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中興電工機械股份有限公司

Chung-Hsin Electric & Machinery Mfg. Corp.

Overview

- **Founded:** May 1956
- **Capital:** NT\$5.03 billion
- **Annual Revenue:** NT\$25.6 billion
- **Business Areas:**
power transmission and distribution
equipment, electrical & air-conditioning
engineering, hydrogen fuel cells
- **Listed:** Taiwan Stock Exchange
(Code 1513), since 1994
- **Headquarters:** Linkou, Taiwan
- **Certification:** ISO 9001/ ISO 27001/ ISO 45001
- **Website:** <http://www.chem.com.tw>



International Certification

Aerospace

AS-9100 Rev D
NADCAP
GE S1000 Audit

Occupational Safety & Health

ISO 14001
ISO 45001
TOSHMS

Quality System

TAF
CNS
ISO 9001

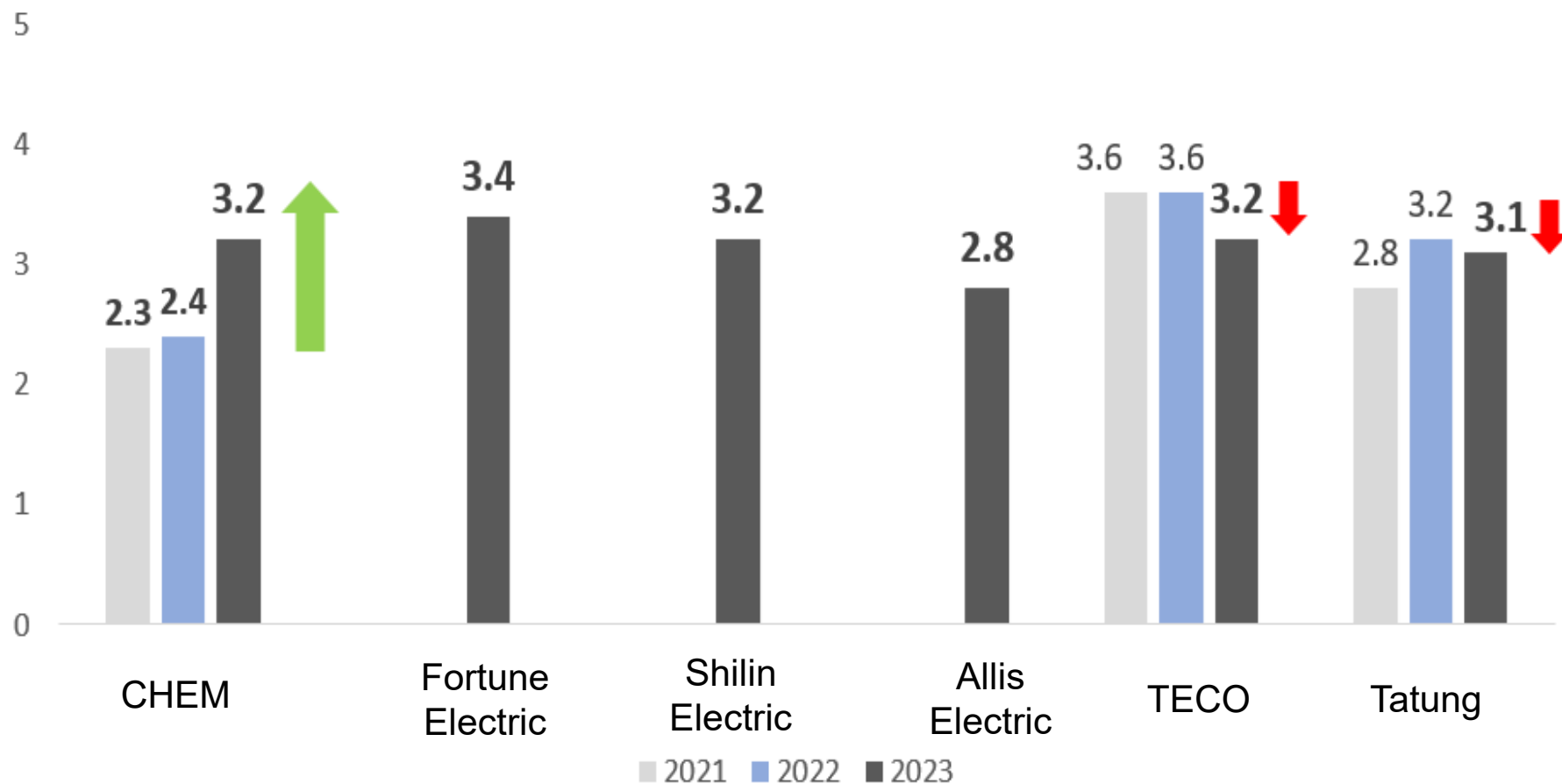
Governance

ISO 27001
ISO 37001
TIPS



ESG Rating

2021-2023 FTSE ESG Rating



CHEM (1513TT / 1513.TW)

TWSE Industry Classification: Electric Machinery

SASB Industry Classification: Engineering & Construction Services

ESG Rating Highlights

Latest ESG Ratings (last updated on December 24, 2024)

ESG Rating ¹ for Listed Cos.	Economy (E)	Environment (E)	Social (S)	Disclosure (D)
A	11-30%	11-30%	11-30%	51-70%

