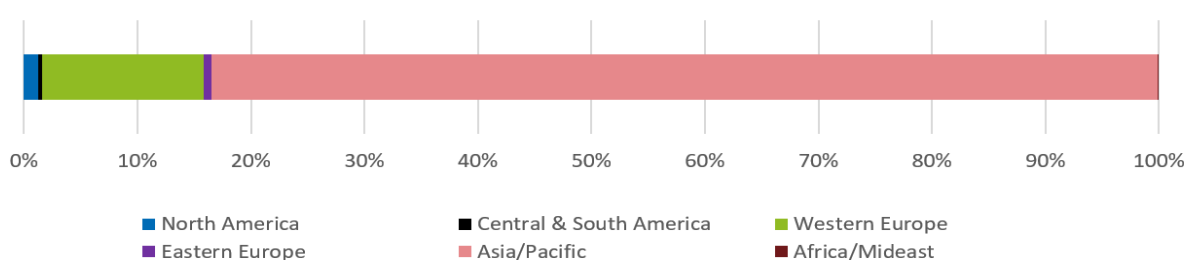
The global e-bike market is dominated by China, which accounted for 76% of sales in 2019. As many of e-bikes are already used in China, and the rate of motor vehicle retention rate continues to rise, China’s prospects for growth are quite limited. In addition, internal combustion engine scooters, scooters, and mopeds are still very popular. Outside China, the demand for e-bikes is expected to grow 8.5% annually, more than twice the global average. Multiple trends are expected to drive growth, including:

1. More consumers regard e-bikes as a safer alternative to public transportation.
2. The growth of personal income is from consumer spending in developing countries.
3. Cycling and mountain biking are becoming more popular all over the world.
4. Introduction of more powerful e-bikes helps narrow the performance gap between scooters and mopeds.
5. The development of professional models (such as freight electric bicycles and bike motocross) will stimulate consumer interest.
6. After the pandemic, people’s concerns about the use of public transportation have increased, and concerns about climate change and air pollution have also increased, which have motivated the government to introduce policies and subsidies for expanding the use of e-bikes.
7. Governments around the world (including Italy, the U.K the U.S., and India) will encourage the use of e-bikes through regulatory changes and subsidies.
8. Global demand in the e-bike industry.

Global demand in the e-bike industry

Global E-Bike Demand by Region, 2009 – 2024 (thousand units)											
Item	2009	2014	2019	2020	2021	2022	2023	2024	% compound annual change		
									'09-'14	'14-'19	'19-'24
E-Bike Demand	15663	20443	23922	23026	24662	26372	27751	28742	5.5 %	3.2 %	3.7 %
North America	110	180	318	293	359	413	467	512	10.4 %	12.1 %	10.0 %
Central & S America	35	59	69	60	65	80	100	115	11.0 %	3.2 %	10.8 %
Western Europe	573	1293	3410	3355	3680	4160	4610	5065	17.7 %	21.4 %	8.2 %
Eastern Europe	35	90	165	155	165	195	230	270	20.8 %	12.9 %	10.4 %
Asia/Pacific	14895	18796	19925	19133	20358	21483	22298	22730	4.8 %	1.2 %	2.7 %
Africa/Mideast	15	25	35	30	35	41	46	50	10.8 %	7.0 %	7.4 %

Global E-Bike Demand Share by Region, 2019



G. Power tool industry

As the global economic development has become sluggish, it has also tightened individuals' and families' budgets for personal consumption and residential maintenance costs, unexpectedly driving the do-it-yourself maintenance trend. However, the current specifications in this market tend to be more customized, and there are many competitors. Therefore, most customers demand flexibility and quick response in the model design and sample schedule, and the price margin is relatively large.

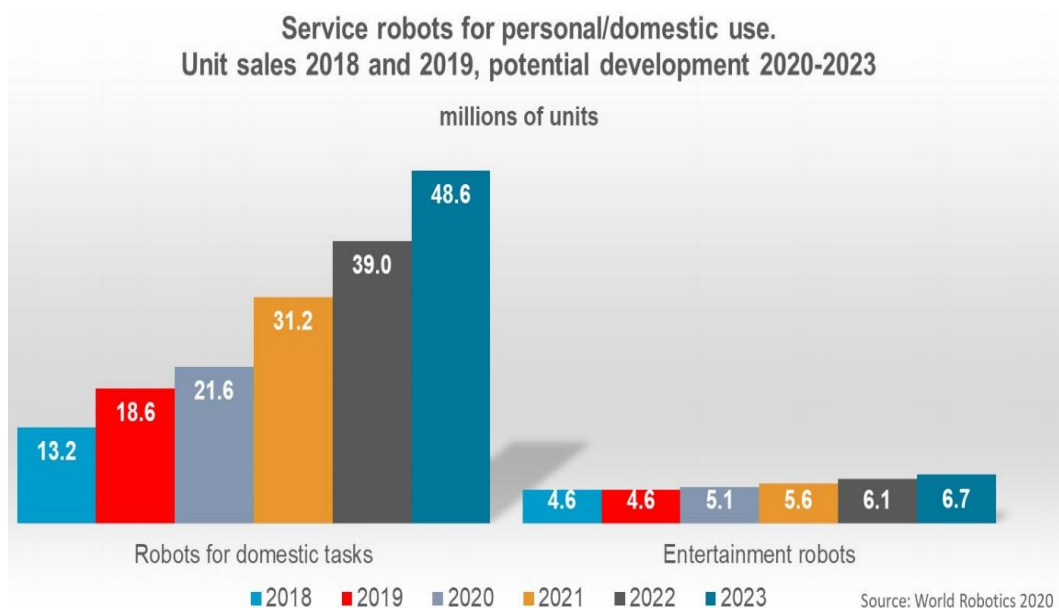
With the introduction of new lithium batteries, power tools are growing rapidly in the global hand tool market; particularly in recent years, major tool manufacturers have been devoted to wireless hand-held automatic machine tools. Bosch President Henk Becker mentioned that "the cordless tool market will experience rapid growth in the next five years, and its market share will increase from 40% to 60%. Our investment in battery systems will definitely be worthwhile in the future." times. According to market research firm Data Bridge, the global power tool market size was approximately US\$41.2 billion in 2020 and is expected to reach US\$55.6 billion by 2027, with a compound annual growth rate of 4.7%. Among them, cordless power tools will gradually exceed 50% of the market share, becoming the star product of power tools, and products are constantly evolving towards higher wattage, lighter weight, and shorter charging. Among them, cordless power tools account for more than 50%, and they are the star of power tools. Products are constantly being developed toward high wattage, lightweight, and low charging hours.



H. Service Robot Industry

Different from industrial robots, professional service robots are mainly used in industries other than manufacturing, such as logistics, retail, food and beverages, and healthcare, and are usually used to assist rather than replace humans. Most service robots have wheels, so they have maneuverability or semi-maneuverability.

The Deloitte team further predicted that professional service robots would reach double-digit growth in 2020, and in the next few years as rapidly emerging products hit the market. This optimistic forecast is based on the impact of two major technological developments: 5G network technology has improved wireless connectivity, and continued price reduction and progress of Edge AI chips. According to a recent report released by World Robotics, it was estimated that 21.6 million service robots were to be sold in 2020, and then the sales therein is to grow by 25-44% annually to reach 48.6 million service robots in 2023.



I. Medical-grade respirator application power supply

The continuous rise of the global elderly population and the increasing attention of the public to health has driven the development of the global medical equipment market. It was expected to reach approximately US\$517.4 billion in 2021, and the CAGR from 2016 to 2021 is 4.78%.

The demand for lightweight and portable medical instruments, particularly home medical applications, has grown most substantially. Since Covid 19 can cause irreversible lesions to the lungs, the next wave of product trends possibly lies in the subsequent prognosis caring for those infected population that increase in number day after day. Accordingly, the demand for home respirators increases, partly in the use of the respirator during sleep as more and more people suffer from insomnia year by year and more attention has been paid to sleep quality under the fast-paced daily life and highly-stressful environment. The global market for equipment for sleep apnea will grow from USD 14 billion in 2020 to USD 25 billion by 2028.

The market is expected to grow at a compound annual growth rate (CAGR) of 8.65% between 2020 and 2028.



J. Electric Vehicle Charging Station Market

Looking at the global electric vehicle market in 2025, DIGITIMES is still optimistic about the growth momentum of electric vehicles. As the time for banning the production and sale of gas-based vehicles is approaching, vehicle manufacturers continue to increase their investment in their electric vehicle division so as to avoid paying carbon taxes and huge fines. Many investments on a single car factory even amount to more than USD 10 billion. As per estimation by DIGITIMES, global electric vehicle sales will reach 28.5 million units in 2025, with a penetration rate of over 30%, and the compound annual growth rate (CAGR) of the electric vehicle market will reach 55.4% from 2020 to 2025, which is much higher than the 4.7% performance of the overall automotive market.

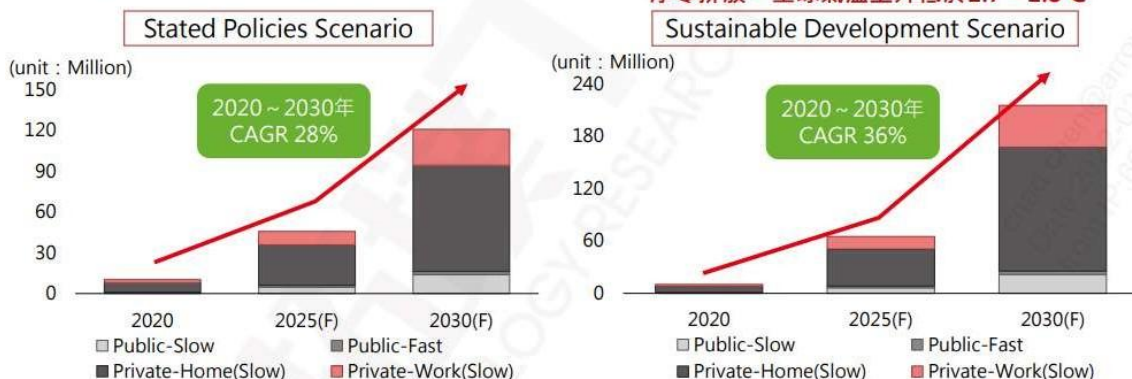
According to the statistics of automobile associations in various countries and the International Energy Agency (IEA), the higher the sales volume of electric vehicles, the more charging stations are deployed, and there exists a positive relationship between the EVs and the posts. Up to ninety percent (90%) of the charging stations currently concentrate in the three major regional markets of electric vehicles, namely China, Europe, and the United States.

China has the highest number of electric vehicles, with nearly 4.6 million EVs in 2020, as well as the highest number of charging stations, with over 807,000, accounting for more than 60% of the world's total. In terms of the values of the vehicle station ratio, China showed the ratio of 6:1, whereas Europe and the United States showed 11:1, and 16:1, respectively. In other words, Chinese vehicle owners needed to wait for vehicle charging for a shorter time. Looking closely at the proportion of express charging stations in various regions, China also showed the highest proportion, reaching 38%.

《國際能源署(IEA)使用2個不同的情境來評估》

根據各國提出政策，並預期如期達成

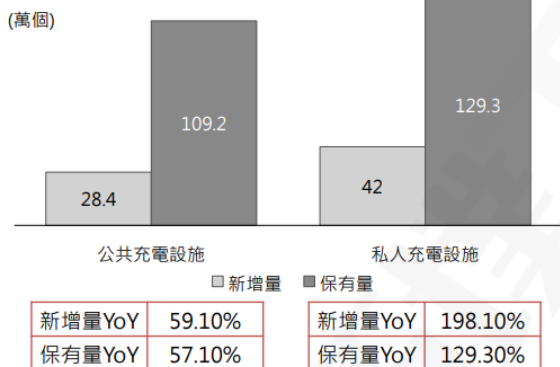
完成巴黎協定目標，2070年達成淨零排放、全球氣溫上升低於1.7~1.8°C



Source: IEA; 拓墾產業研究院整理, 2022/02

In the future, the deployment of charging stations in the three major regional markets of the electric vehicle will develop in two directions: First, to continue to increase the number of charging stations (including AC charging stations and DC express charging stations), with the goal of reaching the ideal ratio of 1:1 vehicle-to-station ratio (that is, 1 vehicle to 1 station). Second, to increase the proportion of express charging stations, with the purpose of reducing the waiting time for vehicle owners in charging their vehicles. The development plans of charging stations in each regional market are shown in the following figures:

2021年(1~11月)中國EV充電設施增加情況



Source: EVCIPA; 公開資訊; 拓墾產業研究院整理, 2022/02

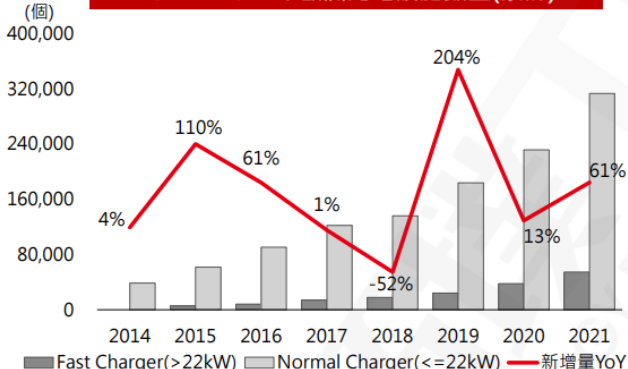
《新能源汽車產業發展規劃(2021~2035年)》
基於中國《十四五規劃》提出的總體部署

- 加快充換電基礎設施建設
- 提升充電基礎設施服務水平
- 鼓勵商業模式創新(多車一樁、共享模式等)
- 財政支持
- 加強新能源汽車與電網(V2G)能量互動
- 鼓勵「光儲充放」多功能綜合一體站建設

中國各省市基於《十四五規劃》
提出各地充電設施的規劃(僅列出部分)

