Stock Code: 1614

Taiwan Sanyo Electric Co., Ltd.

2025 Annual Report

Date published: May 15, 2026

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I. Company Spokesman

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Acting Spokesman

Name: Chienlin Chen
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II. Address and telephone number of the Head Office and factory:

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III. Name, address, website, and telephone number of the stock transfer agency:

Name: Entrust Securities Co., Ltd.
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Website: www.entrust.com.tw
Tel.: (02)2718-6425 (switchboard operator)

IV. Name of CPAs, accounting firm, address, website and TEL for the financial reports of the most recent year.

Name of CPA: CPA Chinchang Chen and CPA Fuming Liao
Name of CPA firm: PwC Taiwan
Address: 27F, No. 333, Section 1, Keelung Road, Xinyi District, Taipei City.
Website: http://www.pwc.tw
Tel.: (02)2729-6666

V. Name of overseas exchange where securities are listed, and the methods for inquiring the foreign-listed securities: None.

VI. Company Website: http://www.sanyo.com.tw

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One. Message to the Shareholders

I. Chairperson's Remarks

Dear Shareholders,

Thank you for your love and support to Taiwan Sanyo over the past year. I would like to express my sincere gratitude to all of you on behalf of the Company. For more than 60 years, the Company has depended on the support and efforts of all shareholders, consumers, and employees. Looking back over the past year, in 2025, countries around the world experienced Trump's tariff policies, the revolution of the AI industry, the escalation of international conflicts, and shifts in the Fed's interest rate decisions. Although economic and inflation performance varied, the key factors affecting the economy did not subside but have continued into 2026. With the deepening global oil crisis caused by the US-Iran conflict, economic growth in 2026 faces increased challenges.

Domestically, the information and electronics industry's production momentum remains strong, driven by continued robust demand for artificial intelligence, high-performance computing, and cloud data services. For traditional industries, while the machinery and equipment industry performed well, the traditional home appliance industry is a mature market with limited overall growth. The government's subsidy measures for energy-saving appliances and the return of commodity taxes had been in place for some time, leading to early demand exhaustion and failing to motivate consumers to actively purchase. With slowing overall consumption and cooling residential transactions, sales volume for the whole year in 2025 stagnated and declined compared with the same period of the previous year.

Looking ahead to 2026, the global oil crisis resulting from the US-Iran conflict in the first half of the year has had a widespread global impact, with its effects continuing to expand. Domestically, this has impacted everything from the plastic bags used in daily life to the raw materials used in the plastic components of home appliances, as transportation fuel costs increased. This again raises the possibility of inflation or deflation, posing a challenge to businesses worldwide and potentially reducing consumer spending. Despite these challenges, Taiwan Sanyo Electric Co., Ltd. remains committed to developing energy-efficient home appliances and manufacturing products that meet consumer expectations. We strive to comply with energy-saving subsidy requirements, increase product sales, continue to grow our performance, maintain shareholder interests, and fulfill our corporate social responsibility.

Lastly, I would like to wish you
good health and every success

Sincerely, Win-Feng Lee Chairman

II. The 2025 business operating results:

Dear shareholders and directors:

First of all, we would like to thank all the shareholders for your enthusiastic support to the Company. The 2025 business plan implementation results and budget execution are as follows:

(I) The Company's net operating revenue for 2025 was NT$5,392,852 thousand, of which NT$4,877,899 thousand, or 90.45%, was domestic sales, NT$258,805 thousand, or 4.8%, was external sales, and NT$256,148 thousand, or 4.75%, was rental revenue. The net operating income in 2025 was decreased by 5.22% from last year and the net income before tax was decreased by 2.84% from the NT$287,166 thousand of last year. The target of financial budget was NT$5,627,682 thousand, representing an achievement rate of 96.5%. The budgeted net income before tax was NT$199,650 thousand, representing an achievement rate of 86.31%.