Source: Taiwan Index Plus Corporation

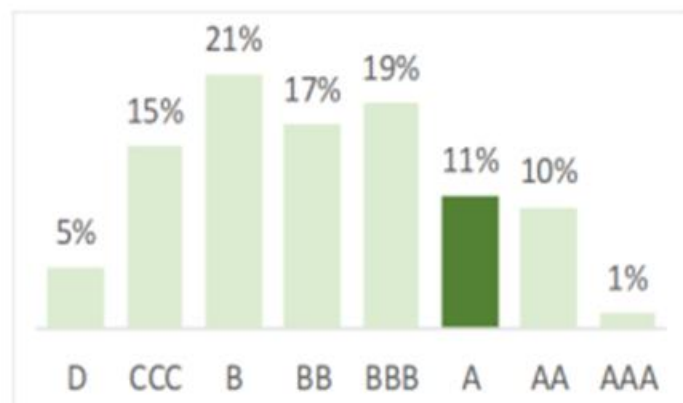
Note 1: AAA = a total score in top 5% of all evaluated companies after standardization; AA-BBB = in 5-42.5%; BB-CCC = in 42.5-95%; D = in 95-100%. Evaluation based on 2023 ESG reports and publicly available information. A total of 1,018 listed companies evaluated in 2024.

ESG rating history



Source: Taiwan Index Plus Corporation

ESG ratings for 334 manufacturers



Achievements & Awards – EPC Projects

Awarded by the Public
Construction Commission,
Executive Yuan, Taiwan

Construction Golden
Quality Awards

■ Achievements:

- Guguan and Qingshan hydropower projects – capacity of 658.3 MW
- Wind power projects – **92 units, capacity of 145.76 MW**
- Solar power projects – capacity of 218.6 MW
- **Offshore power generation units – capacity of 28.3 MW**

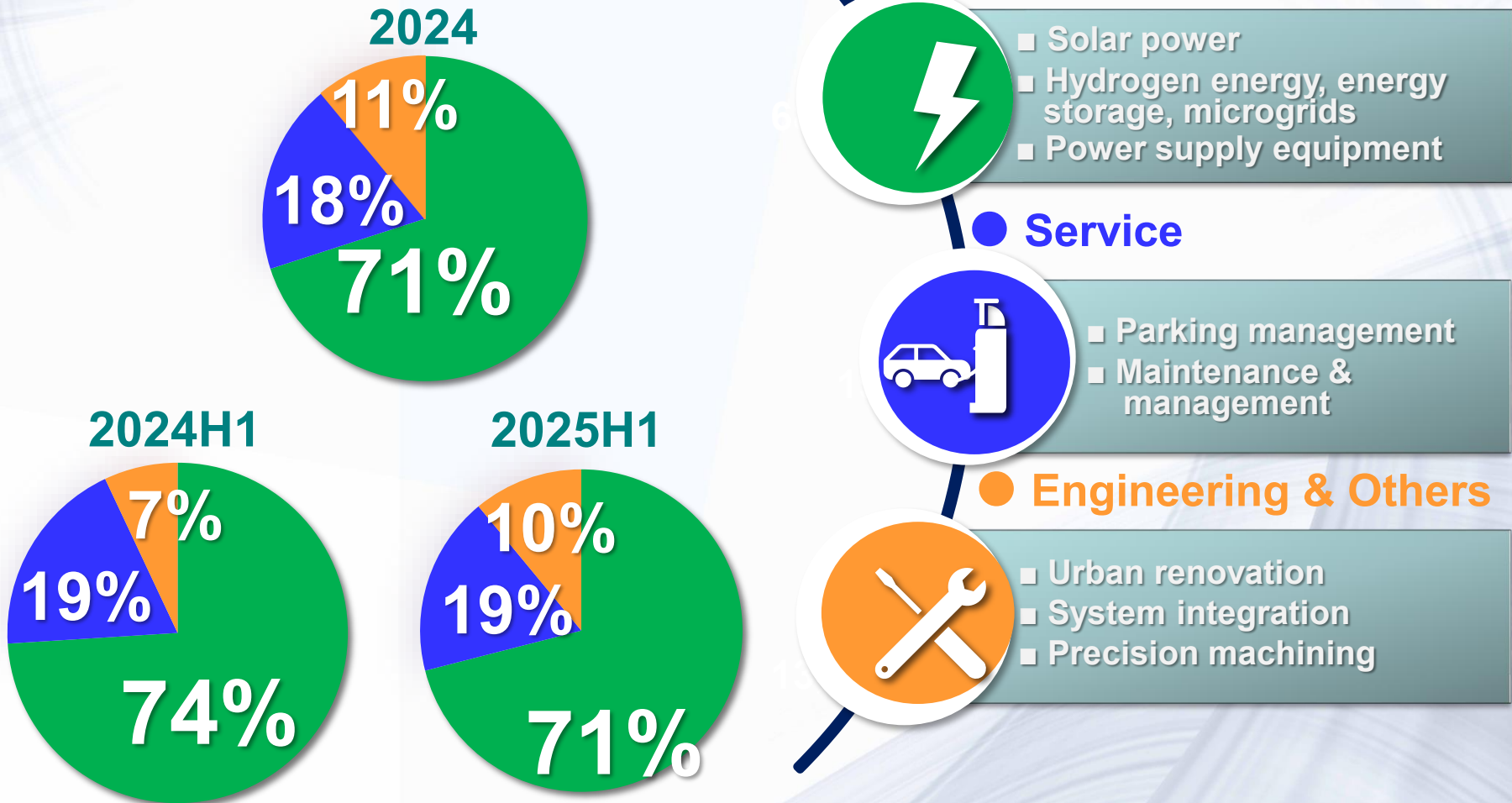
(6 MW from 4 units on Orchid Island/Green Island undertaken by CHEM; 36 units awaiting replacement)