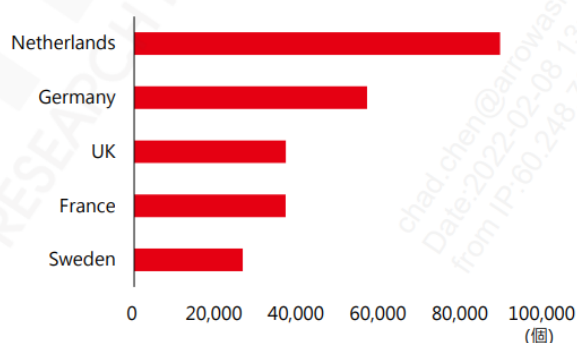
上海市加快新能源汽車產業發展實施計畫(2021~2025年)	鼓勵公共充電樁改為直流快充樁，新建或改建快充樁至1萬個。
安徽省新能源汽車產業發展行動計畫(2021~2023年)	2021~2023年新建4萬個充電樁，預計2023年累計充電樁達到15萬個，其中公共充電樁不低於5萬個。
江西加快建立健全綠色低碳循環發展經濟體系	2022年底充電樁覆蓋全高速公路服務區。
河南省推進新型基礎設施建設行動計畫(2021~2023年)	新建公共充換電站600座、公共充電樁2萬個、私人充電樁5萬個。

2014~2021年歐洲充電設施數量(累計)

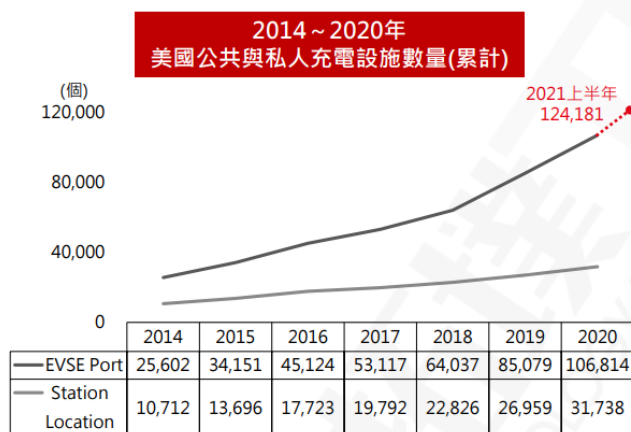


註: (1)包含歐盟、英國、EFTA、土耳其; (2)統計至2021年12月。
Source: EAFO; 拓墾產業研究院整理, 2022/02

2021年歐洲國家公共充電站點數量Top5



- ◆ 美國2019年電動車充電設施(EVSE)新增速度加快，2021上半年即增加超過17,000個EVSE。
- ◆ Biden政府甫宣布將撥75億美元建立全球電動車網絡，且每個州市政府也都有充電設施相關補助或獎勵措施，充電設施的設立多於城市的潔淨計畫有關。



Source : U.S. Department of Energy ; 拓墾產業研究院整理 · 2022/02

Infrastructure Investment and Jobs Act of 2021	
<ul style="list-style-type: none"> • 75億美元建立全國電動車充電網絡。 • 資助的EVSE(電動車充電設施)需為公共使用。 • 成立EV Working Group，負責EVSE許可與監管問題。 • 成立能源與交通聯合辦公室，研究EVSE和氫能源基礎設施部署的聯合問題。 • 向各州提供資金，部署EVSE和聯網裝置。 	
Executive Order 14057	
<ul style="list-style-type: none"> • 政府採購車輛目標於2035年達100%購買零排放車輛，2027年達100%購買零排放輕型車。 	
美國各州充電基礎設施激勵措施	
加州 長灘市	擁有或租賃電動車並符合條件或獲得許可的居民可免費安裝EVSE(充電設施)。
華盛頓州 西雅圖市	作為支持Seattle's Drive Clean計畫，西雅圖市在所有公用事業服務場所建立直流快充EVSE。
紐約州 紐約市	作為紐約市City's Clean Fleet Transition Plan—環 1. 將安裝80個DC EVSE。 2. 2025年前20%市府停車區域要有Level 2 EVSE，2030年前要達到40%。 3. 2025年前建立1,000個路邊Level 2 EVSE，2030年前達到10,000個。 4. 用戶充電系統與街道基礎設施結合。

3. Advantageous and disadvantageous factors and countermeasures for competitive niches and development prospects

(1) Grasp of key technologies

In order to maintain their competitive advantages, power supply manufacturers must continue to improve their manufacturing technologies and production capacity to effectively reduce production costs and consolidate the leadership position in the industry. Therefore, power supply manufacturers must first develop and obtain relevant safety certificates around the world from agencies commissioned in response to the market demand, while surpassing other competitors to distribute products in the market under the authorization of customers in the shortest time in order to obtain the sales opportunities. Therefore, through a strong R&D team and a complete and rapid product manufacturing system, the Company collaborates with major customers, actively develops high precision industrial power applications, and develops energy conservation and energy storage conversion solutions, while advancing the technology for high stability, lightweight, thin, short, small, and high-tech intensive power supply. In addition to possessing advanced products and manufacturing technologies, automated and computerized management is adopted in production scheduling and product quality for real-time control and tracking, so as to maximize the production efficiency of an entire plant.

(2) Products with good qualities for environmental protection

In the beginning of R&D and design, the first thing is to identify various laws and regulations, so that all products can meet the requirements of RoHS, Pb-free, Halogen free, and HSF. RoHS is controlled through “source management” in the system to fully track the progress of RoHS in terms of process and material management. Through the acquisition of ISO9001, ISO14001, OHSAS18000, ISO13485, IATF16949, and other certifications, the Company implements complete control of product quality, environmental protection, and employee labor safety and health. Not only have all products passed relevant safety certifications and complied with the requirements of the EU RoHS directive, but new designs to meet Energy Star regulations have been gradually introduced. In addition, the Company has spared no effort to promote and implement the EU WEEE Directive and EuP Directive (product energy efficiency standards) to provide customers with more environmentally

friendly and higher-quality products.

(3) Close customer relationship

In addition to providing good quality, accurate delivery, and reasonable prices, the Company keeps abreast of market trends through the overseas subsidiaries' proximity to the export markets, while serving customers and learning about customers' needs in its overseas locations close to the customers to provide excellent products to enable customers to obtain advantages in competition. Thus, we can maintain long-term and close partnership.

(4) High degree of automation

Under the trend of power supply miniaturization, the profit margin continues to be squeezed. Only with the increase in production yield can reduce manufacturers' unit production cost and increase the profitability. In addition, consumer electronic power supplies must be mass produced to some extent to minimize production costs and increase competitiveness. Therefore, a high degree of automation is a characteristic of this industry, which will create certain barriers to entry for other competitors.

(5) Mastering raw material sources

The Company has established a stable supply relationship with major raw material suppliers, and there are several core suppliers of the same type of materials to choose from, so the supply source is stable, the quality is good, while the delivery time and the price can be managed effectively. Moreover, the Company will pay attention to the supply and demand of key components in the market at any time, and maintain close relations with its manufacturers to maintain the stability of the supply. The Company also reduces inventory costs through computerized management of the procurement system, to strictly control the delivery date and quantity of raw materials, and obtains bargaining space through large purchases, and even engage in joint purchases with major Japanese manufacturers to reduce purchase costs.

4. Advantages and disadvantages of the development prospects and countermeasures

(1) Advantages:

A. Tight product relevancy with wide application scope

Since the power supply is an indispensable main component of all electronic products, as electronic products are integrated with current and advanced technologies to create more terminal applications, the demand for power supplies for electronic products will increase accordingly. Furthermore, electronic products will continue to be innovated and changed in line with consumers' preferences, which will enhance the competitiveness of the products themselves and prolong the life cycle of the products, thereby continuing to generate demand for power supplies.

B. Continuous growth in the information and communications industry

Due to the vigorous development and continuous innovation of various information/ communications and semiconductor process technologies, many new technological developments and application trends have been formed, including cloud information networks and service platforms, AI+ Internet of Things (IOT), 5G + Wi-Fi communications, AI + 5G + HPC financial technology (fintech), energy storage + EV charging + smart grid, smart home and smart city, robots, non-contact remote business

opportunities, etc., thus promoting the continuous innovation and growth of the required industry of intelligent hardware devices, which in turn brings about new demand for power supply manufacturers.

C. A busy array of safety regulations with high thresholds in competition

In terms of safety regulations, the Company has introduced ways to identify various regulations from the source of R&D design, so that the products can comply with the provisions of RoHS, Pb-free, Halogen-free, HSF, etc. In terms of safety specification, the products also comply with the continuously updated standards. Such as UL/IEC62368, UL/IEC60601, UL1012/1310, IEC60335, UL2594/2202, IEC61851, CNS15511, GB/T18487/34657, etc. In addition, the Company has passed quality certification of ISO9001, ISO14001, ISO13485, OHSAS18000, IATF16949, etc.

(2) Disadvantages:

A. In recent years, due to labor shortage and the rapid increase in wage costs, difficulty in training R&D and technical personnel, the operating costs are relatively higher.

Response measures:

In addition to reducing the needs for workforce through outsourcing processing projects and adding automation equipment, the Company will adopt vertical integration to set up production-oriented subsidiaries overseas by means of international division of labor. Meanwhile, it will strengthen employees' education and training in each factory and improve employee benefits, to reduce employee turnover, improve employees' commitment to the Company, and attract outstanding talents to join and stay, so as to improve the competitiveness in the industry.

B. High-tech products feature a short life cycle and rapid market changes. In addition, emerging countries have successively invested in the development of this industry, so competition among manufacturers is fierce, and the price war is expected.



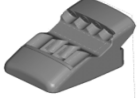



Response measures:

- a. Company will accelerate the pace of global layout and internationalization, while building world-class factories and further upgrading production to manufacturing services, with customer satisfaction as the top priority. It will also make full use of the advantages of existing overseas subsidiaries' sales bases to quickly keep abreast of the market demands and trends so as to enhance the competitiveness and profitability of the Company.
- b. From a global perspective, the Company's respective departments, suppliers and customers are integrated, data operation and management is strengthened, and data analysis platform is introduced to grasp the changes in market conditions in a timely manner, make timely decisions and responses, and complete the production and marketing management of the global supply chain, so that production and marketing costs can be maintained at the appropriate level; It will regard customers as partners and participate in the development and design of their products, thereby improving the Company's technology R&D capabilities and reducing production costs, to expand its market share and increase the barriers to entry for other competitors.









- c. Through a complete global R&D layout, the Company will set up R&D centers in New York, California, Dongguan, and other places, and establish a R&D center in Tainan to directly undertake design projects, shorten the product development timeline, and at the same time introduce outstanding talents from different backgrounds in the R&D center at the headquarters in Taiwan to provide customers with more real-time services.
- d. Production automation is introduced and optimized to reduce the number of direct operators and increase unit production capacity, to improve supply chain management and establish local supply chain, and to accurately grasp customer demands in peak/offpeak seasons and price fluctuations of raw materials in the market, as well as supply and demand conditions, and delivery risks, so as to reduce procurement costs and formulate and implement strategic material preparation plans in a timely manner, strengthen product prices and delivery competitiveness, and reduce quality risks.
- e. The Company actively invests in the development of green energy-saving products. Not only does it aim to obtain patents, Table of standard also new technologies and design must meet global energy-saving standards to upgrade the product level and enhance the brand image, thereby attracting more international companies and raising the barriers to entry.
- f. Since the beginning of R&D and design, investments have been made in research of the applications of new materials and new technologies, the study of relevant laws and regulations, and the collection of application requirements for products in emerging or niche markets, so as to ensure that the correctness of the R&D direction and the leading position of the technical capabilities.

(2) The important uses and production processes of the main products

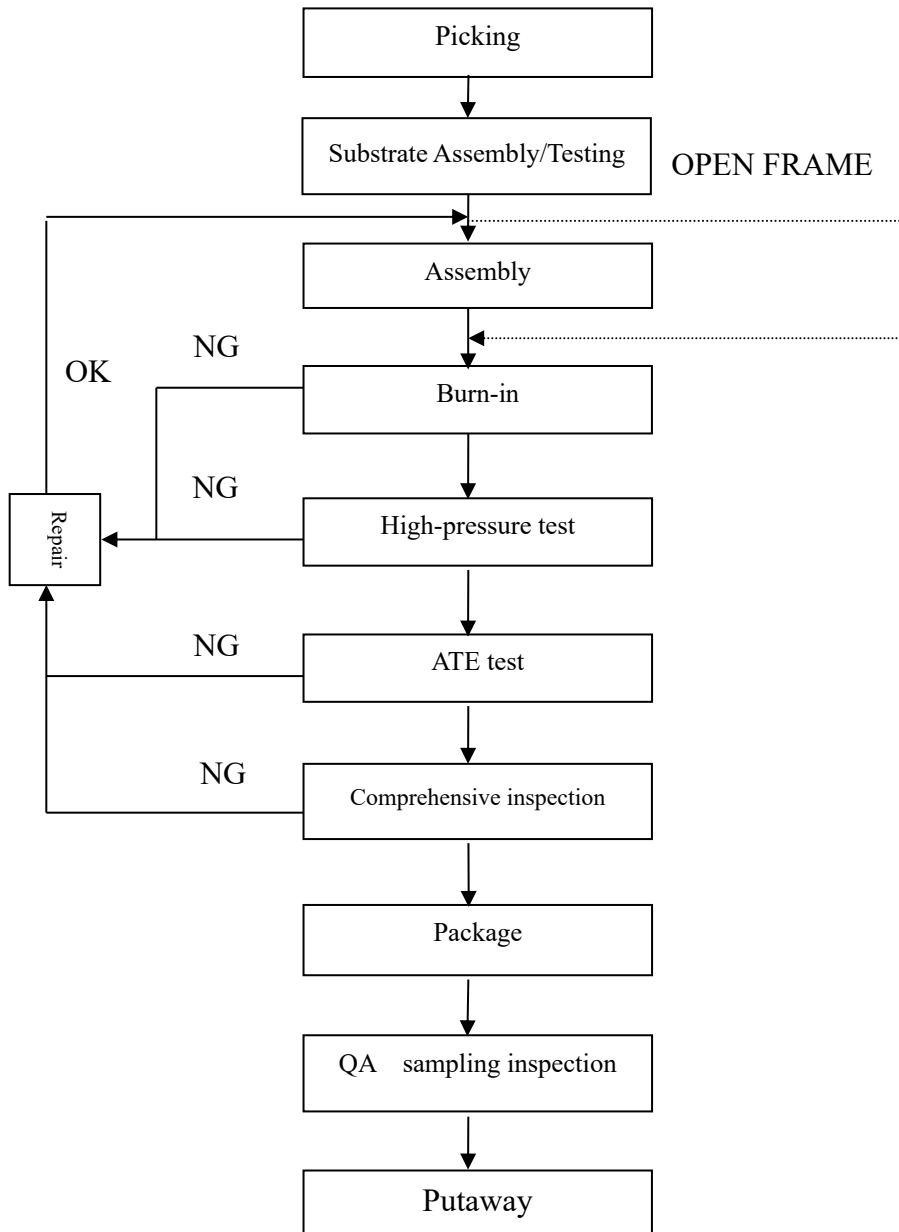
1. Important uses of the products:

Main Product	Main purpose or function
Adapter / Charge r/Cable 	Smart Phone / NB / AR&VR / Networking / POS / Smart home appliance/ Medical device 
Battery Charger 	Ni-Cd / Ni-MH/ Li-ion 
Car charger 	Phone / GPS / Digital camera 

Main Product	Main purpose or function
<p>EV Charger</p> 	<p>Bus / Car / Bike / Trailer / Wheel chair</p> 
<p>PV-Inverter</p> 	<p>Solar on grid product.</p> 
<p>Open frame power</p> 	<p>Industrial, Printers, POE switch</p> 
<p>POE (Power Over Ethernet)</p> 	<p>Security / Telecommunication / IP phone/LEO</p> 
<p>LED DRIVER</p> 	<p>LED Bulb</p> 
<p>Wireless Charger</p> 	<p>Smart Phone, Pad</p> 
<p>Energy Storage System</p> 	<p>AC Charging, DC Charging (USB), Solar</p> 

Main Product	Main purpose or function
<p>High power Battery Charger</p> 	<p>Battery charge</p> 
<p>Battery inverter</p> 	<p>AC Charge/Discharge</p> 
<p>E-bike charger</p> 	<p>E-bike</p> 
<p>Gaming charger</p> 	<p>Gaming laptop</p> 

3. Production flow chart of main products



(3) Supply status of main raw materials:

The raw materials used by the Company are very accessible on the market, and the relationship with raw material suppliers has been positive for many years. Up to now, the supply of raw materials is stable and sound, and the price can be flexibly determined at any time based on the market conditions in the information and electronics industry at the time, so the supply of the Company's primary raw materials is great.