(II) Financial income and expenditure and profitability analysis:

1. In terms of financial income and expenditure, the 2025 current assets were NT$2,497,272 thousand, the current liability were NT$747,536 thousand, the working capital was NT$1,749,736 thousand, the 2025 operating income was decreased slightly; however, the company was dedicated to control costs and expenses; therefore, the working capital was sufficient.
2. In terms of profitability: the return on assets was 3.63%, the return on shareholders' equity was 4.42%, the operating profit accounted for 9.17% of the paid-in capital, the net income before tax accounted for 10.67% of the paid-up capital and the earnings per share (after tax) was NT$ 0.97.

(III) Research and development:

The Company's research and development expenses for 2025 were NT$70,753 thousand with the main development status was as follows:

1. Developed R32 refrigerant window-type inverter heating and cooling models, meeting the Level 1 energy efficiency standard, with a total of two 3.0 and 3.6 kW right-blowing models: SA-R30 and SA-36VHJ.
2. Developed R32 refrigerant window-type inverter heating and cooling and cooling-only models, with a total of 12 left- and right-blowing models of 3.0, 3.6, 4.5, 5.2, 6.5, and 7.2 kW: SA-R/L30, 36VR5, SA-R/L45, 52, 65, and 72VHR5.
3. Developed R32 refrigerant split-type inverter heating and cooling one-to-one models, meeting the Level 1 energy efficiency standard, with a total of 8 models of 2.3–8.6 kW: SAE/C-V23, 28, 36, 41, 50, 63, 72, and 86HJ3.
4. Developed R32 refrigerant split-type inverter heating and cooling one-to-one models, meeting the Level 1 energy efficiency standard, with a total of 7 models of 2.3–7.2 kW: SAE/C-V23, 28, 36, 41, 50, 63, and 72HL.
5. Developed R32 refrigerant split-type inverter heating and cooling one-to-one models (including concealed types; paired with 14.2 and 16.0 floor-standing types), meeting the Level 1 energy efficiency standard, with a total of 16 models of 4.1, 6.3, 7.2, 9.0, 11.0, 14.2, and 16.0 kW: SAE/C-V41, 63, 72HR3S, SAE/C-V90, 110HR3, SAE/C-V142, and 160HP3.

6. Developed SR-V90B, SR-V133B, SR-V333BF and SR-V353BG inverter refrigerators.
7. Developed a medical freezer, MPR-N650FH
8. Developed vertical ultra-low temperature freezer TFS-U200G
9. Developed new washing machine models SW-V19N (19 kg), SW-V17N (17 kg), SW-V15N (15 kg), and SW-V13N (13 kg) and other series Hall-sensorless inverter models.

   *The N series models feature a soft-closing lid design and a right-side control panel design.

   *The N series are models in which the Hall board function has been eliminated from the inverter motor

   (Reducing costs / improving issues such as poor motor assembly on market inverter boards.
10. Developed drum-type washer dryer AWD-1260KA (12 kg washing / 6 kg drying).
11. Developed single-tub upright washing machines ASW-100MD (10 kg), ASW-80MD (8 kg), ASW-130DVA (13 kg), etc.

III. The 2026 business plan outline

(I) Operating strategy:

1. Implement ESG sustainable development

   The Company continues to adopt ESG as its core business philosophy. Through a comprehensive sustainable development strategy that takes into account environmental protection, social responsibility, and corporate governance, the Company is strengthening corporate resilience and brand reputation, ensuring long-term stable operations and competitive advantages, and creating sustainable value for stakeholders.

2. Strengthen mutually beneficial partnerships

   Deepen strategic cooperative relationships with distributors and partner manufacturers, introduce digital management and information integration, build an efficient and resilient supply chain system, enhance overall operational efficiency, and achieve mutual benefit, symbiosis, and shared prosperity.

3. Promote AI smart energy-saving and environmentally friendly home appliances

   In response to the growing consumer demand for smart technology, energy saving, and environmentally friendly living, the Company actively introduces AI smart applications, integrates high-energy-efficiency and low-carbon designs, and creates a new generation of home appliance products featuring both a sense of technology and practical value.

   In terms of market promotion, the Company takes "smart, energy saving, and environmental protection" as the core communication axis, precisely responding to consumer trends driven by energy-saving subsidies, replacement of old appliances with new ones, and a high-electricity-price environment. These efforts enhance replacement momentum and product added value, expanding market influence through differentiated product positioning while simultaneously enhancing brand value and sustainable competitiveness.