- Excellence Award (2004)
- Excellence Award (2006)
- Distinguished Excellence Award (2007)
- Excellence and Distinguished Excellence Awards (2008)
- Excellence Award (2010)
- Excellence Award (2011)
- Distinguished Excellence Award (2015)
- Excellence Award (2016)
- Excellence and Distinguished Excellence Awards (2017)
- Excellence Award (2019)
- Excellence Award (2020) and Special Contribution Award (2020)
- Excellence Award (2021)
- Distinguished Excellence Award (2022)
- Excellence Award (2023) and Special Contribution Award (2023)
- **Excellence Award (2024) and Special Contribution Award (2024)**



Embracing Green Energy

Revenue ratios



Financial Highlights

Year	Revenue (k)	Gross Margin (%)	Net Profit (%)	EPS
2021	18,027,267	23.8%	10.9 %	4.19
2022	18,546,885	25.6%	13.3 %	5.21
2023	22,144,850	29.0%	7.2 %	3.25
2024	25,609,456	26.2%	14.2 %	7.33
2025H1	13,552,078	25.0%	13.4%	3.68

Revenue Ratio & Profit Margin

Item	Category/Year	2021	2022	2023	2024	2025Q2
Revenue (in million NTD)	Power supply & equipment	11,199	12,365	15,560	18,160	9,886
	Service	3,033	3,598	4,247	4,679	2,511
	Engineering & others	3,792	2,584	2,337	2,770	1,358
	YoY	11.7%	2.8%	11.9%	11.5%	10.4%
Profit margin	Power supply & equipment	20%	20%	24%	21%	21%
	Service	3%	3%	8%	8%	10%
	Engineering & others	10%	9%	13%	11%	12%
Consolidated operating profit margin		15%	15%	20%	17%	18%

Operation Highlights

1. Heavy power

- Growing demand for GIS due to:
 - (i) Taipower's Grid Resilience Enhancement Plan, power development plan, upgrade & replacement programs, and phases 3.1–3.3 of offshore windpower projects;
 - (ii) the semiconductor industry's new plants at home and abroad; and
 - (iii) multinational companies' large AI centers and IDC server rooms
- **Orders received in 2025 (as of October): NT\$15.3 billion (including wind power)**
- **Accumulated orders on hand: NT\$41.7 billion**

2. Dodohome (parking management)

- Revenue as of September 2025: NT\$2.72 billion, a 10.1% YoY increase
- Planning to enter the Japanese and Thai smart parking equipment markets in 2026
- Planning to be listed on the OTC market in 2027H1

3. Power generation & air-conditioning equipment

- 15% growth due to increasing IDC server rooms and AI R&D centers set up by telecommunications and multinational companies
- Commercialization of the oil-free magnetic bearing inverter centrifugal flooded chiller unit (energy-saving efficiency of up to 30%) & expansion into the Vietnamese market

4. Hydrogen energy

- Secured business in the hydrogen-powered bus market
- Reducing R&D expenditure significantly
- Besides collaborating with Capital Bus, we are in discussions with a potential partner in Malaysia to enter the hydrogen energy applications market

Operation Highlights

5. Plant expansion and renovation

- Completed renovation of 3 factories in the Chiayi Plant in **2025**
- Completed construction of a 1,880-ping (5,950 m²) warehouse in the Linkou Plant, improving production line efficiency; **production capacity increased by about 20%**

6. Capital expenditure

- Around NT\$600 million budget for **2026** (GIS upgrade testing included), covering production, quality control, system digitalization, new equipment, factory upgrade and testing of new GIS design, etc.

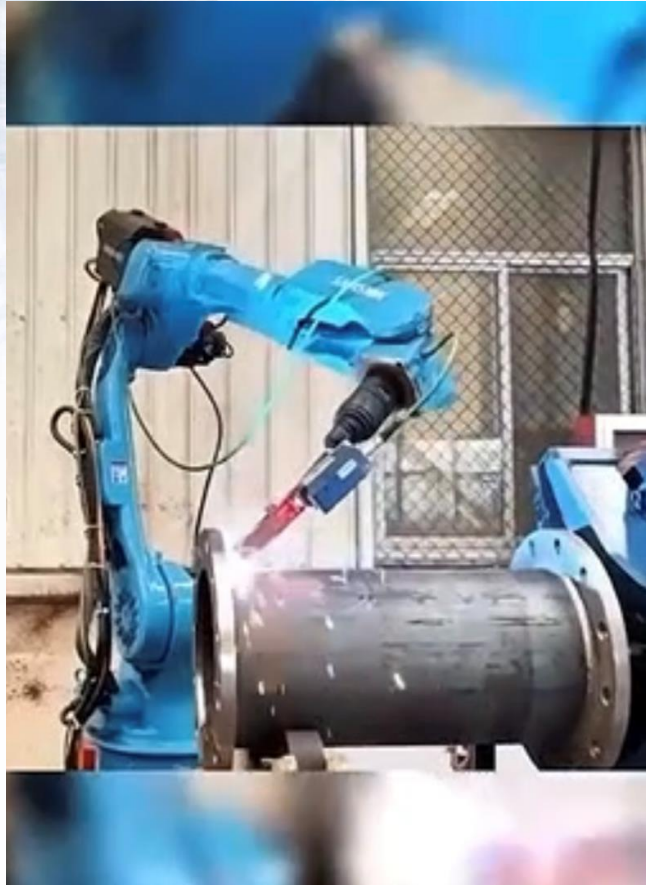
7. Automated welding processes and AI-powered price quotation, HR, accounting & IT systems **in 2026, production capacity expected to increase by 15%–20%**