(4) The names of customers who have accounted for more than 10% of the total purchases (sale) in any of the last two years, their purchases (sale) amounts and proportions, and the reasons for the increase or decrease.

1. Major Suppliers' Data for the Past Two Years

Unit: NT\$ thousand; %

Item	Year of 2024				Year of 2025				Up to Q1 of 2026			
	Name	Amount	Percentage of Annual Net Purchases [%]	Relationship with Issuer	Name	Amount	Percentage of Annual Net Purchases [%]	Relationship with Issuer	Name	Amount	Percentage of Annual Net Purchases [%]	Relationship with Issuer
1												
	Others	5,736,000	100	NA	Others	5,367,947	100	NA	Others	1,095,302	100	NA
	Net purchase amounts	5,736,000	100		Net purchase amounts	5,367,947	100		Net purchase amounts	1,095,302	100	

Note 1: List the names, purchase amounts, and proportions of suppliers accounting for more than 10% of total purchases in the last two years. However, if the supplier name cannot be disclosed due to contractual agreements, or if the trading counterparty is an individual and not a related party, use a code name instead.

2. Information of major sales customers in the last two years

Unit: NT\$ thousand, %

Item	Year of 2024				Year of 2025				Up to Q1 of 2026			
	Name	Amount	Percentage of Annual Net Sales [%]	Relationship with Issuer	Name	Amount	Percentage of Annual Net Sales [%]	Relationship with Issuer	Name	Amount	Percentage of Annual Net Purchases [%]	Relationship with Issuer
1	A	1,547,975	14	NA	A	1,169,631	12	NA	A	253,608	12	NA
2									B	246,791	12	NA
3												
	Others	9,349,754	86		Others	8,625,936	88		Others	1,594,960	76	
	Net sale amount	10,897,729	100		Net sale amount	9,795,567	100			2,095,359	100	

Note 1: List the names of customers who have more than 10% of the total sales in the last two years and their sales amount and proportion. However, because the contract stipulates that the name of the customer or the transaction object should not be disclosed as an individual and not a related person, the code name may be used.

3. Information on Employees for the Two Most Recent Fiscal Years and during the Current Fiscal Year Up to the Date of Publication of the Annual Report

March 31, 2026

Year		Year of 2024	Year of 2025	As of March 31, 2026
Number of employees	Direct labor	2,756	2,777	2,651
	Indirect labor	2,295	2,104	2,069
	Total	5,051	4,881	4,720
Average age		33.87	34.48	34.33
Average years of service		3.91	4.30	4.16
Education distribution ratio	PhD	0.08%	0.1%	0.06%
	Master	4.73%	4.43%	4.64%
	College	23.00%	21.53%	22.08%
	High school	25.04%	28.97%	29.64%
	Below high school	47.15%	44.97%	43.58%

4. Disbursements for Environmental Protection

(1) Description of application, payment or establishment of polluting facility settings:

The Company has always attached great importance to environmental protection work, and it is not necessary to apply for a polluting facility permit or a polluting discharge permit in accordance with relevant regulations.

(2) The usage and possible benefits of investing in pollution prevention equipment:

Although the Company is not required to apply for a pollution facility permit or a pollution discharge permit according to relevant regulations, in order to ensure the maintenance of the surrounding environment and ensure the health of employees, relevant pollution prevention equipment includes central exhaust system, central air conditioning system, mobile vacuum cleaner machine, sedimentation tank, simple sewage treatment equipment, etc. are also available.

(3) The process of improving environmental pollution in the most recent year and up to the date of publication of the annual report: None.

(4) In the most recent year and as of the publication date of the annual report, the losses suffered by the Company due to environmental pollution (including the violation of environmental protection laws and regulations as a result of compensation and environmental protection audit results that shall list the date of punishment, the sanction number, the clause breached, the provisions of the violated laws and regulations, the content of violated laws and regulations, and disposition content), and disclose the estimated amount and countermeasures that may occur at present and in the future: None

(5) The impact of the current pollution situation and its improvement on the Company's earnings, competitive position and capital expenditures, and its projected major environmental protection capital expenditures in the next three years: None.

(6) A total of NT\$ 904,398 was spent on environmental protection in the most recent fiscal year. An environmental management system (ISO 14001 certificate valid from 2024.2.23 to 2027.2.22) was implemented to establish and execute environmental audit management procedures, with improvements and follow-up actions taken for any deficiencies.

2025 Environmental Expenditure statistics table

Unit: NT\$

Environmental protection cost categories	Description	Expenses
1. The direct cost of reducing the environmental burden		
(1) Pollution prevention cost	Prevention costs of air pollution prevention, water pollution and other pollutions	0

(2) Cost of saving resource consumption	The cost spent on saving energy (such as water, electricity resources)	177,135
(3) Business wastes and normal office waste processing and recycling cost	The cost of processing business wastes (sludge cleaning and transportation, waste solvents, waste water, normal garbage processing)	441,389
2. The indirect cost of alleviating environmental burden (Environmental protection related management cost)	(1) Environmental protection education expenses	282,424
	(2) Environmental management system and certification acquisition costs	
	(3) Cost of monitoring environmental burden	3,450
	(4) Environmental protection organization personnel cost	
	(5) Added cost from procuring environmental protection products	
3. Other environmental protection related costs	(1) Soil remediation and natural environment restoration costs	0
	(2) Environmental pollution damage insurance premiums and government-levied environmental protection taxes and fees	0
	(3) Environmental problem settlement, compensation, fines, and litigation fees	0
Total		904,398

5. Labor Relations

(I) The Company's various employee benefits measures, continuing education, training, and retirement systems and their implementation status, as well as the agreements between labor and management and various employee rights protection measures:

1. Employee benefits measures:

The Company has always prioritized the physical and mental well-being of its employees and their work-life balance. It is committed to the continuous improvement and optimization of the work environment through a variety of activities and a comprehensive benefits program, fostering a friendly, warm, and dynamic workplace atmosphere. In addition to providing clean and comfortable workspaces and diverse recreational facilities, the Company actively organizes various health and insurance services, enabling employees to work and live with peace of mind in a secure environment. To enhance communication and team cohesion, the Company encourages employees to relax and develop exercise habits outside of work. Furthermore, the Employee Welfare Committee periodically arranges for food trucks to visit the premises, allowing colleagues to build closer relationships in a relaxed setting. Beyond internal events, the Company organizes quarterly charitable activities, encouraging employees to participate in social welfare and community service initiatives, thereby giving back to society through the Company's positive influence. At the end of each year, the Company hosts annual gatherings or year-end events to thank all employees for their dedication and contributions, strengthening bonds through these warm occasions. Through these diverse and ongoing initiatives, the Company aims to achieve a healthy work-life balance, allowing employees to develop confidently in a caring and supportive environment. This approach enriches their lives while fostering greater team cohesion and vitality.

(1) Benefits measures handled directly by the Company:

- A. Dividends and performance bonuses for employees.
- B. Annual health examination and re-examination and consultation services.
- C. Celebrating Christmas and providing refreshments.
- D. Organizing charitable activities and lectures.
- E. On-the-job professional training and subsidy for continuing education.
- F. Various subsidies for weddings, funerals, celebrations, and joyous occasions.
- G. Recreational facilities (such as a gym, indoor basketball court, and employee rest area).
- H. Employee stress relief massage.
- I. Family day, sports meet, year-end party, and lucky draw activities.
- J. Free provision of newspapers, magazines, and periodicals for reading.
- K. Labor insurance.
- L. National health insurance
- M. Group term life insurance, accident insurance, medical insurance, cancer insurance, and travel accident insurance, providing employees with multiple layers of protection.
- N. Volunteer leave for public welfare activities.
- O. Birthday Leave
- P. Group insurance planning: divided into the following four categories according to grades and dispatched personnel, details are as follows:

Item	Grade 3 or above	Permanent staff	Grade 4 to 7	Grade 8 or below
Category	A	B	C	D
Life insurance amount	NT\$1.5 M	NT\$1.0 M	NT\$0.75 M	NT\$0.5 M
Accident insurance amount	NT\$3.0 M	NT\$2.0M	NT\$1.5 M	NT\$1.0 M
Inpatient medical insurance	Ward fee NT\$1,000 /per ay			
Occupational Accident Insurance	Compensation for labor insurance payroll difference			
Cancer insurance	Ward fee NT\$2,000 /per day			
Accident medical insurance	NT\$30,000			

(2) Benefits measures handled by the Company’s Employee Benefits Committee (Benefits Committee):

- A. Domestic travel.
- B. Plan and execute annual celebrations.
- C. Club activities and various competitions.
- D. Monthly birthday party and festival activities.
- E. Marriage, funeral, and celebration subsidies, and hospitalization condolence allowance.

(3) The Company has relevant benefit measures such as Company cars, indoor/outdoor parking spaces, employee restaurant, gym, and an indoor basketball court.

(4) 2025 Employee Benefits and Salary Information

Item	People/NT\$ thousand
Number of full-time employees not in supervisory positions - weighted average (A)	374 people
Gross salary of full-time employees who are not in supervisory positions (B)	422,777 thousand
“Average Salary” of full-time employees who are not in supervisory positions (C=B/A)	1,130 thousand

(5) Employee Training:

Since its establishment, the Company has placed a high priority on talent cultivation and development, continuously enhancing employees' professional capabilities and the Company's overall operational quality through a comprehensive training system. In 2025, the Company continued to promote diverse training initiatives, offering both professional skills and management courses while also organizing a variety of learning activities to help employees maintain their physical and mental well-being and achieve a healthy work-life balance amidst their busy schedules.

The Company values employee career development and continuously refines its training systems and learning resources. Through systematic course planning and diverse learning platforms, combining foundational training, specialized courses, and cross-disciplinary learning, the Company enables employees to continuously refine their skills and broaden their horizons in the workplace. Additionally, the Company continues to strengthen its ESG-related course offerings, covering topics such as sustainable development, information security, quality management, and relevant regulatory issues, to help employees gain a deeper understanding of the importance of corporate sustainability.

The Company's digital learning platform currently offers a variety of online courses and learning resources, allowing employees to flexibly arrange self-directed learning according to their individual needs. In recent years, the Company has also promoted employee understanding and exchange of emerging technologies and digital tools through AI learning workshops and microlearning activities, building the organization's capabilities in digital learning and innovative applications. We believe that cultivating a culture of continuous

learning and knowledge sharing across the entire organization will continuously strengthen our corporate competitiveness and support our long-term, steady development.

Statistics of educational training hours for PHIHONG talent training in 2025:

Item	Q1	Q2	Q3	Q4	Cumulative hours throughout the year
Internal Training	1,489	2,056.5	2,201	1,660	7,406.5
External Training	20	115	76.5	208.5	420
Digital Learning	1,596.5	1,967.8	3,336.9	1,048.4	7,949.6
Total	3,105.5	4,139.3	5,614.4	2,916.9	15,776.1

2. Pension Contribution: The Company contributes to the pension plan monthly in accordance with the relevant retirement plan, and jointly contributes to the individual employee's account based on the employee's freely chosen self-contribution percentage.

(1) Old system: Employees who were employed before June 30, 2005 may choose the old system or the new one by themselves. The Company has its own pension regulations for officially hired employees in accordance with the provisions of the Labor Standards Act. According to the pension regulations, the payment of pension is calculated based on the length of service and the average salary of the six months prior to retirement. The Company makes a contribution to the pension reserve monthly, which is managed by the Supervisory Committee of Business Entities' Labor Retirement Reserve, and the reserve is deposited in the bank in the name of the committee.

(2) New system: It is applicable to employees who are on board after July 1, 2005, who shall all adopt the new system, and to the employees who were employed before July 1, 2005, who chose the new system on their own. The Company contributes 6% of the salary monthly to each employee's personal pension account based on the employee's salary. Employees may also contribute 0%–6% of their own salary each month to their individual pension accounts according to their personal wishes, and the Company will deduct the amount of the contribution from the employees' salary on a monthly basis.

3. Circumstances of labor-management agreements and various employee rights protection measures

(1) The situation of labor-management agreements:

The Company is committed to establishing a harmonious atmosphere of mutual trust between labor and management in operation and management, and provides a variety of channels to promote communication between labor and management through an active and open management model, such as quarterly labor-management meetings employee mailboxes, etc. In addition, we provide employee counseling services, and hold relevant lectures and seminars from time to time to strengthen the communication and building of consensus. Since the establishment of the Company, the labor management relationship has been harmonious, and there has been no loss due to labor disputes.