4. Enhance brand value

   Through precise marketing strategies and market deployment, the Company strengthens brand recognition and premium capability, establishes differentiated advantages in the highly competitive home appliance market, and consolidates long-term brand value.

5. Optimize the technical support system

   In response to changes in the labor market structure and rising service demand, the Company continues to strengthen the professional technical support and after-sales service capabilities of hundreds of distribution locations throughout Taiwan. This ensures a timely response to market demand and enhances customer satisfaction and brand trust.

6. Deepen digital media deployment

   Actively utilize new media and digital platforms for precise communication to enhance brand visibility and consumer engagement, optimize marketing decisions through data analysis, and continuously create momentum for brand and operational growth.

7. Cultivate an outstanding team

   Emphasize talent cultivation and organizational development, improve human resources quality, and build a resilient team with professional capabilities, initiative, innovative thinking, and strong execution to support the Company's long-term development.

8. Maximize management efficiency

   Promote digital transformation and precise expense control, optimize operational processes and resource allocation, enhance operating performance and profitability, and give back to shareholders, employees, and consumers.

9. Activate asset utilization

   Strengthen asset management and utilization efficiency, promote effective asset mobility and diversified income creation, and enhance the overall return on assets.

10. Harmonious labor-management relations

    Commit to maintaining stable, harmonious, and mutually trusting labor-management relations, promote two-way communication and cooperation, and jointly advance the long-term interests of the enterprise and employees.

(II) Expected sales volume and its basis:

1. Outlook for the overall economic environment

   Looking ahead to 2026, according to the latest estimates of the Directorate-General of Budget, Accounting, and Statistics, Executive Yuan, Taiwan's economy benefited last year from the growth in chip and AI-related exports and the recovery in private investment. With the economic growth rate reaching 8.68%, the base period has been significantly elevated. It is expected that the overall economic growth momentum in

2026 will return to stability, with the economic growth rate estimated at 7.71%.

2. Analysis of consumption momentum

   Although increases in the basic wage and expected salary adjustments by enterprises are expected to drive growth in disposable income, uncertainties in the global political and economic situation, changes in U.S. tariff policies, and geopolitical risks remain high, impacting investment and private consumption confidence.

3. Housing market and demand for durable goods

   Affected by policy controls, the domestic housing market has maintained conservative overall transaction momentum, with limited effect in driving demand for large durable goods. However, favorable policies such as the government's continued "subsidies for replacing old appliances with new energy-saving products" and "commodity tax refunds" still help support the replacement demand in the home appliance market.

4. Overall market assessment

   Considering the domestic and international economic environment and industry variables as a whole, the overall outlook for the home appliance market in 2026 is primarily a "flat" one.

5. Expected sales targets

   After prudently assessing the market environment and the Company's various operating indicators, the Company's revenue and profit targets for 2026 will be based on the principles of pragmatism and stability, and the expected sales volume targets are as follows:

   The expected sales volume by product category is 344,994 units for electrical products and 33,300 units for wireless products. All employees will continue to uphold professionalism and teamwork throughout the current year, implementing various business strategies to move toward established goals and create long-term stable value for the Company, shareholders, and society.

(III) Important production and marketing policies:

1. Digitalize internal processes, actively promote digital transformation, use smart optimization of internal management and production processes, improve operational efficiency, and effectively reduce manpower, logistics, and production costs, so as to make the Company's operations more flexible and competitive.
2. Implement a comprehensive quality management system, pursue quality standards, reduce product failure rates, and improve consumer quality satisfaction.
3. Flexibly respond to diversified market demands with flexible and diverse production capacity.
4. Strengthen the dynamic management of credits in distribution channels and minimize the loss of credit.
5. Strengthen and develop excellent distribution channels, manage and counsel market prices, and ensure sales profits.
6. Strengthen online sales to respond to changes in the consumer market.