8. Enhancing talent cultivation to provide on-site support in accelerating equipment installation and overall project progress

9. Creating an eco-friendly plant: in-plant solar panels generating 2.13 million kWh of green power for self-consumption and in-plant energy storage and hydrogen-powered electricity supply systems, saving at least 2% on electricity costs annually

10. Completed third-party verification of our 2025 TCFD carbon inventory report; 18% reduction in carbon emissions, compared to 2024

Automated Welding



Automated Welding

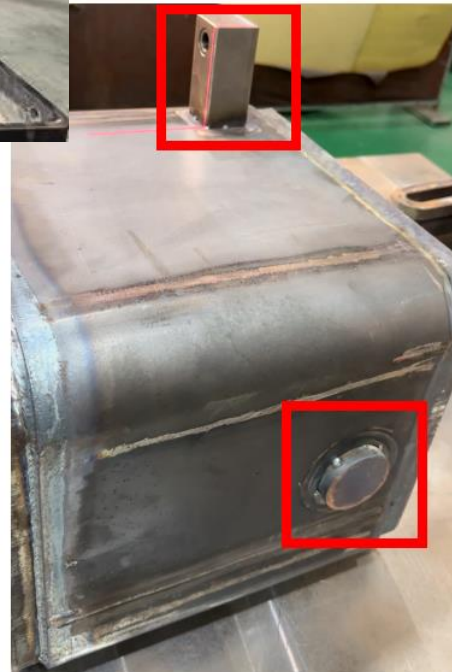


- Large automatic welding equipment now operational; work sequence to be finalized.
- Currently capable of performing 345KV/161KV circuit breaker and branch pipe welding work; aim to have automated flange welding by year-end, making it possible to complete the full enclosure welding process in a single pass



Automated Welding for Components

- System operational; work sequence to be finalized
- Currently available for welding workpieces (U-shaped & L-shaped base legs, square columns, circular columns)