(2) Measures to protect employees' rights and interests:

Work environment and employee personal safety protection measures: Based on the importance of the work environment to the personal safety of employees, the Company comprehensively adopts the ISO45001:2018 management system guidelines and policies. The Company's risk control in the environmental and occupational health and safety aspects demonstrates its general direction in and basic commitment to environmental and occupational health and safety protection, while providing employees with a safe, healthy, and comfortable work environment. It also attaches importance to the review and improvement of various risk assessments, and meanwhile engages dedicated personnel for occupational safety and health management at each factory to be responsible for the planning, execution, and inspection of safety and health management work.

A. Occupational Safety and Health Policy:

Continuous transformation and growth are the driving force of Phihong's technological advancement, and we are committed to the simultaneous improvement of product quality and work environment. We are committed to occupational safety and health with a prudent attitude, aiming to achieve professionalism, diversification, and internationalization. Adhering to the following principles as the highest guidelines for decision-making, our occupational safety and health policies are as follows:

1. Comply with various health and safety requirements and enhance communication of internal and external management.
2. Continue to improve work and living environment and prevent occurrence of various safety incidence.
3. Reduce occupational health and safety risks, and fully protect the health and safety of the employees.

B. Policy description:

1. An enterprise's operation and production must comply with the provisions of the labor safety and health Act and the requirements of customers and other organizations.
2. Strengthen education and training, enhance the awareness of occupational safety and health, implement safety and health responsibilities thoroughly, implement various management activities of occupational safety, and maintain the effective operation of the occupational safety and health management system.
3. Continuously improve the work and living environment, provide employees with a better work and living environment to reduce various risks that are not conducive to employees' health and safety, so as to prevent the occurrence of various labor safety incidents.
4. Ensure and enhance the Company's positive image to achieve the goal of sustainable

C. Occupational safety and health commitment:

In the R&D, manufacturing, testing, and sales process, the Company must comply with laws and regulations and other relevant is as to prevent occupational injuries and continuously improve the operation of the management system to be in line with international standards. In line with the corporate responsibility of protecting employees and caring for the Earth, we promise:

1. Ensure the safety and health of employees is the primary responsibility and obligation of the Company at all levels.
2. Prevent work-related injuries, health issues, diseases, and accidents to protect all personnel at factories.
3. Comply with laws and regulations, reduce the impact of environmental pollution, and develop standard operating procedures and methods.
4. Communicate policies and provide necessary education and s Training to employees, suppliers, customers, contractors, and stakeholders to ensure that they correct environmental, safety, and health knowledge and correct behavior.
5. Continuously improve the operation of the management system and enhance performance.
6. Encourage employees to provide suggestions, establish and maintain a good communication channel between the Company's supervisors and employees.
7. Produce green products, promote waste reduction campaigns, and continue to rectify and organize to create a safe and healthy environment.
8. Promise to adopt international and domestic environmental safety and health standards as the basis for self-improvement.

D. Environmental safety and health management organization:

An environmental safety and health organization is set up to assist in planning and supervising the improvement of the Company's work environment and facilities so as to comply with relevant Act and standards. We attach importance to the establishment of workplace safety and health culture for all employees to ensure the safety of all employees and establish a sound workplace safety and health management system so as to ensure the safety of the workplace and achieve the goal of sustainable development of the Company.

E. Environmental safety and health certification and training:

In addition to the introduction of ISO14001:2015 environmental management system in our factories, and the verification by the external certification agencies, the oversea plants had passed the verification of the ISO45001:2018 occupational safety and health management system.

We conduct internal audits, management reviews, and irregular external audits, and customer audits every year to confirm the status and effectiveness of our management system as a direction for continuous improvement in the future.

F. Safe work environment:

Creating a safe and injury-free work environment for employees is one of the important commitments of the Company. At present, the main manufacturing factories of Phihong have passed the certification of the ISO45001:2018 occupational safety and health management system, so that the employees can work in a safe and secure work environment and are fully committed to their work and give full play to their strengths.

(3)Employee code of ethics and conduct: "Phihong Employee Code of Ethics and Conduct" is the Company's expectations for all employees in the group, which regulates the ethics and conduct of all employee, and requires their commitment to comply with laws and ethical principles to maintain the Company's assets, equity, and image

- A. The record of the information must be honest and complete: Either in Taiwan, China, or other countries, it must abide by the general accounting principles, and execute all transactions in accordance with the Company's regulations and procedures. Undisclosed or unrecorded Company funds or assets shall be prohibited.
- B. Improper or illegal use of the Company's resources is strictly prohibited.
- C. Gifts and entertainment must be appropriate: Gifts and hospitality provided to suppliers or customers shall comply with general market practices and ethical standards; employees must not request or accept any gifts, special treatments, or entertainment from the Company's suppliers or customers.
- D. Employees are prohibited from engaging in activities that conflict with the Company's interests: Employees shall not engage in activities that conflict with the Company's interests outside the Company, nor may their duties at the Company be affected by engaging in or participating in activities outside the Company. They shall also not obtain private interests or benefits from transactions related to the Company .
- E. All employees must abide by copyright regulations.
- F. The information that belongs to the Company must be kept confidential: Any important internal information of the Company must be kept confidential, and employees, either for profit or not, shall not provide said information to third parties without authorization.
- G. Protection of intellectual property rights: Protection of the Company's intellectual property rights (including inventions, technological information, product designs, and other Company's rights protected by law).

H. Insider trading is forbidden: Any employee cannot use income information known to benefit others or obtain personal and utilization. The Company’s financial position and business dealings information shall not be published without prior permission, so as not to affect shareholders’ rights and interests.

Every employee is responsible for maintaining the Company’s reputation in accordance with the highest ethical standards, and violations of the code are regarded as improper behavior. We will strive to require all employees to abide by the code to ensure the rights and interests of the Company and all stakeholders.

(2) Losses suffered by the Company due to labor disputes in the most recent year and as of the publication date of the annual report (including the matters in the labor inspection results that violate the Labor Standards Act, the date, official document number, laws violated, and the content of violation, and content of the penalty), and the estimated amount and countermeasures that may occur at present and in the future in the most recent year and as of the publication date of the annual report: None.

6. Cyber Security Management

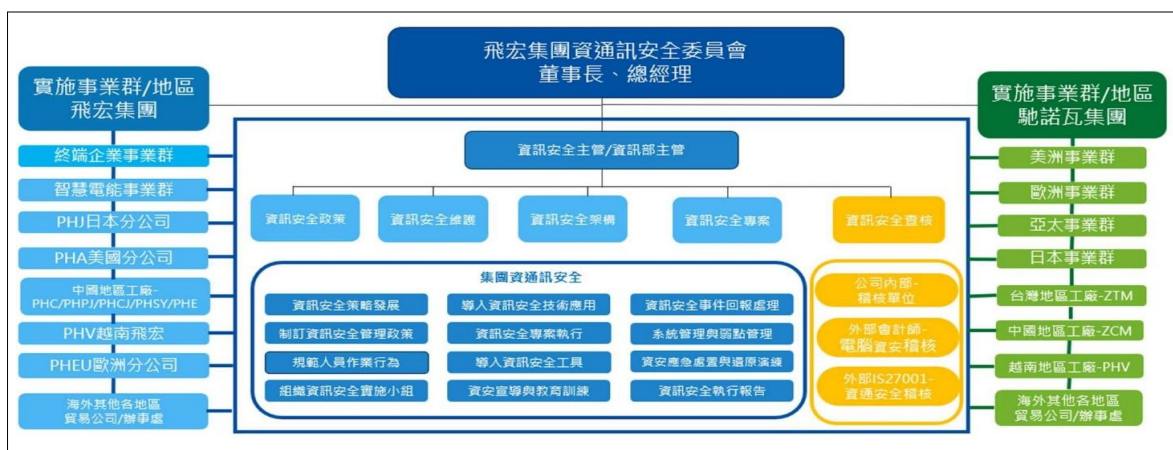
(1) Describes the information and communication security risk management framework, information and communication security policy, specific management plans, and resources invested in cyber security management.

1. Cyber Security Management Policy and Architecture:

In 2022, the Company established a Cyber Security Committee, with the President serving as the Chief Cyber Security Officer. To strengthen Cyber Security management, a “Cyber Security Department” was established the following year, with dedicated cyber security managers and personnel responsible for formulating the company’s cyber security management policies, supervising the operation of cyber security management, and promoting the construction of related projects. To ensure the effective operation of the cyber security management system, the Cyber Security Committee reviews the results of security risk analysis and the protective measures taken through management review meetings. Annual reports on cyber security governance achievements and implementation status are regularly submitted to the board of directors.

Under the Cyber Security Management Committee, there are the “Cyber Security Management Representative”, the “Cyber Security Promotion and Implementation Team”, the “Cyber Security Internal Audit Team”, and the “Cyber Security Emergency Response Team”, working together to maintain the Company’s cyber security.

The cyber security organization structure of our company is as follows



2. Cyber Security Policy and Management Strategy

Cyber Security Policy:

To ensure the confidentiality, integrity, and availability of the Company's information and other related assets, comply with relevant regulations, and protect them from intentional or accidental internal and external threats, the company implements a cyber security management mechanism to prevent unauthorized access, use, control, leakage, destruction, alteration, deletion, or other infringement of information systems or information. This safeguards the security of our business services, protects product, customer, and personal data privacy, and ensures the continuous operation of business services.

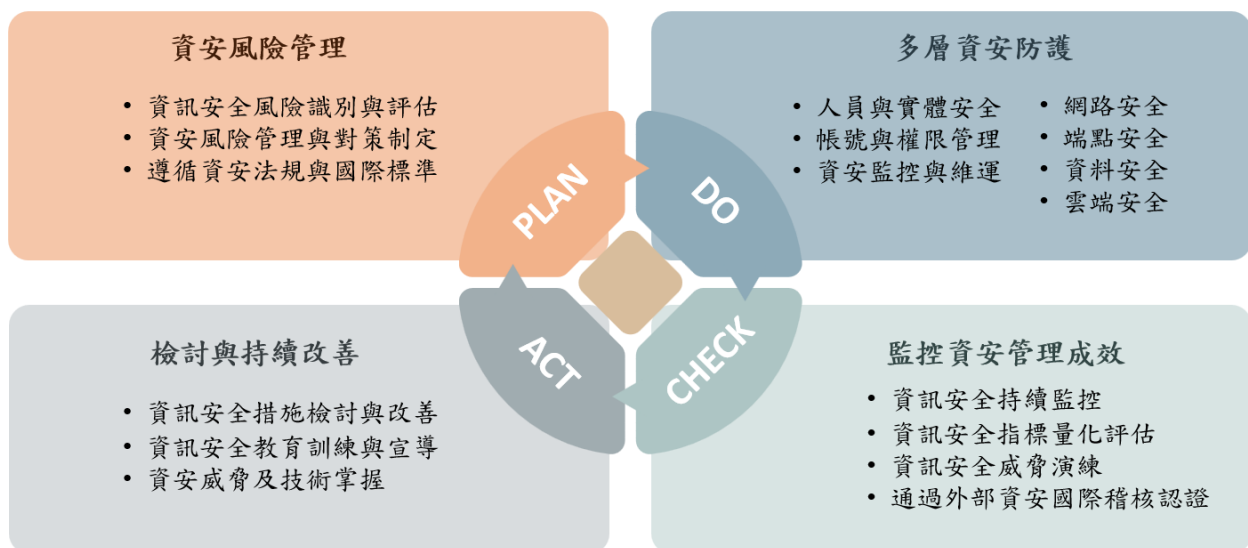
Cyber Security Management Strategy:

In response to the increasingly severe global cyber security threats, the Company



obtained ISO/IEC 27001:2022 certification for its Information Security Management System (ISMS) in 2024 and established a framework for continuous improvement in information security management based on the PDCA (Plan-Do-Check-Act) cycle. In 2025, the Company passed the annual audit conducted by SGS, an external third-party certification body, verifying the implementation of the information security management system and maintaining the validity of the certificate, which is valid until September 10, 2027.

The Company will continue to strengthen its security measures, implement information security policies, enhance employee security awareness, and adopt professional information security technologies. Through these efforts, the Company aims to mitigate operational and financial risks arising from cyber threats, enhance the overall strength of its information and



communications protection, and thereby maintain the trust of its customers and stakeholders.

3. Specific Management Plans and Measures

Management Program	
Information Security Management System (ISMS)	<ul style="list-style-type: none"> Implemented in accordance with the ISO/IEC 27001:2022 ISMS international standard, with continuous improvement through the PDCA cycle to reduce information security risks. Completed the external third-party annual audit in 2025, maintaining the validity of the ISMS certificate to ensure compliance and customer trust.
Access Control Management	<ul style="list-style-type: none"> Control access permissions for internal and external systems, as well as the security of data transmission channels. Implement control measures for potential data leakage channels. Take steps to prevent data leakage and perform activity logging and analysis of operational behavior to track and detect anomalous activities.
Network Security Protection	<ul style="list-style-type: none"> A defense-in-depth architecture has been implemented, including firewalls, endpoint device control, DDoS protection, SIEM (Security Information and Event Management) system, and comprehensive multi-factor authentication (MFA) mechanisms to reduce risks associated with internal and external network data transmission and access.
System Vulnerability Detection and Patching	<ul style="list-style-type: none"> Perform weekly vulnerability scans on internal PC and server systems and inspect the network environment. Integrate government and external threat intelligence sources to promptly identify potential threats and system vulnerabilities, and accordingly plan and execute patching measures for relevant equipment, systems, and software to ensure updates and enhance system security.
Training to Enhance Employee Cyber Security Awareness	<ul style="list-style-type: none"> Cyber Security Training: Provide regular cyber security training courses to strengthen employee vigilance against cyber security threats and help them understand how to identify and respond to various security threats. Social Engineering Drills: Regularly simulate phishing attacks combined with current fraud techniques to increase employee alertness toward malicious emails. Security Awareness Promotion: Share daily updates on security trends and major incidents, along with periodic security tips, to raise employee vigilance and preventive awareness.
Security Reporting and Incident Management	<ul style="list-style-type: none"> In accordance with information security incident management procedures, any security event must be reported immediately and responded to in order to ensure rapid recovery of operations. The Company has implemented an Advanced Threat Protection (ATP) monitoring system, supported by external security experts, enabling the operations and response team to quickly identify alerts and handle incidents, significantly improving detection and response efficiency.
Business Continuity Management and Disaster Recovery Drills	<ul style="list-style-type: none"> To ensure the continuity of operations and critical business functions under major disaster scenarios and to reduce the risk of service interruption, the Company has established cloud-based off-site backup and disaster recovery environments for core systems. Annual restoration drills are conducted to test backup data readability, storage media availability, and restoration procedures, thereby enhancing system recoverability and verifying backup reliability. These measures improve disaster recovery capabilities, ensuring that systems can be quickly restored across all facilities in the event of a disaster, maintaining business continuity and reducing operational risks.