7. Supply chain optimization: Reduce raw material costs through global procurement strategies, and improve factory production efficiency to ensure the stability of the supply chain and market competitiveness.
8. Strengthen the efficiency of logistics and transportation to meet the immediate needs of channels and consumers.

(IV) The Company's development policy:

1. Technological innovation and service upgrade: Develop and introduce niche products, increase the speed of research and development, shorten the time to market for new products, and maintain a leading edge.
2. Enhance operating efficiency and management cost.
3. Enhance product quality, improve quality stability and customer satisfaction, and reduce after-sales service costs.
4. Actively develop land assets, and balance sustainable development to create maximum benefits.

(V) Experiencing external competition:

1. Private-sector consumption is expected to be affected by inflation, therefore the market remains unpredictable. Thus, the Company will strengthen management, control costs, and respond with a precisely planned product lineup.
2. It is the trend that Taiwan's home appliance market is opening up to both China and the world, therefore fiercer competition is expected to be inevitable. The Company shall focus on the development of niche products and product added value to avoid vicious price competition.

VI. The impact of the regulatory environment and macro-economy:

1. The company's product development aims to meet national standards, such as, EMC and CNS certification, environmental protection, water saving, and energy saving standards.
2. The promotion of energy conservation and environmental protection by the government has achieved successfully; also, new products have given priority to passing the national level 1 energy efficiency standards.

We look forward to the support of shareholders and the concerted efforts of all employees to successfully achieve the business goal of this year.

President Wenlin Lee

Two. Corporate Governance Report

I. Profiles of Directors, Supervisors, President, Executive Vice Presidents, Asst. VP, and supervisors of the various departments and branches

(I) Profiles of Directors

1. Director's profile

April 18, 2026

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date of (elected to) office	Tenure	Initial date of elected to office (Note 3)	Quantity of shareholding at the time of elected to office		Current shareholding		Shareholding of spouse and dependents at present		Shareholding in the name of a third party		Major work experience (education) (Note 4)	Holding other positions of the Company and other companies at present	Other executive, director or supervisor who is a spouse or kindred within the 2nd tier under the Civil Code			Remark (Note 5)
							Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio			Title	Name	Relationship	
Chairman	R.O.C.	Sanyo Electric Foundation (Taipei City)	-	2023.06.13	3 years	2013.03.29	3,919,000	1.24%	3,501,400	1.30%	0	0	0	0	Master's in Business Administration at a University, U.S. Chairman of Taiwan Sanyo Electric Co., Ltd. Chairman of Sanyo Chuan-Neng Co., Ltd. Director of Zhisong Investment Co., Ltd.	Chairman of Taiwan Sanyo Electric Co., Ltd. Chairperson of Sanyo Chuan-Neng Co., Ltd. Director of Chen Ho & Co., Ltd.	Director / President	Wenlin Lee	Brother	None
	R.O.C.	Representative: Win-feng Lee	Male 71-80	2023.06.13	3 years	2002.06.14	7,503,519	2.37%	4,511,991	1.67%	373,895	0.13%	0	0						
Director / President	R.O.C.	Taipei Zhisong Social Welfare Foundation	-	2023.06.13	3 years	2008.06.14	1,490,007	0.47%	1,457,755	0.54%	0	0	0	0	Business Administration, Sanno University, Japan President of Taiwan Sanyo Electric Co., Ltd. Director of Zhisong Investment Co., Ltd. Director of Sanyo Chuan-Neng Co., Ltd.	Chairman of Chen Ho & Co., Ltd. President of Taiwan Sanyo Electric Co., Ltd. Director of Zhisong Investment Co., Ltd. Director of Sanyo Chuan-Neng Co., Ltd.	Chairman	Win-feng Lee	Brother	None
	R.O.C.	Representative: Wenlin Lee	Male 71-80	2023.06.13	3 years	2002.06.14	8,168,199	2.58%	14,500	0.00%	8,685	0.00%	0	0						
Director	R.O.C.	Zhisong Investment Co., Ltd.	-	2023.06.13	3 years	2002.06.14	7,591,168	2.40%	25,514,520	9.48%	0	0	0	0	Mechanical Engineering, Kanagawa University,	Chairman of Zhisong Investment Co., Ltd.	Chairman, Director and President	Win-feng Lee Wenlin Lee	Relative of second degree of kinship by	None
	Japan	Representative:	Male	2023.06.13	3 years	2005.06.14	1,293,690	0.41%	1,252,386	0.47%	1,020,719	0.38%	0	0						