GIS Branch Pipe Welding



Expanding Production Capacity

Linkou Plant Factories Nos. 1- 8

Expansion of factories 1-8
to relieve production
capacity strain



2018~2023

Nanke Plant

Tainan Science Park,
approx. 23,140 m²,
precision machining
production



2017

Hwaya Plant

Hwaya Tech. Park,
approx. 13,233 m²,
hydrogen product R&D
and production



2022.3

Guanyin Plant

Taoyuan Tech.
Ind. Park,
approx. 6,611 m²
product storage



2022.8

Chiayi Plant

Machouhou Ind. Park,
approx. 36,363 m²,
product assembly &
storage



2022.11

Plant D

Guishan, Taoyuan,
approx. 15,206 m²,
factory & warehouse



2025.4

Taipower's Grid Resilience Enhancement Plan

Taipower's budget for the 10-year plan from 2022 to 2032: NT\$564.5 billion

Renewable
energy grid
connection

Power grid
expansion &
renewal

Power
storage
expansion

Renewable
energy plant

Regional
decentralized
power distribution
and transmission

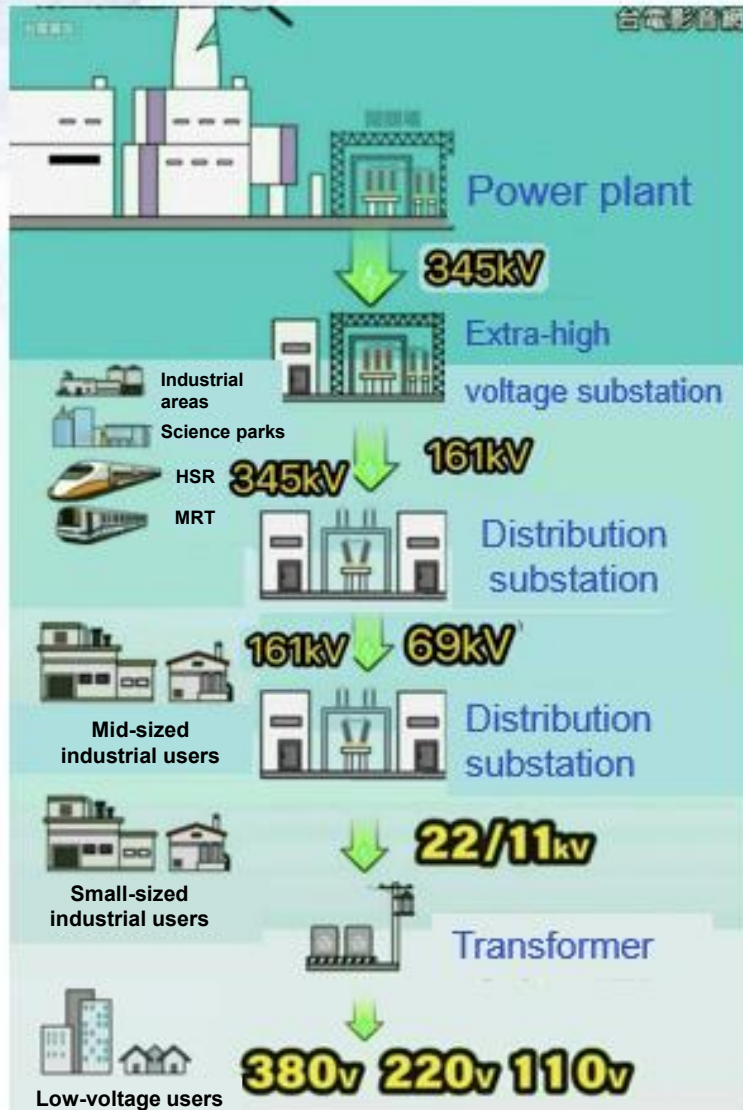
Equipment
&
engineering

Budgets for Taipower's related projects

Estimated annual increase (2022 as the base year)									
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
\$26.51 billion	164%	240%	300%	297%					

- AI and cloud computing will continue to drive sustained growth in power demand.
- In August 2025, the TW government announced an extra NT\$20 billion budget to enhance grid resilience of industrial parks.

Illustrations of Taipower's Power Grid & Grid Resilience



Source: Taipower

Trends and Development Opportunities in Taiwan's Electric Power Industry

1 — Policy trends

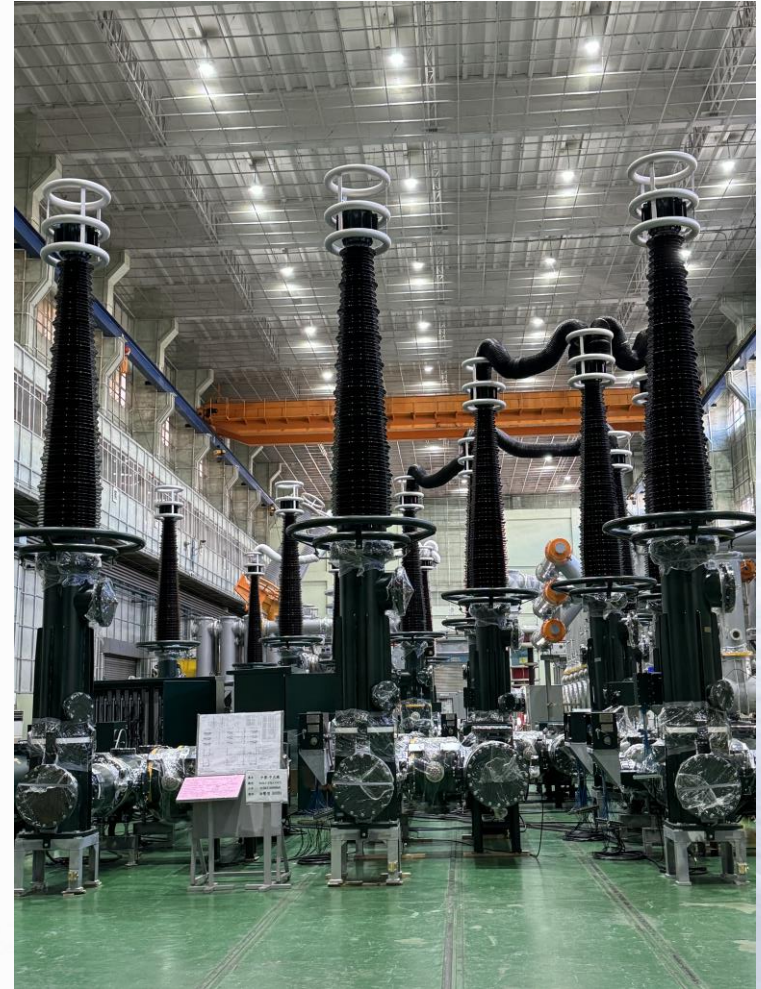
- grid resilience enhancement plan
- energy development/upgrade & replacement plans
- being ranked among the top 5 computing power hubs worldwide

2 — Economic development

- residential and industrial electricity consumption
- demand for computing power
- electricity consumption in the semiconductor industry (quantum technology & silicon photonics)