4. Resources invested in IT security management

Cyber security is a critical issue for the Company's operations. The corresponding cyber security management matters and resource allocation plan are as follows:

- International Standard Certification: Passed ISO/IEC 27001:2022 Cyber Security Management System certification, with no major or minor deficiencies in relevant security audits.
- Enhance Cyber Security Management: Review and revision of cyber security-related policies and procedures, and continuous optimization and adjustment of institutional regulations.
- Dedicated personnel: A dedicated "Information Security Department" is established to be responsible for the company's cyber security planning, technology introduction, and related audit matters, to maintain and continuously strengthen information security.
- Education and training: Annual cyber security education, training, and testing are conducted, covering topics such as online security, social engineering, and company information security regulations.
- Social engineering drills: Unannounced email social engineering simulation drills are conducted monthly.

- (2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

On December 31, 2025, the Company's outsourced cloud hosting service provider experienced a DDoS (Distributed Denial-of-Service) attack, which indirectly caused a temporary interruption of the Company's website. The Company promptly reported the incident and activated its cyber security incident response mechanism, and normal operations were restored on the same day. This incident did not have a material impact on the Company's operations, nor did it result in any data breach.

7. Important Contracts

(1) Important Contracts:

Nature	Party	Commencement/Expiration Dates	Main content	Restrictive Clause
Z Sales Category	Zerova Technologies SG Pte. Ltd.	Effective Date: March 3, 2025	Sale of charging stations Amount: USD 8,000,000	None
P Finance and Accounting Category	Zerova Technologies USA LLC	Effective Date: April 1, 2025	Loan for supplementing working capital and purchasing raw materials Amount: USD 5,000,000	None
P Finance and Accounting Category	Zerova Technologies Europe B.V.	Effective Date: April 1, 2025	Loan for supplementing working capital and purchasing raw materials Amount: USD 5,000,000	None
P Assets Acquisition or Disposal Category	Shenzhen Shen Yue United Investment Co., Ltd.	Effective Date: Nov. 10, 2025	Lease of land use rights and infrastructure for a plot in An Duong Industrial Park, Hai Phong City, Vietnam Amount: USD 4,779,416.7	None

(2) 2025 Intellectual Property Management Plan and Implementation Status:

1. Intellectual property management plan:

In order to strengthen the leading position in the industry and maintain the advanced technological achievements of R&D efforts, the Company has formulated an intellectual property strategy that combines the Company's operational objectives and R&D resources, and established an operation model that creates Company value through intellectual property rights, which not only protects the Company's freedom of operation, assessing operational risks, but also strengthens competitive advantages which can be used to help companies make profits. (1) Patent protection measures

(1) Patent protection measures :

The Company's intellectual property management strategy mainly includes the deployment strategy of the patent technology territory, the expansion of the planned and international patent application territory and the implementation of the implementation level, etc., to protect the Company's research and development achievements and technological leadership.

In order to build a solid intellectual property portfolio, the Company:

- Internally: The Company designs a variety of mechanisms to encourage innovation and continuously encourage employees to apply for inventions; at the same time, it establishes a systematic patent intellectual property management system and evaluation process to take into account the quantity and quality of employee patent applications.
- External: Make close contact and technical exchanges with patent technicians and competent authorities in major local and foreign markets, assist patent examiners to better understand the Company's technical content, so as to improve examination efficiency and obtain high-quality patent protection.

(2) Trademark and copyright protection measures

A trademark is a recognition of a product or service, as well as a customer's identification of the quality of product development, manufacturing and production. In order to protect the global sales of the Company's products and gain insight into the opportunities and trends of products or services in major local and foreign markets, the Company arranges and plans trademark registration in the global sales market; at the same time, it protects the continuous trust of global customers in the Company's products and services. The Company's complete trademark registration can resist infringement on the Company's trademark by competitors, such as plagiarism and clinging to goodwill, so as to continuously and steadily expand its competitiveness.

The Company implements copyright management to protect the product software programs

developed and written by the Company or the software authorized by the Company to be used by other companies. In the face of global competition in the era of digital and technology; or to protect the company's operation and management data from the conversion cost of employee job creation output, and to protect the Company's core competitiveness depends on the management and maintenance of copyright.

(3) Trade Secret Protection

Trade secrets are about a Company's competitive advantages such as technological leadership, manufacturing excellence, and customer trust, not just the protection of specific intellectual assets. To comprehensively and effectively manage trade secret innovation, our company has established a trade secret management mechanism to record and integrate trade secrets that contribute to the company's competitive advantage, minimizing potential losses to shareholder interests due to intellectual property claims and litigation. These measures include: strategically obtaining necessary licenses from specific companies, timely acquisition of defensive and/or offensive intellectual property protection for company technology and business, and actively defending against frivolous patent litigation.

With regard to the management of employees' trade secrets, the provisions of the employee work code and employment contract are as follows:

- Employees are obliged to keep the confidentiality of personal business and Company business.
- Employees must not disclose any business secrets during or after employment; otherwise, the company has the right to terminate employment and has legal rights to pursue retrospective action and claim compensation for company losses.
- Employees employed by the Company shall not disclose or use the business secrets owned by their former employers.

In recent years, the Company has actively carried out overseas layout, and accelerated the deepening of the global market. In order to prudently plan the layout strategy and overseas business development, the layout analysis of overseas intellectual property rights, intellectual property Act and compliance and systems establishment, intellectual property rights management system integration and other related important implementation projects are regularly keep abreast of various progress through the relevant reporting of the Company along with proper response to possible operational risks.

2. Implementation

Current List of Intellectual Property Rights and Achievements:

(1) Patent:

- As of the end of December 2025, the Company has accumulated a total of 356 global patent applications and more than 209 granted global patents. In 2025, 6 foreign patents and 7 Taiwan patents were obtained.
- As of the end of December 2025, Zerova Technologies has accumulated more than 53 granted global patents, including 39 foreign patents and 14 Taiwan patents.

(2) Trademarks:

- As of the end of December 2025, the Company has accumulated a total of 99 global trademark applications and 96 granted global trademarks, including 77 foreign trademarks and 19 Taiwan trademarks, serving as a strong backing for sales and global market development.
- As of the end of December 2025, Zerova Technologies has accumulated a total of 55 global trademark applications and 48 granted global trademarks, including 44 foreign trademarks and 4 Taiwan trademarks, serving as a strong backing for sales and global market development.

V. Review and Analysis of Financial Position and Performance, and Risk Factors

1. Financial Position

Unit: NT\$ thousand; %

Item	Year		Difference	
	Year of 2024	Year of 2025	Amount	%
Current assets	9,549,116	8,312,648	(1,236,468)	(12.95)
Property, plant and equipment	4,322,817	4,544,303	221,486	5.12
Intangible assets	63,233	48,503	(14,730)	(23.29)
Other assets	1,067,984	1,067,741	(243)	(0.02)
Total assets	15,003,150	13,973,195	(1,029,955)	(6.86)
Current liabilities	3,876,534	4,665,927	789,393	20.36
Non-current liabilities	1,110,985	335,192	(775,793)	(69.83)
Total liabilities	4,987,519	5,001,119	13,600	0.27
Share capital (including advance receipts for share subscriptions)	4,312,084	4,247,724	(64,360)	(1.49)
Capital surplus	4,579,383	4,485,122	(94,261)	(2.06)
Retained earnings	399,371	(118,922)	(518,293)	(129.78)
Other equity	25,371	(225,893)	(251,264)	(990.36)
Shareholders' equity	10,015,631	8,972,076	(1,043,555)	(10.42)

The main reasons, the impacts and future response plans for the major changes in the company's assets, liabilities and shareholders' equity in the last two years (changes of more than 20% in the previous and later periods, and the amount of changes exceeds NT\$10 million)

1. Decrease in intangible assets: Primarily due to the amortization of intangible assets for the period.
2. Increase in current liabilities: Primarily due to the reclassification of corporate bonds payable to long-term liabilities due within one year.
3. Decrease in non-current liabilities: Primarily due to the reclassification of payable corporate bonds to long-term liabilities due within one year.
4. Decrease in retained earnings: Primarily due to an operating loss for the period.
5. Decrease in other equity: Primarily due to an increase in translation losses from the foreign operations' financial statements for the period.
6. Future contingency plans: Not applicable.

2. Financial Performance

Financial Performance Comparison Analysis Table

Unit: NT\$ thousand; %

Item	Year	Year of 2024	Year of 2025	Increase (Decrease) Amount	Changes %	Variance Analysis
Operating revenue		10,897,729	9,795,567	(1,102,162)	(10.11)	
Operating costs		7,956,668	7,732,830	(223,838)	(2.81)	
Operating gross profit		2,941,061	2,062,737	(878,324)	(29.86)	(1)
Operating expense		3,093,893	2,662,518	(431,375)	(13.94)	
Operating net profit (loss)		(152,832)	(599,781)	(446,949)	292.44	(1)
Non-operating income and expenses		451,833	43,563	(408,270)	(90.36)	(2)
Net profit before tax (loss)		299,001	(556,218)	(855,219)	(286.03)	(1)
Income tax expenses		(92,676)	(78,450)	14,226	(15.35)	
Net profit relating to continuing operations (loss)		206,325	(634,668)	(840,993)	(407.61)	(1)
Net profit (loss) for the year		206,325	(634,668)	(840,993)	(407.61)	(1)
Other comprehensive income (loss) for the period (net income after tax)		392,346	(250,266)	(642,612)	(163.79)	(3)
Total Comprehensive income (loss)		598,671	(884,934)	(1,483,605)	(247.82)	(3)
Net income (loss) attributable to owners of the company		206,325	(634,668)	(840,993)	(407.61)	(1)
Net income (loss) attributable to non-controlling interests		-	-	-	-	
Total comprehensive income (loss) attributable to owners of the company		599,121	(884,934)	(1,484,055)	(247.71)	(3)
Total comprehensive income attributable to non-controlling Interests		(450)	-	450	(100.00)	(4)

Descriptions:

- Analysis and explanation of the change in the increase and decrease ratio in the last two years: (Only the analysis of the change ratio that reaches 20%)
 - Gross profit, net operating loss, pre-tax profit (loss), net profit before tax, net profit from continuing operations, net profit (loss) for the period, and net profit (loss) attributable to owners of the parent company all decreased compared to the previous period, primarily due to a slowdown in shipments of high-margin products.
 - Non-operating income and expenses decreased compared to the previous period, primarily due to an increase in foreign exchange losses resulting from exchange rate fluctuations during the current period, and the sale of Spring City Resort equity interests in the previous period, which did not occur in the current period.
 - Other comprehensive income (loss) for the period (net income after tax), total comprehensive income for the period, and total comprehensive income attributable to owners of the parent company decreased compared to the previous period, primarily due to an increase in translation losses from the foreign operations' financial statements for the period.
 - Total comprehensive income attributable to non-controlling interests is 0 for this period, primarily due to the liquidation of invested companies with non-controlling interests.
- Explanation of significant changes in income or costs: None.
- The expected number of sales and its basis, the possible impact on the Company's future financial operations and response plans:

The Company's sales products range from power supply components to complete machine solutions for charging stations. The sales unit price varies greatly, and it is not appropriate to use the sales quantity as the basis for assessment. However, the Company continues to improve the process and introduce automation to increase production capacity and yield, in order to meet future sales order demand.

3. Cash Flow:

1. Cash Flow Analysis

Unit: NT\$ thousand

Year	Beginning Cash Balance	Net cash flows from operating activities in the year	Annual Cash Inflow (Outflow) Amounts	Cash Remaining (Insufficient) amount	Corrective Measures for Cash Deficit	
					Investment Plans	Financial Plans
2025	4,302,601	98,499	(804,085)	3,498,516	-	-
1. Analysis of changes in cash flow for the year: (1) Net cash inflow from operating activities: primarily due to collections of accounts receivable and inventory reductions. (2) Net cash outflow from investing activities: primarily for capital expenditures. (3) Net cash outflow from financing activities: primarily due to share repurchases.						

2. Corrective measures for cash deficit and liquidity analysis: None.

3. Liquidity Analysis for the Coming Year:

Unit: NT\$ thousand

Beginning Cash Balance	Net cash flows from operating activities in the year	Annual Cash Inflow (Outflow) Amounts	Cash Remaining (Insufficient) amount	Corrective Measures for Cash Deficit	
				Investment Plans	Financial Plans
3,498,516	(618,939)	(1,899,510)	1,599,006	-	-
1. Analysis of changes in cash flow for the coming year: (1) Net cash outflow from operating activities: primarily due to increases in accounts receivable and inventory. (2) Cash outflow: primarily due to the net cash outflow from operating activities, plus capital expenditures for the acquisition of property, plant, and equipment. 2. Remedial measures for expected cash shortfall and liquidity analysis: The company's estimated cash flow for the coming year is sufficient and secure.					

4. Effect Upon Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year

Unit: NT\$ thousand

Project	Source of Funds	Status of Fund Utilization As of the end of December 2025	Effect Upon Financial Operations
Tainan land and its plant	Working capital Self-owned funds	958,768	The Company built a plant in Tainan to solve the problems of insufficient space for production and assembly, insufficient space for reliability testing and insufficient floor loading in the Tainan plant, and to help Taiwanese businessmen return to Taiwan for investment and business development competitiveness.
Vietnam subsidiary and its plant	Working capital Self-owned funds	1,212,114	The Company invested in the construction of a new plant in Haiphong, North Vietnam. In addition to expanding the group's production capacity, it can also solve the tariff issues arising from the US-China trade war, which will help enhance the competitiveness of the group's products.
Dongguan Tiesong 3rd Plant	Working capital Self-owned funds	326,856	The Company invested and constructed the 3rd plant in Tiesong, Dongguan, to process the integration of the production base in Mainland China.
Japanese subsidiary plant	Working capital Self-owned funds	157,012	The Company invested in building Plant 1 in Chiba, Japan, to integrate Japanese production bases, while Plant 2 is used for office space.

5. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year:

Unit: NT\$ thousand

Makes investments	Investment profit and losses recognized in 2025	Investment Policy	Profit or Losses Main Reasons for	Improvement Plans for the Coming Year
PHIHONG INTERNATIONAL CORP.	(112,485)	Makes investments	Recognition of losses on investments in investee companies	Keeping abreast of investee company's operating conditions
PHIHONG USA CORP.	35,125	Sales of power supplies	Due to continued business expansion	-
PHITEK INTERNATIONAL CO., LTD.	(146,193)	Makes investments	Recognition of losses on investments in investee companies	Keeping abreast of investee company's operating conditions
ASCENT ALLIANCE LTD.	42,990	Makes investments	Recognition of gains on investments in investee companies	-
Guang-Lai Investment Co., Ltd.	17,306	General investments	Recognition of gains on investments in investee companies	-
PHIHONG TECHNOLOGY JAPAN CO., LTD.	32,749	Sales of power supply components	Due to gains from disposal of real estate assets	-
PHIHONG VIETNAM CO., LTD	106,013	Manufactures and sales of power supplies	Due to continued business expansion	-
Zerova Technologies Taiwan Limited	54,584	Manufactures and sales of power supplies Manufacturing and sales of electrical equipment and provision of electric vehicle charging solutions	Due to continued business expansion	-

Makes investments	Investment profit and losses recognized in 2025	Investment Policy	Profit or Losses Main Reasons for	Improvement Plans for the Coming Year
Zerova Technologies Taiwan Limited	(265,832)	Makes investments	Recognition of losses on investments in investee companies	Keeping abreast of investee company's operating conditions
Han-Yu Venture Capital Co., Ltd.	13,784	General investments	Due to investment gains	-
Zerova Technologies Europe B.V.	(27,221)	Manufacturing and sales of electrical equipment and provision of electric vehicle charging solutions	Below economic scale	Ongoing operational cost control
Zerova Technologies SG Pte. Ltd.	(225,754)	Reinvestment in other businesses and sales of electrical equipment	Below economic scale	Ongoing operational cost control
Zerova Technologies Japan Co., Ltd	(31,796)	Provides electric vehicle charging solutions	Below economic scale	Ongoing operational cost control
Zerova Technologies America Corporation	(1,655)	Makes investments	Recognition of losses on investments in investee companies	Keeping abreast of investee company's operating conditions
Zerova Technologies USA LLC	(1,485)	Manufacturing and sales of electrical equipment and provision of electric vehicle charging solutions	Below economic scale	Ongoing operational cost control
Phihong (Dongguan) Electronics Co. Ltd.	(45,748)	Manufacturing and sales of power supplies	Below economic scale	Ongoing operational cost control
Phihong Electronics (Suzhou) Co., Ltd.	(69,830)	Manufacturing and sales of power supplies	Below economic scale	Ongoing operational cost control
Dongguan Phitek Electronics Co., Ltd.	(154,144)	Manufacturing and sales of power supplies	Below economic scale	Ongoing operational cost control
Dongguan Shuang-Ying Electronics Co., Ltd.	(1,919)	Manufacturing and sales of electronic materials	Below economic scale	Ongoing operational cost control
Jin-Sheng-Hong (Jiangxi) Electronics Co., Ltd.	(47,352)	Manufacturing and sales of electronic materials	Below economic scale	Ongoing operational cost control
Zerova Technologies (Dongguan) Co., Ltd.	(112,774)	Provision of electric vehicle charging solutions	Below economic scale	Ongoing operational cost control
Zerova Trading Services (Dongguan) Co. Ltd.	(1,174)	Manufacturing and sales of electrical equipment and provision of electric vehicle charging solutions	The investment cancellation was filed with and approved by the Department of Investment Review, Ministry of Economic Affairs in November 2025.	-
Zerova (Shanghai) Trading Services Co., Ltd.	(4,169)	Manufacturing and sales of electrical equipment and provision of electric vehicle charging solutions	Below economic scale	Ongoing operational cost control

6. Risks and Assessments for the Most Recent Year and up to the Date of Printing of the Annual Report

- (1) Effect of Interest and Exchange Rate Fluctuations and Inflation on the Company's Profit or Loss, and Measures to Be Taken in Response: Impact of interest income and expense and exchange gains and losses on the Company in 2025:

Unit: NT\$ thousand, %

Item	Net Amount For 2025 (NT\$ thousand)	Percentage of 2025 Net Revenue	Percentage of 2025 Pre-tax Net Profit/Loss
Net interest income (expense)	55,300	0.56	(9.94)
Net foreign exchange (loss) gain	(153,625)	(1.57)	27.62

1. Interest Rate:

- (1) Impact on Company Profit and Loss: In 2025, the ratio of interest income and expenses to net revenue was very low,

and did not have a significant impact on the company's finances, operations, or profits.

(2) Future Countermeasures: The Company's finance department closely monitors interest rate trends and assesses the proportion of long-term and short-term loans to mitigate the adverse impact of interest rate fluctuations on the Company's profits. Cash on hand is mainly allocated to highly secure time deposits or principal-protected investment products to improve overall fund utilization and investment returns.

2. Exchange Rate:

(1) Impact on Company Profit and Loss: In 2025, the ratio of exchange gains and losses to net revenue was very low, and did not have a significant impact on the company's finances, operations, or profits.

(2) Future measures: The Company's purchases and sales are mainly denominated in U.S. dollars and its net exposure is not high. Therefore, the exchange rate policy is to hedge the risk of foreign exchange income, expenses, assets or liabilities arising from the Company's business operations. Currently, assets and liabilities offset each other for natural hedging purposes to reduce the impact of exchange rate fluctuations on the Company's profitability.

3. Inflation:

The Executive Yuan's Directorate-General of Budget, Accounting and Statistics announced that the Consumer Price Index (CPI) for 2025 was 109.60, with a year-on-year increase of 1.66%. The inflation risk remains within an acceptable range, and this inflation rate has no significant impact on the Company's operations.

(2) Policies on High-risk, Highly Leveraged Investments, Lending of Funds to Other Parties, Making of Endorsements/Guarantees, and Derivatives Trading, Main Reasons for Losses Generated Thereby, and Measures to Be Taken in Response:

1. In 2025, the Company did not engage in high-risk, high-leverage investments, and all investments were executed following our company's "Asset Acquisition and Disposal Procedures" after careful evaluation.

2. The funds lending and endorsements/guarantees by the Company and its subsidiaries are all directed towards subsidiaries. The financial and business conditions are normal, and the processes comply with the relevant regulations of the Securities and Futures Bureau and our company's "Procedures for Lending Funds to Others" and "Endorsement and Guarantee Procedures," thus eliminating the possibility of incurring losses.

3. The Company's derivative transactions are conducted according to the "Regulations Governing the Acquisition and Disposal of Assets," and such transactions are for hedging purposes. The selection of trading products should primarily aim to hedge risks associated with foreign exchange income, expenditure, assets, or liabilities arising from our business operations. In 2025, the Company did not engage in derivative transactions.

(3) Future R&D plans and projected R&D expenses:

1. In order to meet the needs of information, home appliances, optoelectronics and energy, the Company adopts high power, high density and low voltage intelligent power supply technology to meet the requirements of various environmental regulations and to achieve the goals of its future research and development program.

(1) 2025 R&D Plans:

- By adopting 3rd-generation semiconductors, we have completed the development of USB PD 65W/100W/140W/240W power adapters. We offer a variety of form factors, including fixed wall-mounted, interchangeable-plug wall-mounted, and desktop models, to meet the needs of diverse customers and product applications, thereby expanding sales opportunities and distribution channels. Additionally, we provide fixed or removable output cable designs to comply with EU Type-C regulations.
- Development of Fanless/Fan-cooled POE Open-Frame models in 100W, 260W, 460W, 550W, and 950W capacities to actively penetrate the data center and network switch markets.
- Industry-leading completion of bidirectional power and data conversion technology between POE and Type-C, including 30W and 60W POE Injectors, to assist customers in realizing smart home and office applications.
- Development of 350W fully digital redundant power modules and N+1 redundant power supply systems to actively target high-end niche markets such as data centers, network switches, and network security systems.
- Advancing V2G (Vehicle-to-Grid) technology: effectively utilizing EV power to enable nationwide EVs to feed back into the national grid or home energy storage systems during emergencies through bidirectional power technology. Completed development of the DW50 series, offering dual-port simultaneous charging, support for bidirectional V2G (UL 1741/9741), and the ability to initiate EV reverse discharge during power outages. The units are available in pole-mounted, wall-mounted, or portable configurations and feature a 10-inch touchscreen to accommodate various application scenarios.
- Large-scale charging product design DQ 480: Supports up to 4 charging guns (including up to 2 water-cooled guns), with all 4 guns capable of simultaneous charging; charging current of up to 500A / Boost 750A. It maintains full 480kW power output without derating at an ambient temperature of 50°C. Equipped with a 21-inch advertising screen (optional) and a 7-inch operation screen, making it suitable for high-power all-in-one charging stations or commercial applications requiring large-screen outdoor advertising charging stations.
- MCS Megawatt Heavy-Duty Vehicle Charging Technology Development: Supports Level 2 MCS and CCS, available in dual-port and 16-port configurations, enabling simultaneous charging and Dynamic Power Sharing. Supports MCS current output of 1500-3000A / CCS current can be boosted to 600A. With superior energy density compared to industry peers such as Alpitronic, it saves installation space and supports all Zerova charging cabinets. Designed for heavy-duty vehicles, including long-haul tankers, electric yachts, and mining transport vehicles, covering commercial, high-end private, and concessionary sectors.


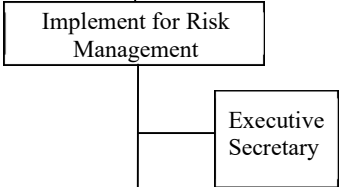
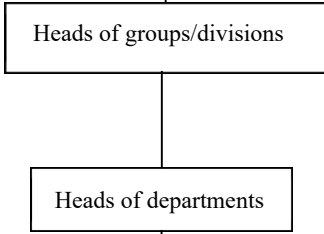
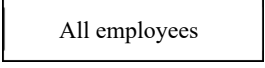
- AD/DD Hybrid Charging and Storage Integrated Charging Station Technology: Supports energy storage systems and bidirectional V2G, enabling energy storage systems to feed power back into the grid. This reduces grid power demand, facilitates peak shaving and valley filling to increase grid efficiency and power stability, and also supports PCS functionality to lower overall costs.
- (2) Estimated R&D expenses for 2026: approximately NT\$ 1.116 billion.
- (4) Effect of Important Policies Adopted and Changes in the Legal Environment at Home and Abroad on the Company's Financial Operations and Measures to Be Taken in Response: None.
- (5) Effect of Changes in Technology (Including Risks of Information and Communication Security) and Industry on the Company's Financial Operations and Measures to Be Taken in Response:
- Current technological developments are cloud-based information networks, the Internet of Things, optoelectronic applications, smart device applications (e.g. wearable devices). The automotive electronics, 5G, gaming laptops, folding smartphones, electric vehicle charging stations, and E-bike industries are booming. The range of power supply applications is expanding. In response to the trend of energy saving and carbon reduction, our power supplies are designed to be "thin and light, high performance and high reliability", emphasizing the use of minimal raw material consumption to maximize performance and comply with various environmental regulations. They are widely used in various electronic products and are reflected in revenue and profitability.
 - Furthermore, with technological advancement, global information security threats are increasing daily. In response to these challenges, our company established an Information Security Committee in 2022 and recruited dedicated information security supervisors and personnel in 2023. We implement various information security policies, strengthen employee cybersecurity training, and engage external professional cybersecurity teams to provide optimal security solutions and vulnerability scanning assessment services. These measures enhance the company's overall information and communication security while reducing operational and financial risks.
- (6) Effect of Changes in the Corporate Image on the Company's Crisis Management and Measures to Be Taken in Response:
The Company has been running its business in a prudent manner and has maintained a good corporate image. In recent years, the Company has strengthened its corporate governance and financial transparency, and adhered to its business philosophy of "excellent design, quality, accurate delivery, reasonable price and satisfactory service". The Company's growth momentum will continue to expand steadily in response to any possible corporate crisis and to maintain a good corporate image.
- (7) Expected Benefits and Possible Risks Associated with Mergers and Acquisitions and Measures to Be Taken in Response: None.
- (8) Expected Benefits and Possible Risks Associated with Plant Expansion and Measures to Be Taken in Response:
In order to seize the opportunities for explosive growth in the EV market and meet the production capacity required by the continuous influx of orders; and to continue to reduce dependence on the Chinese supply chain and ensure that core technologies and capabilities are protected, the Board of Directors approved the capital expenditure plan for the Tainan third plant.
- Expected benefits: Due to the limited capacity of Tainan Plants 1 and 2, planning ahead for medium and long-term order demands, it is expected to increase the production capacity of AC/DC charging stations.
 - Possible Risks: overall market is weak, terminal demand is slowing, and market demand is not as expected.
 - Measures to Be Taken in Response: through innovative R&D capabilities, high-quality after-sales service, and providing complete solutions to candidate, even if market demand slows down, the Company can reduce this impact by increasing its market share.
- (9) Risks Associated with Consolidation of Purchasing or Sales Operations and Measures to Be Taken in Response:
The Company's major sources of purchase and sales are shown in the relevant sections of this annual report. In view of the company's operations, industry growth trends and the rapid changes in market supply and demand, the Company has focused on diversifying its sources of supply from multiple suppliers and production locations, and has diversified its sales targets in order to balance risks and operate in a stable manner. In addition, the Company has strengthened the credit management of its sales customers and has been tracking its accounts receivable on a monthly basis to reduce the risk of non-performing accounts.
- (10) Effect on and Risk to the Company in the Event a Major Quantity of Shares Belonging to Directors, Supervisors, or Shareholders Holding Greater than a 10% Stake Has Been Transferred or Has Otherwise Changed Hands and Measures to Be Taken in Response: As at the date of the annual report, there was no significant transfer of shareholdings of the directors or the 10% majority shareholder of the Company.
- (11) Effect on and Risk to the Company Associated with Changes in Management Rights and Measures to Be Taken in Response: There has been no change in the Company's operating rights as at the date of printing of the annual report.