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date of (elected to) office	Tenure	Initial date of elected to office (Note 3)	Quantity of shareholding at the time of elected to office		Current shareholding		Shareholding of spouse and dependents at present		Shareholding in the name of a third party		Major work experience (education) (Note 4)	Holding other positions of the Company and other companies at present	Other executive, director or supervisor who is a spouse or kindred within the 2nd tier under the Civil Code			Remark (Note 5)
							Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio			Title	Name	Relationship	
		Yulong Chaio	71-80												Japan Design and Development, Toyo Machine MFG. Co., Ltd. Design and Development, Sanyo Electric Co., Ltd., Japan	Vice President of Taiwan Sanyo Electric Co., Ltd.			marriage	
Director	R.O.C.	Mingde Investment Co., Ltd.	-	2023.06.13	3 years	2014.06.19	12,870,050	4.78%	13,176,050	4.90%	0	0	0	0	Claremont Graduate University, U.S. English Translator and Editor, CTI Television Inc. English Translator and Editor, Sanlih E-Television Inc.	Adviser, All-round Overseas Education Counseling Company	Chairman	Win-feng Lee	Father and daughter	None
	R.O.C.	Representative: Zhuoyin Lee	Female 41-50	2023.06.13	3 years	2013.03.29	1,818,481	0.57%	3,177,708	1.18%	0	0	0	0						
Director	R.O.C.	Anli International Investment Co., Ltd.	-	2023.06.13	3 years	2014.06.19	12,517,100	4.65%	12,517,100	4.65%	0	0	0	0	University of Oregon, U.S. Chairman of Wanguo Comprehensive Development Co., Ltd.	Chairman of K-Arena Co., Ltd.	None	None	None	None
	R.O.C.	Representative: Zisheng Zheng	Male 71-80	2023.06.13	3 years	2013.03.29	442,000	0.14%	375,700	0.14%	8,500	0.00%	0	0						
Director	R.O.C.	Ability Investment Co., Ltd.	-	2023.06.13	3 years	2013.03.29	32,230,385	10.18%	26,295,827	9.77%	0	0	0	0	Master's, New Jersey Institute of Technology, U.S. Chairman of Abico Avy Co., Ltd. Chairman of AVY CO., LTD. Chairman of Nenglu Pictures Co., Ltd.	Chairman of ABICO AVY CO., LTD. Chairperson of Ability Int'L Tenancy Co., Ltd. President of ABILITY ENTERPRISE CO., LTD.	None	None	None	None
	R.O.C.	Representative: Junren Dong	Male 61-70	2023.06.13	3 years	2013.03.29	0	0	0	0	0	0	0	0						
Director	R.O.C.	Ability Investment Co., Ltd.	-	2023.06.13	3 years	2013.03.29	32,230,385	10.18%	26,295,827	9.77%	0	0	0	0	Bachelor of Business Administration, University of Southern California, U.S. Chairman of	Chairman of Ability Investment Co., Ltd.	None	None	None	None
	R.O.C.	Representative: Yijia Dong	Female 41-50	2023.06.13	3 years	2013.03.29	20,000	0.007%	17,000	0.006%	0	0	0	0						