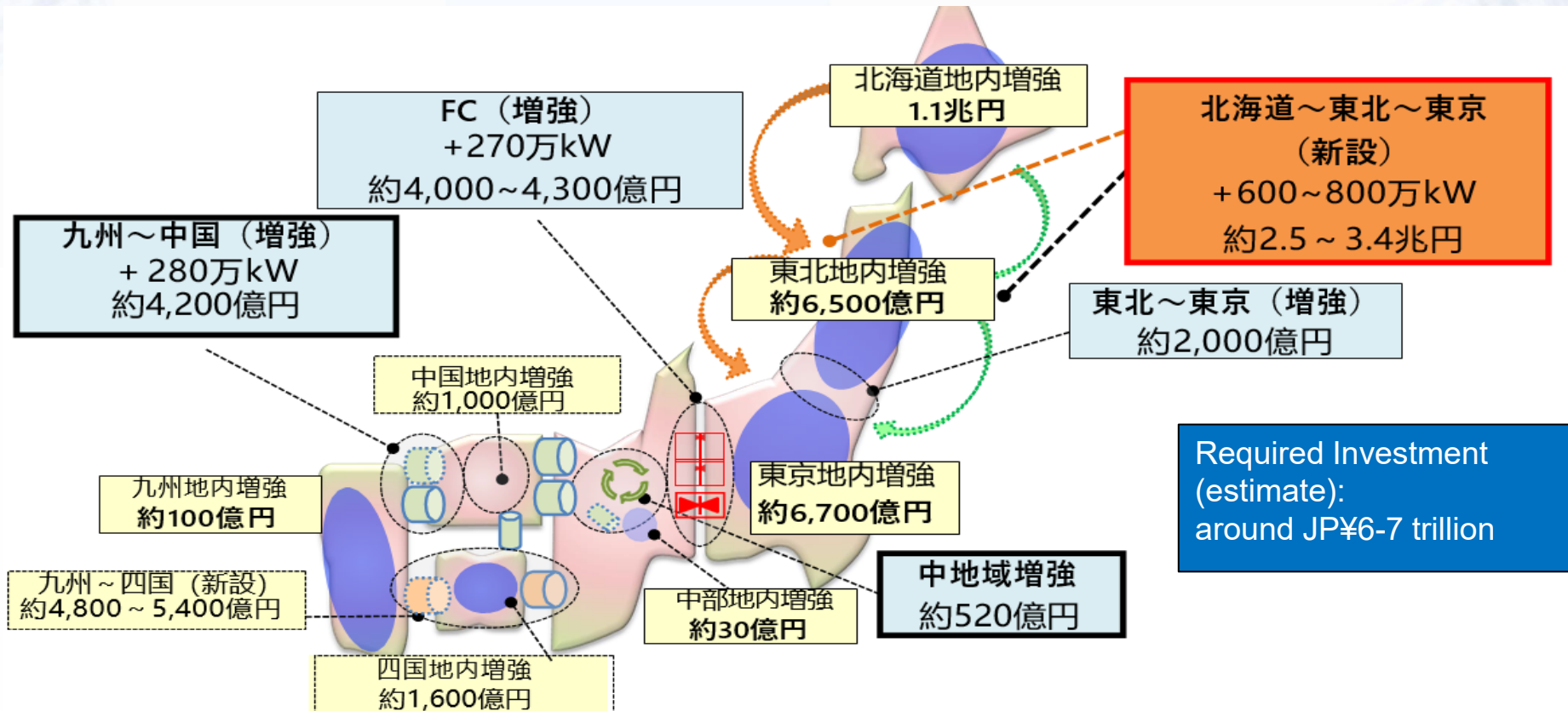
3 — Sustainable Development

- net-zero carbon transition
- green energy



Japan's Electric Power Market

- To strengthen the large-scale adoption of renewable energy and enhance the wide-area operation of power systems, a comprehensive plan for the wide-area interconnection system was formulated and published on March 29, 2023, with a total budget of around JP¥6-7 trillion.
- Started preparing a detailed development plan for the undersea direct current transmission between Hokkaido and Honshu.



US Power Sector Analysis

(power generation, transmission & distribution, smart grid, facility renewal, etc.)

Deloitte's report:

- a) US power sector capital investment in **2024** reached a record high of around **US\$179 billion**.
- b) Capital investment is expected to grow in **2025**, projected to be at least **US\$194 billion**.
- c) The US power sector's cumulative capital investment in **2025-2030** is estimated by **Deloitte** to be around **US\$1.4 trillion**, covering power generation, transmission and distribution, energy storage, smart grid, resilience infrastructure (e.g., storm resistance and the ability to recover from extreme weather).
- d) Due to increasing power demand (including expansion of AI and data centers, electric vehicles, and widespread electrification of residential and industrial equipment), power grid construction and the expansion and upgrading of transmission lines are expected to become key areas of investment.

Power Grid Development & Upgrade Plans in India & Vietnam

Country	GDP Growth	Name of Plan	Duration	Amount	Note
India	6.50%	National Electricity Plan (Transmission)	2022-2032	US\$103.5 billion	1. Interstate upgrades of transmission lines and substations 2. Large-scale transmission system 3. Renewable energy integration, smart electricity meters 4. Digital monitoring, voltage stability systems for fault response, power compensation equipment, etc.
Vietnam	7.09%	National Power Development Plan 8	2026-2035	US\$180 billion	1. Power grid (upgrades to transmission and distribution systems, expanding coverage, and improving reliability) 2. Disaster protection (e.g., against storms, floods, earthquakes, and tsunamis) 3. Internet security, backup system (N-1/N-2 standard) 4. Distributed energy and storage solutions 5. Undergrounding of power lines

Air-Conditioning

Oil-Free Centrifugal Compressors Flooded Type Chiller Unit

**energy
saving**

**high
efficiency**

innovation

intelligence

service

◆ 1st domestically produced 1500RT magnetic bearing centrifugal chiller

1500RT, COP 6.55, Energy Efficiency Grade 2 (TAF testing by ITRI)

1000RT, COP 7.03, Energy Efficiency Grade 1 (TAF testing by ITRI)