(12) Litigation and non-litigation:

1. The major litigation, non-litigation, or administrative litigation in which the Company is currently involved: The criminal case against Defendants Zhang ○○ and Nguyen ○○ for infringement of the Company's trade secrets in violation of the Trade Secrets Act and other related laws has been prosecuted by the Taoyuan District Prosecutors Office under Article 251, Paragraph 1 of the Code of Criminal Procedure. A verdict was handed down by the Taoyuan District Court on January 19, 2026. In consideration of the Company's overall interests, the Company has filed an appeal regarding certain aspects of the judgment in accordance with the law. The Taoyuan District Prosecutors' Office also filed an appeal on February 9, 2026.
2. The major litigation, non-litigation or administrative disputes that have been determined or are currently pending against the Company's directors, general manager, beneficial owners and substantial shareholders holding more than 10% of the shares and their subsidiaries in the last two years: None.

(13) Other important risk management measures:

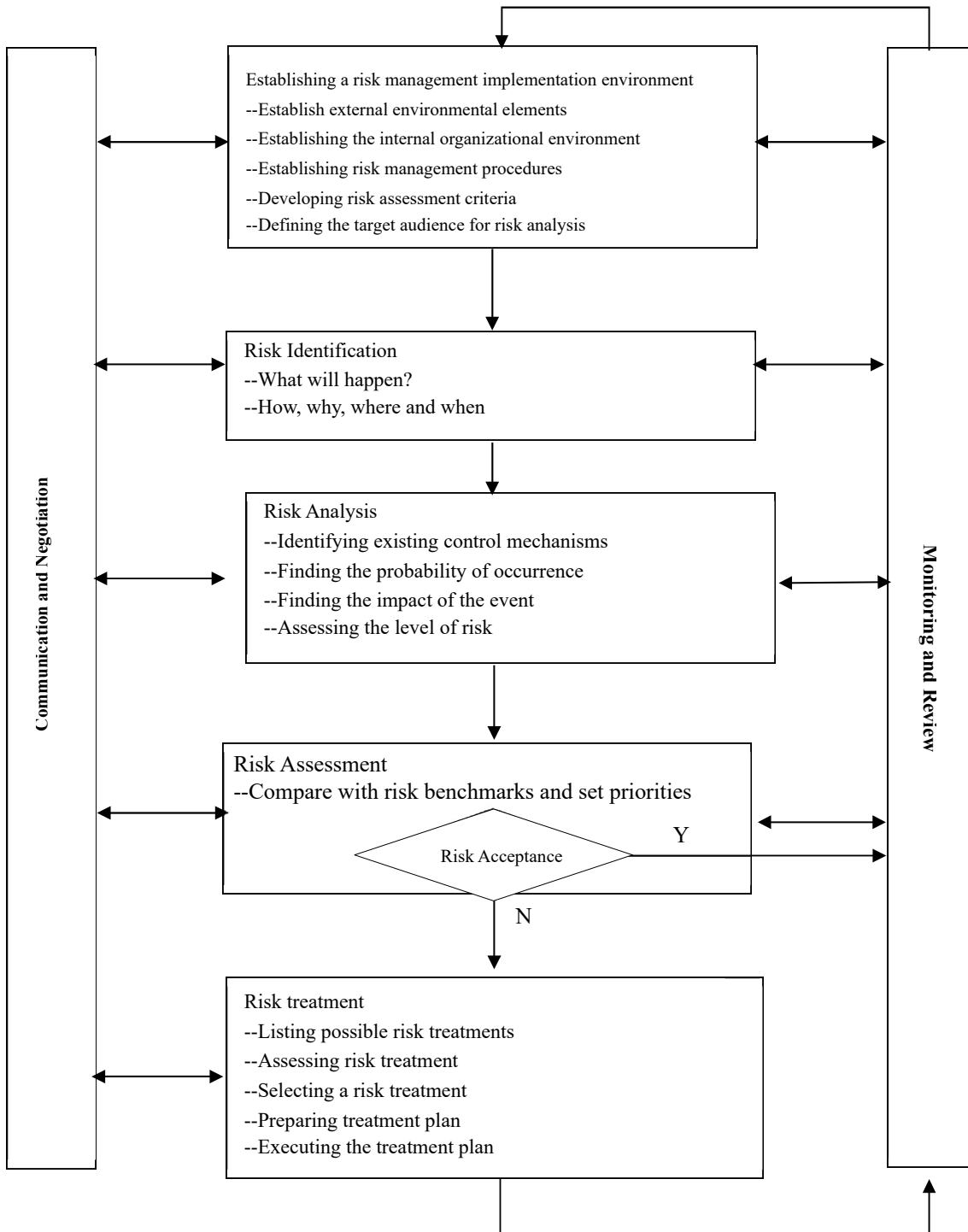
1. Risk Management Organization:

Organizational Chart	Responsibility
	<ol style="list-style-type: none"> 1. Commitment and support to risk management 2. Act as or appoint the Risk Management Executive 3. Design risk management strategic direction 4. Communicate and determine risk priorities and tolerances 5. Ensure appropriate staff engagement and resource allocation 6. Ongoing engagement and provide appropriate incentives
	<ol style="list-style-type: none"> 1. Raise supervisors' awareness of risk management 2. Develop a risk profile 3. Provide advice on implementation and change management strategies 4. Facilitate the development of organizational risk policies 5. Ensure that training is in line with needs 6. Monitor and review the performance of risk management policies
	<ol style="list-style-type: none"> 1. Participate in assessing organizational readiness and awareness of organizational risks 2. Assess internal risk management capabilities 3. Inspect the environment and recognize opportunities and threats 4. Understand and communicate organizational risk management approaches and recommendations for organizational staff 5. Provide strategic advice 6. Systematically identify and manage risks and ensure that risk management is implemented 7. Implement necessary training and activities to achieve learning outcomes 8. Implement or formulate relevant risk management measures according to the responsibilities of each unit. Please refer to Table 8 - Risk Management Responsibilities Chart 9. Produce reports on the implementation of risk management plans
	<ol style="list-style-type: none"> 1. Understand and implement individual risk management responsibilities 2. Be aware of risk issues 3. Understand and advise on organizational direction 4. Provide risk management contributions

2. Scope of Risk Management:

The Company is committed to integrating and managing all potential strategic, operational, financial and hazardous risks that may affect operations and profits in a proactive and cost-effective manner. Its purpose is to provide appropriate risk management for all stakeholders, and use the Risk MAP to assess the frequency of risk events and the severity of the company's operational impact, define the priority of risks and the risk level, and adopt corresponding risk management strategies according to the risk level. Our company's risk management encompasses ten categories: "power and water outages," "environmental and climate change," "threat of major infectious diseases," "occupational safety risks," "information security risks," "ethical risks," "financial risks," "supplier risks," "global geopolitical risks," and "macroeconomic risks."

3. Risk Management Execution Strategy



4. Risk Management Operation Status:

The risk management execution team belongs to the Group General Manager's office. The General Manager serves as or designates the chief executive officer of risk management. Each business unit regularly conducts risk factor identification and risk control to promote more efficient command and dispatch, self-assessment and implementation of risk management organizations.

The Company reported to the Board of Directors on the overall risk management status on August 12, 2025, covering risk assessment and management operations, and reported the implementation content and effectiveness of information security management on November 7, 2025.

7. Other Important Matters

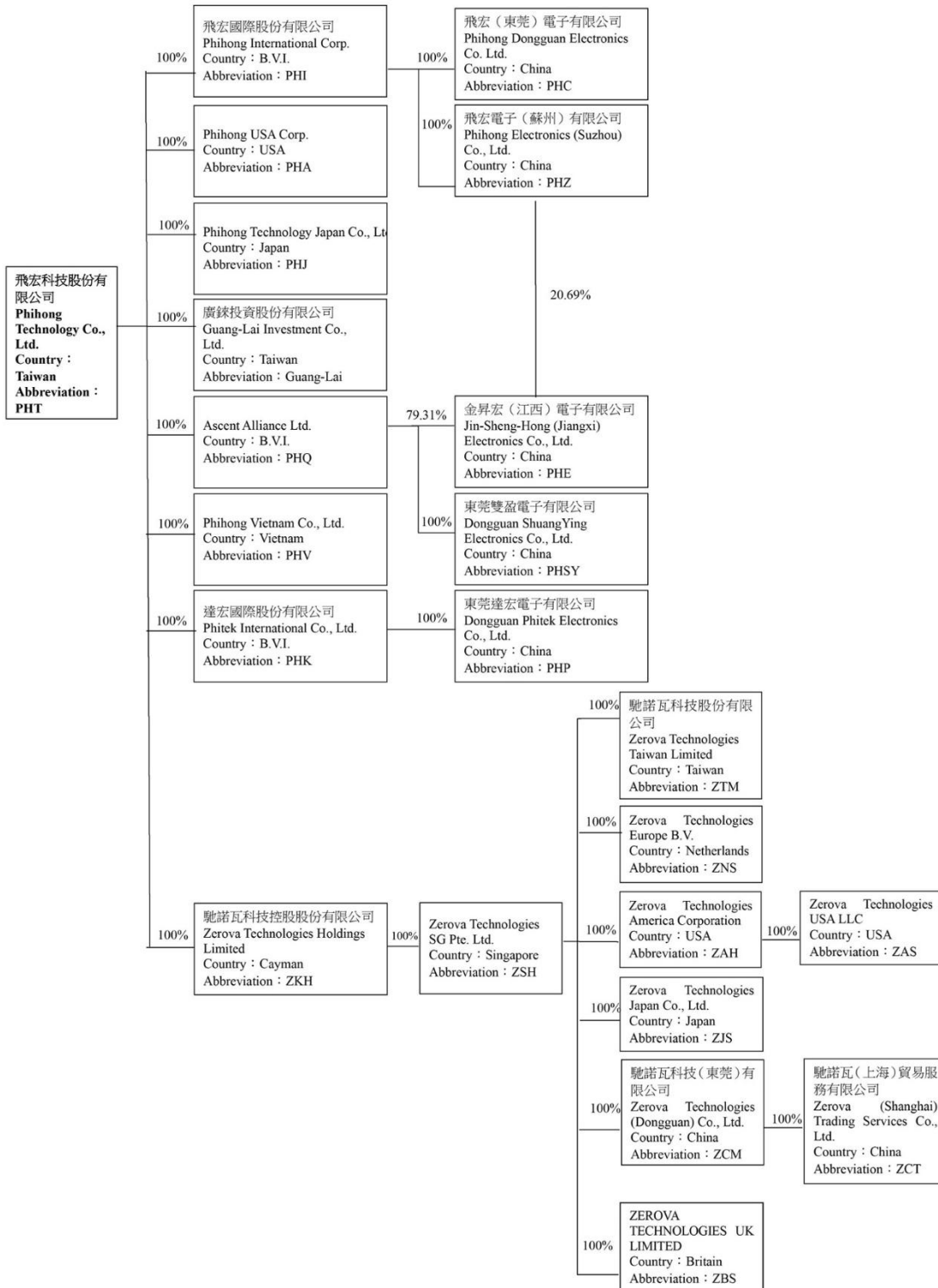
There were no such cases in the most recent year and up to the date of publication of the annual report.

VI. Special Disclosure

1. Information on Affiliates

(1) Organizational chart of affiliates

Date: April 30, 2026



(2) Basic information on affiliates

Unit: NT\$ thousand/Foreign Currencies

Company Name	Date of Incorporation	Address	Paid-in Capital	Principal Business or Production Items
PHIHONG INTERNATIONAL CORP.	May, 1996	PORTCULLIS TRUSTNET CHAMBERS, P.O. BOX 3444, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	USD 98,059,683	Makes investments
PHITEK INTERNATIONAL CO., LTD.	Aug. 1999	PORTCULLIS TRUSTNET CHAMBERS, P.O. BOX 3444, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	USD 18,840,000	Makes investments
ASCENT ALLIANCE LTD.	Jun. 2004	PORTCULLIS TRUSTNET CHAMBERS, P.O. BOX 3444, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	USD 12,012,600	Makes investments
PHIHONG USA CORP.	Apr. 1997	47800 FREMONT BLVD, FREMONT, CA 94538, USA	USD 6,200,000	Sales of power supplies
PHIHONG TECHNOLOGY JAPAN CO., LTD.	Apr. 2010	10F, PMO EX Nihonbashi Kayabacho, 2-12-10 Kayabacho, Chuo-ku, Tokyo	JPY 500,000,000	Sales of power components
PHIHONG VIETNAM CO., LTD.	Feb. 2019	Thửa đất B34, B35, B36, B37 Thuộc lô CN5, khu công nghiệp An Dương, Phường An Phong, thành phố Hải Phòng, Việt Nam	USD 65,000,000	Manufacturing and sales of power supplies
Guang-Lai Investment Co., Ltd.	Oct. 2001	10F., No. 172, Sec. 2, Minsheng E. Rd., Zhongshan Dist., Taipei City	139,758	General investments
Phihong (Dongguan) Electronics Co. Ltd.	Mar. 1996	Building 6, No. 133-1, Tiesong Road, Qingxi Town, Dongguan City, Guangdong Province	HKD 495,450,000	Manufacturing and sales of power supplies
Phihong Electronics (Suzhou) Co., Ltd.	Feb. 2003	Room 1407, Building 8, Shishan Tianjie Life Mall, Suzhou High-tech Zone, Jiangsu Province	USD 31,960,000	Manufacturing and sales of power supplies
Dongguan Phitek Electronics Co., Ltd.	Nov. 1999	Room 101, 5/F, No. 133-1 Tiesong Road, Qingxi Town, Dongguan City, Guangdong Province	USD 20,140,000	Manufacturing and sales of various power supplies
Dongguan Shuang-Ying Electronics Co., Ltd.	Jun. 2004	Room 201, No. 35-1 Tiesong Second Road, Qingxi Town, Dongguan City, Guangdong Province	HKD 9,000,000	Manufacturing and sales of electronic materials
Jin-Sheng-Hong (Jiangxi) Electronics Co., Ltd.	Jan. 2006	No. 16-4 Huoju Second Road, High-tech Industrial Park, Fengcheng City, Jiangxi Province	USD 14,500,000	Manufacturing and sales of electronic materials
Zerova Technologies Holdings Limited	Mar. 2022	Suite 102, Cannon Place, P.O. Box 712, North Sound Rd., George Town, Grand Cayman, KY1-9006 Cayman Islands	USD 69,927,260	Makes investments
Zerova Technologies Taiwan Limited	Mar. 2022	No. 99, Zhengnan 1st St., Yongkang Dist., Tainan City	600,000	Sales of power supplies
Zerova Technologies SG Pte. Ltd.	Jul. 2022	111 NORTH BRIDGE ROAD #06-20 PENINSULA PLAZA SINGAPORE (179098)	USD 65,872,408	Reinvestment in other businesses and sales of electrical equipment
Zerova Technologies Europe B.V.	Jun. 2022	Keizer Karelweg 223, Amstelveen 1181 RC, The Netherlands	EUR 3,000,000	Provision of electric vehicle charging solutions
Zerova Technologies Japan Co., Ltd	Sep. 2022	PMOEX Nihonbashi Kayabacho, 10F, 2-12-10 Kayabacho, Nihonbashi, Chuo-ku, Tokyo,	JPY 80,000,000	Provision of electric vehicle charging solutions

Company Name	Date of Incorporation	Address	Paid-in Capital	Principal Business or Production Items
Zerova Technologies (Dongguan) Co., Ltd.	Aug.2022	Room 201, 5/F, No. 133-1 Tiesong Road, Qingxi Town, Dongguan City, Guangdong Province	USD 8,950,000	Provision of electric vehicle charging solutions
Zerova Trading Services (Dongguan) Co. Ltd.(Note)	Aug.2022	Room 401, 5/F, No. 133-1 Tiesong Road, Qingxi Town, Dongguan City, Guangdong Province	USD 670,000	Sale of electrical equipment and provision of electric vehicle charging solutions
Zerova (Shanghai) Trading Services Co., Ltd.	Dec. 2007	Room C, 6/F, Building A, Fuqun Business Tower, No. 3089 Hechuan Road, Minhang District, Shanghai	USD 1,605,000	Sale of electrical equipment and provision of electric vehicle charging solutions
Zerova Technologies America Corporation	Jul. 2022	732 S 6th St, Ste R, Las Vegas, NV 89101, USA	USD 3,050,000	Makes investments
Zerova Technologies USA LLC	Jul. 2022	47800 FREMONT BLVD., FREMONT, CA 94538, USA	USD 3,000,000	Provision of electric vehicle charging solutions

Note: The investment cancellation was filed with and approved by the Department of Investment Review, Ministry of Economic Affairs in November 2025.