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date of (elected to) office	Tenure	Initial date of elected to office (Note 3)	Quantity of shareholding at the time of elected to office		Current shareholding		Shareholding of spouse and dependents at present		Shareholding in the name of a third party		Major work experience (education) (Note 4)	Holding other positions of the Company and other companies at present	Other executive, director or supervisor who is a spouse or kindred within the 2nd tier under the Civil Code			Remark (Note 5)
							Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio			Title	Name	Relationship	
															Jianai Investment Co., Ltd. Chairman of SEASON Artisan Patissiartism					
Director	R.O.C.	Fujin Investment Co., Ltd.	-	2023.06.13	3 years	2014.06.19	5,046,450	1.88%	5,046,000	1.88%	0	0	0	0	Department of International Trade, Takming University of Science and Technology Factory Director of Fu Hsun Fiber Industries Co., Ltd.	Adviser of Fu Hsun Fiber Industries Co., Ltd.	None	None	None	None
	R.O.C.	Representative: Tsung-Jen, Chen	Male 61-70	2024.05.31	2 years	2024.05.31	8,000	0.00	26,000	0.00	88,133	0.03	0	0						
Director	R.O.C.	Maotong Investment Co., Ltd.	-	2023.06.13	3 years	2008.06.14	23,000	0.007%	116,450	0.04%	0	0	0	0	Master's in Finance, New York University Assistant to the Chairman of the Honghua Trading Co., Ltd.	Director of Hua Nan Bank Director of Hua Nan Investment Trust	None	None	None	None
	R.O.C.	Representative: Yuanling Hsu	Female 41-50	2023.06.13	3 years	2017.06.19	0	0	0	0	0	0	0	0						
Director	R.O.C.	Tianmu Investment Co., Ltd.	-	2023.06.13	3 years	2002.06.14	5,196,964	1.93%	2,217,419	0.82%	0	0	0	0	Business Administration, University of California	Manager of Long Term Yeast Co., Ltd.	None	None	None	None
	R.O.C.	Representative: Dunli Lee	Male 51-60	2023.06.13	3 years	2002.06.14	1,924,494	0.72%	1,635,819	0.61%	0	0	0	0						
Independent Director	R.O.C.	Changmin Jin	Male 61-70	2023.06.13	3 years	2017.06.19	0	0	0	0	0	0	0	0	Master's in Accounting, National Taiwan University Credit Department, City Bank of Taipei CPA, First United Accounting Firm	CPA and Head of the Kenwill United CPAs Firm	None	None	None	None
Independent Director	R.O.C.	Fuchuan Chen	Male 71-80	2023.06.13	3 years	2023.06.13	47,600	0.02%	47,600	0.02%	47,800	0.017%	0	0	Bachelor's in Medicine, Taipei Medical College Master of Business	Director of Cardiovascular and Thoracic Surgery, Mackay Memorial Hospital Attending MD,	None	None	None	None

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date of (elected to) office	Tenure	Initial date of elected to office (Note 3)	Quantity of shareholding at the time of elected to office		Current shareholding		Shareholding of spouse and dependents at present		Shareholding in the name of a third party		Major work experience (education) (Note 4)	Holding other positions of the Company and other companies at present	Other executive, director or supervisor who is a spouse or kindred within the 2nd tier under the Civil Code			Remark (Note 5)
							Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio			Title	Name	Relationship	
															Administration, Tulane University	Department of Cardiovascular Surgery, Taipei Municipal Wanfang Hospital				
Independent Director	R.O.C.	Han-Wei Tsai	Male 41-50	2023.06.13	3 years	2023.06.13	0	0	0	0	0	0	0	0	Bachelor's Degree, Department of Urban Planning, National Cheng Kung University Master's in Business, Cleveland State University, USA	Chairperson of Zhan Rui Construction Co., Ltd. Executive Director of Lienyun Group	None	None	None	None

Note 1: Corporate shareholders should have the name of corporate shareholders and representative illustrated separately (the name of the corporate shareholders should be noted) also, Table 1 should be filled out.
Note 2: Please list the actual age, and it may be listed in ranges, such as 41–50 years old or 51–60 years old.
Note 3: Indicate the date of the first-time elected director or supervisor; also, the period of interruption should be noted.
Note 4: Previous work experiences relating to their current roles; if the person works in the auditor's firm or in an affiliated company during the aforementioned time period, the job title and responsibilities must be provided.
Note 5: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto. (For instance, more independent directors shall be added, and over half of directors are not concurrently an employee or manager.)