◆ used by cloud data centers of internationally renowned companies

◆ used by Taiwan Taoyuan International Airport



M&E Systems Operation and Maintenance

Major Products & Services

Air-Conditioning System



Power Generation Equipment



System Engineering



Energy-saving Management



Operation & Maintenance Services

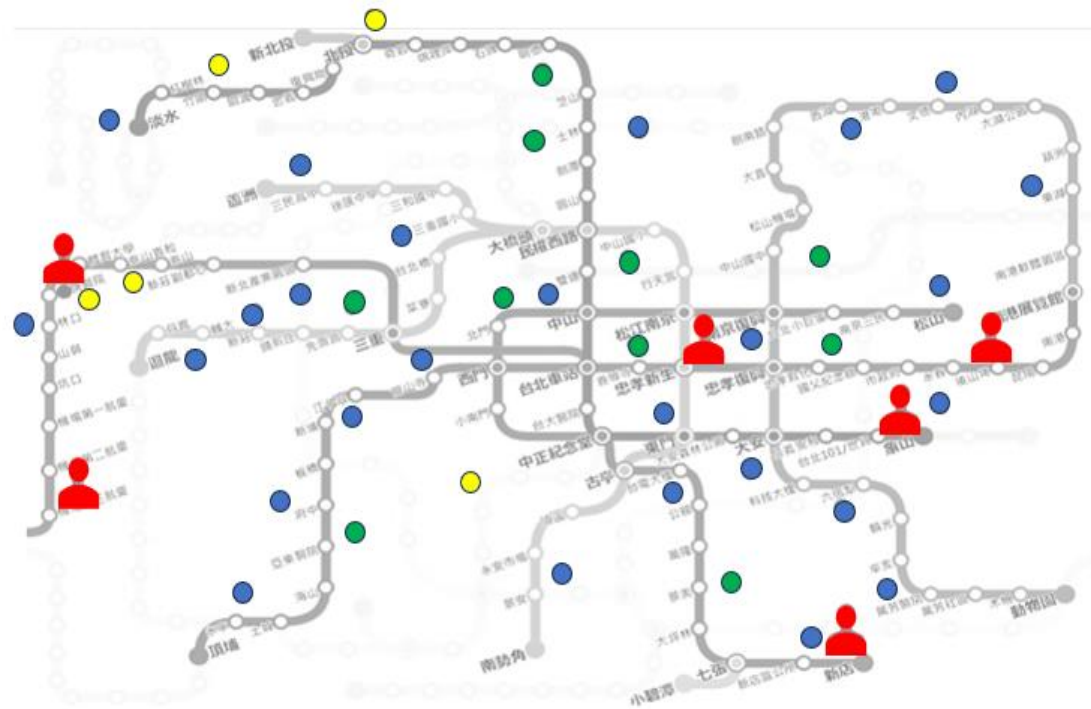


- Complete mechanical & electrical (M&E) service solutions: (i) **air-conditioning & electromechanical systems maintenance and servicing**; (ii) **project planning, engineering design, and construction execution**; and (iii) **energy-saving management**
- Operation and maintenance of air conditioning units/power generators/electromechanical equipment
- Performance-guaranteed energy saving EPC projects (ESCO); replacement and new installation projects for air-conditioning, electrical equipment, plumbing & fire protection systems

M&E Systems Operation and Maintenance

1. Over 40 long-term suppliers in northern Taiwan to facilitate the supply of parts/materials required for repair and maintenance
2. Deploying 6 service teams across designated project sites
3. A supply chain of long-term materials suppliers and a regional mobile support network
4. Restoring site operations and ensuring normal functionality of equipment within the shortest time; reliable equipment assurance as a key competitive advantage