(3) Same shareholders under presumption of a relationship of control or subordination: None.

(4) Industries covered by the overall business operated by affiliates:

1. Principal business: Manufacture and sale of various products, such as power transformers, frequency converters, converters, power supplies and electronic ballasts.
2. General investments.
3. Research and development, sales and manufacturing of electrical equipment.

(5) Directors, supervisors, and general manager of affiliates

Company Name	Title	Name or Representative	Shareholding	
			Number of shares	%
PHIHONG INTERNATIONAL CORP.	Director	Peter Lin	98,059,683	100.00
PHITEK INTERNATIONAL CO., LTD.	Director	Phihong Technology Co., Ltd. Representative: Lin, Chung-Min	18,840,000	100.00
ASCENT ALLIANCE LTD.	Director	Phihong Technology Co., Ltd. Representative: Lin, Chung-Min	12,012,600	100.00
PHIHONG USA CORP.	Chairman	Phihong Technology Co., Ltd. Representative: Lin, Fei-Hong	3,100,000	100.00
	Director	Lin, Fei-Hong	-	-
	President	Lin, Yang-Hong	-	-
PHIHONG TECHNOLOGY JAPAN CO., LTD.	Representative	Phihong Technology Co., Ltd. Representative: Lin, Fei-Hong	25,000	100.00
	Director	Phihong Technology Co., Ltd. Representative: Lin, Fei-Hong	25,000	100.00
PHIHONG VIETNAM CO., LTD.	President	Phihong Technology Co., Ltd. Representative: Lin, Chung-Min	65,000,000	100.00
Guang-Lai Investment Co., Ltd.	Chairman	Phihong Technology Co., Ltd. Representative: Lin, Chung-Min	13,975,828	100.00
	Director	Phihong Technology Co., Ltd. Representative: Lin, Kuan-Hong	13,975,828	100.00
	Director	Phihong Technology Co., Ltd. Representative: ALLAN LIN	13,975,828	100.00
	Supervisor	Phihong Technology Co., Ltd. Representative: Chien, Shu-Nu	13,975,828	100.00
Phihong (Dongguan) Electronics Co. Ltd.	Chairman	PHIHONG INTERNATIONAL CORP. Representative: Lin, Chung Min	-	-
	Director	PHIHONG INTERNATIONAL CORP. Representative: Chien, Shu-Nu	-	-
	Director	PHIHONG INTERNATIONAL CORP. Representative: Lin, Yang-Hong	-	-

Company Name	Title	Name or Representative	Shareholding	
			Number of shares	%
Pihong Electronics (Suzhou) Co., Ltd.	Chairman	PHIHONG INTERNATIONAL CORP. Representative: Lin, Chung Min	-	-
	Director	PHIHONG INTERNATIONAL CORP. Representative: Lin, Kuan-Hong	-	-
	Director	PHIHONG INTERNATIONAL CORP. Representative: Lin, Yang-Hong	-	-
	Supervisor	PHIHONG INTERNATIONAL CORP. Representative: Lin, Fei-Hong	-	-
Zerova (Shanghai) Trading Services Co., Ltd.	Chairman	Zerova Technologies (Dongguan) Co., Ltd. Representative: Chen, Chun-Cheng	-	-
	Supervisor	Zerova Technologies (Dongguan) Co., Ltd. Representative: Lin, Fei-Hong	-	-
Dongguan Phitek Electronics Co., Ltd.	Chairman	PHITEK INTERNATIONAL CO., LTD. Representative: Lin, Kuan-Hong	-	-
	Director	PHITEK INTERNATIONAL CO., LTD. Representative: Lin, Yang-Hong	-	-
	Director	PHITEK INTERNATIONAL CO., LTD. Representative: Chien, Shu-Nu	-	-

Company Name	Title	Name or Representative	Shareholding	
			Number of shares	%
Dongguan Shuang-Ying Electronics Co., Ltd	Chairman	ASCENT ALLIANCE LTD. Representative: Lin, Chung Min	-	-
	Director	ASCENT ALLIANCE LTD. Representative: Lin, Fei-Hong	-	-
	Director	ASCENT ALLIANCE LTD. Representative: Lin, Kuan-Hong	-	-
Jin-Sheng-Hong (Jiangxi) Electronics Co., Ltd.	Director	ASCENT ALLIANCE LTD. Representative: Su, Chien-Chung	-	-

Company Name	Title	Name or Representative	Shareholding	
			Number of shares	%
Zerova Technologies Holdings Limited	Director	Phihong Technology Co.,LTD. Representative: Lin, Fei-Hong	699,272,603	100.00
	Director	Phihong Technology Co.,LTD. Representative: Yang, Wei-Jie	699,272,603	100.00
	Director	Phihong Technology Co.,LTD. Representative: Chen, Chun-Cheng	699,272,603	100.00
Zerova Technologies SG Pte. Ltd.	Director	Zerova Technologies Holdings Limited Representative: Lin, Fei-Hong	67,649,888	100.00
	Director	Zerova Technologies Holdings Limited Representative: Yang, Wei-Jie	67,649,888	100.00
	Director	Zerova Technologies Holdings Limited Representative: Chen, Chun-Cheng	67,649,888	100.00
	Director	Zerova Technologies Holdings Limited Representative: Wong Yong Fei	67,649,888	100.00
	Chairman	Zerova Technologies SG Pte. Ltd. Representative: Lin, Fei-Hong	60,000,000	100.00
Zerova Technologies Taiwan Limited	Director	Zerova Technologies SG Pte. Ltd. Representative: Yang, Wei-Jie	60,000,000	100.00
	Director	Zerova Technologies SG Pte. Ltd. Representative: Chen, Chun-Cheng	60,000,000	100.00

Company Name	Title	Name or Representative	Shareholding	
			Number of shares	%
Zerova Technologies (Dongguan) Co., Ltd.	Director	Zerova Technologies SG Pte. Ltd. Representative: Lin, Fei-Hong	8,950,000	100.00
	Supervisor	Zerova Technologies SG Pte. Ltd. Representative: Chen, Chun-Cheng	8,950,000	100.00
Zerova Trading Services (Dongguan) Co. Ltd. (Note)	Director	Zerova Technologies SG Pte. Ltd. Representative: Chen, Chun-Cheng	670,000	100.00
	Supervisor	Zerova Technologies SG Pte. Ltd. Representative: Lin, Fei-Hong	670,000	100.00
Zerova Technologies Japan Co., Ltd.	Representative Director	Zerova Technologies SG Pte. Ltd. Representative: Lin, Fei-Hong	8,000	100.00
Zerova Technologies America Corporation	Director	Zerova Technologies SG Pte. Ltd. Representative: Lin, Fei-Hong	3,050,000	100.00
	Director	Zerova Technologies SG Pte. Ltd. Representative: Yang, Wei-Jie	3,050,000	100.00
Zerova Technologies USA LLC	Director	Zerova Technologies America Corporation Representative: Lin, Fei-Hong	3,000,000	100.00
	Director	Zerova Technologies America Corporation Representative: Yang, Wei-Jie	3,000,000	100.00
Zerova Technologies Europe B.V.	Director	Zerova Technologies SG Pte. Ltd. Representative: Lin, Fei-Hong	100	100.00
	Director	Smith, Stephen Paul	-	-
	Director	Hung, Chien-Yung	-	-

Note: The investment cancellation was filed with and approved by the Department of Investment Review, Ministry of Economic Affairs in November 2025.

(6) Overview of business operations of affiliates

Unit: NT\$ thousand unless otherwise specified, except for earnings
(loss) per share which is NT\$

Company Name	Capital	Total Assets	Total Liabilities	Net Value	Operating revenue	Operating Income (losses)	Net Profit (Loss) for the year (Net of Income Tax)	Profit (loss) per share (dollars) (after tax)
PHIHONG INTERNATIONAL CORP.	USD 98,059,683	\$ 2,622,448	\$ 50	\$ 2,622,398	-	(\$ 286)	(\$ 116,268)	Not applicable
PHITEK INTERNATIONAL CO., LTD.	USD 18,840,000	3,374	598,891	(595,517)	-	(289)	(154,569)	Not applicable
ASCENT ALLIANCE LTD.	USD 12,012,600	66,125	3,521	62,604	-	(274)	43,208	Not applicable
PHIHONG USA CORP.	USD 6,200,000	1,441,618	172,433	1,269,185	2,235,201	28,967	35,125	Not applicable
PHIHONG TECHNOLOGY JAPAN CO., LTD.	JPY 500,000,000	376,518	143,908	232,610	275,351	(24,576)	32,732	Not applicable
PHIHONG VIETNAM CO., LTD.	USD 65,000,000	2,780,409	1,000,719	1,779,690	3,290,625	92,221	106,025	Not applicable
Guang-Lai Investment Co., Ltd.	139,758	136,751	80	136,671	-	(100)	17,306	Not applicable
Pihong (Dongguan) Electronics Co. Ltd.	HKD 495,450,000	2,096,438	644,462	1,451,976	2,963,094	(52,106)	(45,748)	Not applicable
Pihong Electronics (Suzhou) Co., Ltd.	USD 31,960,000	1,163,618	5,967	1,157,651	-	(1,490)	(69,830)	Not applicable
Dongguan Phitek Electronics Co., Ltd.	USD 20,140,000	924,313	1,523,154	(598,841)	1,519,932	(126,545)	(154,144)	Not applicable
Dongguan Shuang-Ying Electronics Co., Ltd.	HKD 9,000,000	97,258	31,161	66,097	194,747	(8,352)	(1,919)	Not applicable
Jin-Sheng-Hong (Jiangxi) Electronics Co., Ltd.	USD 14,500,000	77,172	81,466	(4,294)	161,624	(48,381)	(47,352)	Not applicable
Zerova Technologies Holdings Limited	USD 69,927,260	2,600,709	430	2,600,279	-	(2,328)	(235,407)	Not applicable
Zerova Technologies Taiwan Limited	600,000	1,628,314	453,673	1,174,641	1,546,668	42,725	54,584	Not applicable
Zerova Technologies SG Pte. Ltd.	USD 65,872,408	3,408,827	716,370	2,692,457	2,025,063	(172,571)	(238,545)	Not applicable
Zerova Technologies Europe B.V.	EUR 3,000,000	138,845	41,112	97,733	321,169	(32,062)	(27,221)	Not applicable
Zerova Technologies Japan Co., Ltd	JPY 80,000,000	187,189	166,171	21,018	277,692	(37,386)	(31,796)	Not applicable
Zerova Technologies (Dongguan) Co., Ltd.	USD 8,950,000	388,958	249,534	139,424	771,926	(96,548)	(112,774)	Not applicable
Zerova Trading Services (Dongguan) Co. Ltd. (Note)	USD 670,000	-	1,037	(1,037)	-	(1,175)	(1,174)	Not applicable

Company Name	Capital	Total Assets	Total Liabilities	Net Value	Operating revenue	Operating Income (losses)	Net Profit (Loss) for the year (Net of Income Tax)	Profit (loss) per share (dollars) (after tax)
Zerova (Shanghai) Trading Services Co., Ltd.	USD 1,605,000	72,259	58,991	13,268	133,322	(4,490)	(4,169)	Not applicable
Zerova Technologies America Corporation	USD 3,050,000	287,637	-	287,637	-	(188)	(1,655)	Not applicable
Zerova Technologies USA LLC	USD 3,000,000	790,129	503,551	286,578	1,133,995	(8,179)	(1,485)	Not applicable

Note: The investment cancellation was filed with and approved by the Department of Investment Review, Ministry of Economic Affairs in November 2025.

2. Private Placement of Securities during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report

No private placement of marketable securities has been processed during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual private.

3. Other Supplementary Information:

The basis of valuation of the presentation of assets and liabilities in the financial statements

Items	Asset and liability valuation accounts	Basis of assessment	Foundation of Evaluation
1	Allowance for doubtful debts	Expected credit losses over the life of the asset	Calculated using a provision matrix with reference to customers' past default records, current financial position, and other forward-looking information.
2	Allowance for doubtful losses on inventories	Lower of cost or net realizable value	The lower of cost or net realizable value method is used for the evaluation of inventories on a line-by-line basis.

4. Matters of Significant Effects on Shareholders' Interests or Securities Price Stipulated in Subparagraph 2, Paragraph 3, and Article 36 of the Securities and Exchange Act

There were no such cases in the most recent year and up to the date of publication of the annual report.