2. Corporate shareholders' main shareholders

April 18, 2026

Names of Institutional Shareholders (Note 1)	Corporate shareholders' main shareholders (Note 2)
Zhisong Investment Co., Ltd.	Shizhu Investment Co., Ltd. 44%, Mingrui Investment Co., Ltd. 41%, Huichen Chiao 13%, Other 2%
Ability Investment Co., Ltd.	Jianai Investment Co., Ltd. 19.93%, Hengneng Investment Co., Ltd. 19.92%, Yacheng International Investment Co., Ltd. 13.28%, Chishien Investment Co., Ltd. 8.67, Kaijun Investment Co., Ltd. 8.65%, Chiamei Investment Co., Ltd. 7.18%, Sky Century Corp. 6.67%, Yinai Dong 4.17%, Yijia Dong 3%, Jyongsin Dong 2.33%, Power Century Investment Company 1.98%, Nengya Huang 1.50%, Hsinya Huang 1.33%, Jiaxi Investment 0.58%, ABICO Group 0.55%, Qinghong Investment Co., Ltd. 0.25%
Anli International Investment Co., Ltd.	TP CO., LTD. (Samoa) 100%
Mingde Investment Co., Ltd.	Mingrui Investment Co., Ltd. 100%
Tianmu Investment Co., Ltd.	Fujin Investment Co., Ltd. Media Speed Industries Limited 100%
Fujin Investment Co., Ltd.	Shuyun Chen 29.59%, Yujin Chen 27.93%, Chinlian Chuang 15.91%, un Chen 12.41%, Meimei Tseng 6.30%, Yuming Chen 3.17%, Others 4.67%,
Maotong Investment Co., Ltd.	Yuanjhen Syu 98%, Anlan Syu Chen 2%

Note 1: If a specific director or supervisor is the representative of an institutional shareholder, specify the name of the institutional shareholder.

Note 2: Provide the names of the major shareholders of said institutional shareholder (the top 10 shareholders with the largest shareholdings) and respective shareholdings. If the major shareholders are juridical persons, fill out Table 2 below.

Note 3: If an institutional shareholder is not a corporate, the name of the institutional shareholder and its shareholding disclosed above shall be the name of investor and the percentage of its investment or donation (refer to the announcement by the Judicial Yuan). Any donor who has passed away should be marked "Deceased."

3. Major Shareholders of Major Corporate Shareholder:

April 18, 2026

Name of corporate shareholder (Note 1)	Corporate shareholders' main shareholders (Note 2)
Mingrui Investment Co., Ltd.	Win-feng Lee 59.29%, Fang Wun 14.24%, Zhuoyin Lee 13.91%, Zhuoying Lee 12.56%
Shizhu Investment Co., Ltd.	Wenlin Lee 69.49%, Shangkung Lee 10.72%, Shanghung Lee 8.79%, Zhuojie Lee 7.02%, Tuantuan Chang 3.98%
Hengneng Investment Co., Ltd.	Yinai Dong 46%%, Nengya Huang 23.87%, Hsinya Huang 23.87%, Jianai Investment Co., Ltd. 3%, Kenjiro Ando 2.25%, Jiongxi Dong 0.5%, Yijia Dong 0.5%
Jianai Investment Co., Ltd.	Tokiko Toto 40%, Yijia Dong 28%, Yinai Dong 28%, Hengneng Investment Co., Ltd. 1.75%, Nengya Huang 0.75%, Hsinya Huang 0.85%, Kenjiro Ando 0.65%