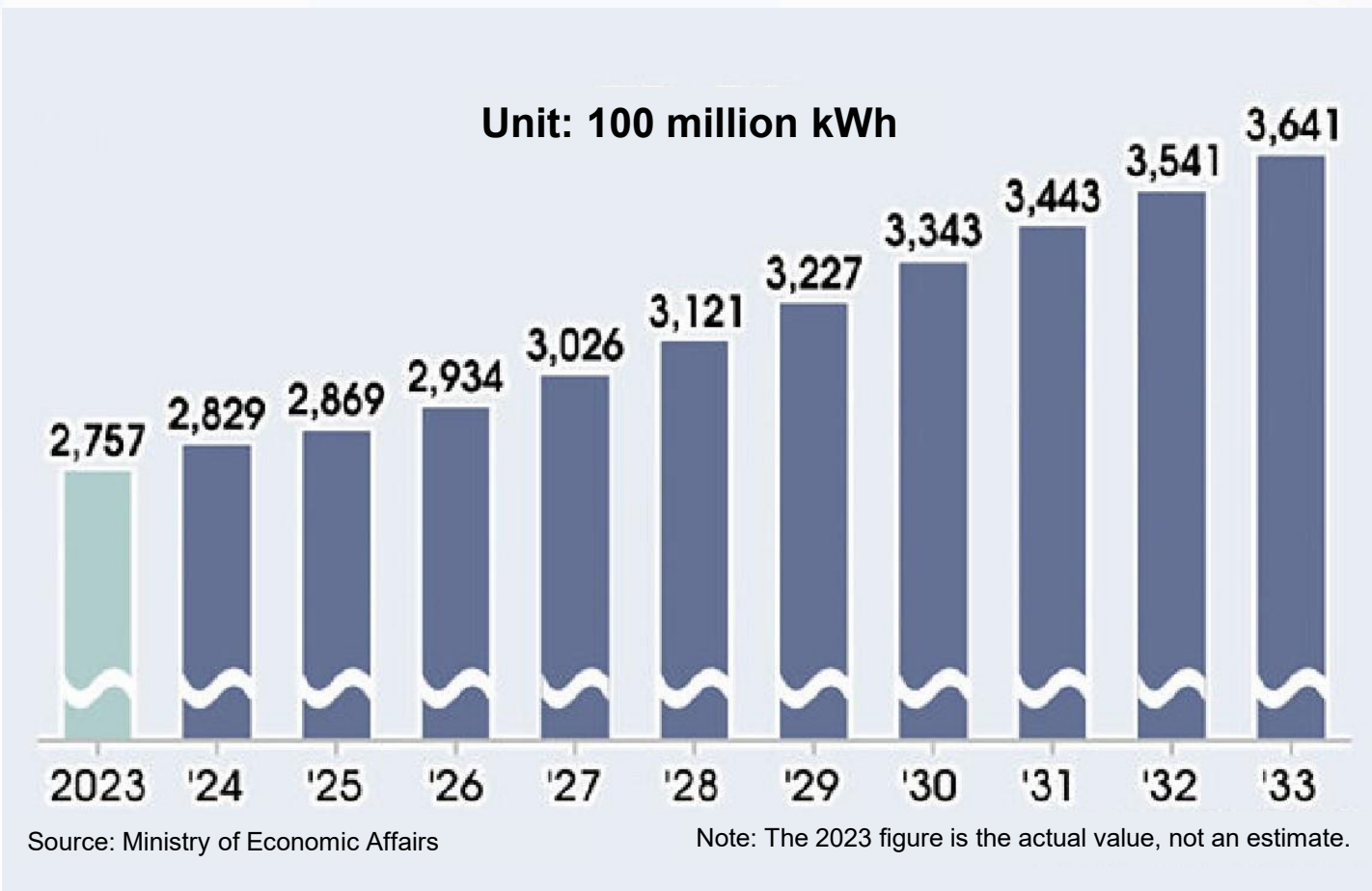
Comprehensive support network



- 25 large suppliers of plumbing and electrical materials
- 10 suppliers of air-conditioning materials

- 5 large suppliers of hardware
- **Regional mobile teams operating across 6 locations**

Estimated National Power Demand for 2024-2033



“Power the future with innovation, efficiency, and sustainability.”

 **Chung-Hsin Electric & Machinery Mfg. Corp.**

Power Demand from Central Taiwan Science Park

Item	Description
Current Resident Companies	Companies specialized in memory chips, precision machinery and supply of materials
Power consumption	Increasing from 407.2 MW to 834.3 MW
Reason	Development needs arising from resident companies upgrading their equipment and the park's industrial shift from precision machinery to semiconductor manufacturing

Source: Ministry of Environment

China's Power Grids – Investment Growth & Driving Factors

1. Energy Transition and Renewable Energy Grid Integration

1. China is heavily investing in renewable energy, such as wind power and solar power. As green energy grows, power grids must be upgraded (including high-voltage power transmission, grid resilience, and integration of energy storage systems).
2. To address the instability of renewable energy, smarter and more flexible infrastructure is needed, such as energy storage and frequency regulation systems.

2. Improvement of Urban and Rural Power Infrastructure

1. With urbanization and rural revitalization, the construction of power grids in remote areas remains a key focus. Grid modernization, distribution network upgrades, and coverage expansion in underserved districts still hold significant potential for development in rural areas.
2. Emerging towns (new districts and rapidly growing towns) are driving increased demand for power infrastructure, higher grid capacity, and better grid efficiency.

3. Power Transmission and Distribution Losses and Efficiency Improvement

1. Long-distance power transmission (in particular, transmission of renewable energy from the western region to the eastern region, which is a major demand hub for electricity) is a challenge for the grid capacity and efficiency. To reduce transmission losses, China has been actively investing in ultra-high voltage transmission technology.
2. Capital expenditure is needed to improve grid efficiency and reduce line losses.

Key Hydropower Projects (2023-2025)

1. Three Gorges Power Station — Yangtze River, Hubei/Yichang of Hubei

- capacity of around 22.5 GW (existing and operational)
- one of the world's largest dams

2. Baihetan Power Station — Jinsha River/Sichuan-Yunnan border

- capacity of around 16 GW
- a major hydropower hub in China in 2023–2025

3. Wudongde Power Station — Jinsha River (upper reaches)

- capacity of 10.2 GW
- one of the major hydropower stations in the upper reaches of the Yangtze River
- forming a “clean energy corridor” in conjunction with the Baihetan, Xiluodu and other major power stations
- completed or gradually connected to the grid in recent years

4. Xiluodu and Xiangjiaba Power Stations — Yangtze River/Jinsha River

- mega hydropower stations
- part of the West-to-East power transmission and the clean energy corridor

5. Fengning Pumped Storage Power Station — Hebei

- total capacity of **3.6** GW
- one of the world's largest pumped storage power stations

6. Hydropower Development on Downstream Yarlung Tsangpo River — Tibet (Yarlung Tsangpo)

- preparatory work for major downstream hydropower plans approved and launched in **2024–2025** (the largest hydropower project in history)
- capacity of around 30 GW to 50 GW
- expected to generate 20–30 billion kWh of electricity annually
- phased commissioning in the 2030s