Name of corporate shareholder (Note 1)	Corporate shareholders’ main shareholders (Note 2)
Yacheng International Investment Co., Ltd.	Kenjiro Ando 21.6%, Nengya Huang 17.6%, Kaisei Ando16%, Hsinya Huang 12%, Jianai Investment Co., Ltd. 12%, Yuanhsi Huang 9.6%, Yijia Dong 5.6%, Yinai Dong 5.6%,
Chishien Investment Co., Ltd.	Enqi Dong 32.6%, Jiexi Dong 32.6%, Enshao Dong 24%, Junren Dong 4.42%, Peiyu Chen 4.42%, Chiamei Investment Co., Ltd. 0.95%, Sky Century Corp. 0.95％
Kaijun Investment Co., Ltd.	Chiayun Chang 32.4%, Hsinyun Chang 24%, Kaiting Chang 24%, Yijun Dong 17%, Chishien Investment Co., Ltd. 0.95%, Chiamei Investment Co., Ltd. 0.95%, Hsiaochi Chang 0.02%
Chiamei Investment Co., Ltd.	Junren Dong 20%,Junyi Dong 20%, Yijun Dong 20%, Chishien Investment Co., Ltd. 8.35％、Sky Century Corp. 8.33%, Kaijun Investment Co., Ltd. 8.33%, Hsinyi Chou 5%, Hsiaochi Chang 5%, Peiyu Chen 5%
Sky Century Corp.	Enfu Dong 48.5%, Yanting Dong 48.5%, Chiamei Investment Co., Ltd. 0.95%, Kaijun Investment Co., Ltd. 0.95%, Junyi Dong 065%, Hsinyi Chou 0.4%,
Power Century Investment Company	Enfu Dong 48%, Yanting Dong 48%, Junyi Dong 3.88%, Hsinyi Chou 012%,
ABICO Group	Chiamei Investment Co., Ltd. 100%
Jiaxi Investment Co., Ltd.	Yijia Dong 100%
Qinghong Investment Co., Ltd.	Hungjui Chang 98%, Yuchia Chang 1%, Shuchen Chiang 1%

4. Profiles of Directors

Disclosure of information on the professional qualifications of directors and the independence of independent directors: April 18, 2026

Condition Name Name	Professional qualifications and experience	Independence of independent directors	Number of public companies that Independent Directors also hold positions
Sanyo Electric Foundation (Taipei City) Corporate Representative: Win-feng Lee	Please refer to “Director’s profile” (pages 7 to 10) of this annual report for directors’ professional qualifications and experience. All directors are not under any circumstances under Article 30 of the Company Act (Note 1)	Not applicable	0
Taipei Zhisong Social Welfare Foundation Corporate Representative: Wenlin Lee			0
Zhisong Investment Co., Ltd. Corporate Representative: Yulong Chaio			0
Mingde Investment Co., Ltd. Corporate Representative: Zhuoyin Lee			0
Anli International Investment Co., Ltd. Corporate Representative: Zisheng Zheng			0
Ability Investment Co., Ltd. Corporate Representative: Junren Dong			0
Ability Investment Co., Ltd. Corporate Representative: Yijia Dong			0
Fujin Investment Co., Ltd. Corporate Representative: Tsung-Jen, Chen			0
Maotong Investment Co., Ltd. Corporate Representative: Yuanling Hsu			0
Tianmu Investment Co., Ltd. Corporate Representative: Dunli Lee			0
Changmin Jin		All independent directors meet the following criteria: 1. Is in compliance with Article 14-2 of Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 2) promulgated by the Financial Supervisory Commission (FSC) 2. Does not and spouse and minor child (children) thereof (or by nominee arrangement) do not hold the Company’s shares 3. Did not receive remuneration for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the last two years	1
Fuchuan Chen			0
Han-Wei Tsai			0

Note 1: Anyone who is under any of the following circumstances shall not serve as a manager, and those who have already served shall be dismissed certainly:

1. Having committed an offence as specified in the Statute for Prevention of Organizational Crimes and subsequently convicted of a crime, and has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
2. Having committed the offence in terms of fraud, breach of trust, or misappropriation and subsequently convicted with imprisonment for a term of more than one year, and has not completed serving the sentence, or two years have not elapsed since expiration of the probation, or pardon;
3. Having committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
4. Having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges;

5. Having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet; or
6. Having no or only limited legal capacity.
7. Having been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.

Note 2: 1. Not a government agency or a juridical person or its representative specified in Article 27 of the Company Act.
2. The number of other public companies at which the individual concurrently serves as an independent director is not more than 3.
3. Not under any of the following situations during the two years before being elected and during the term of office:
(1) Employed by the Company or any of its affiliates
(2) A director at the Company or its affiliate
(3) A natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 natural-person shareholders in the name of itself, its spouse, minor children or others
(4) The spouse, relative within the second or third degree of kinship of the mangers, or persons stated in (2) and (3).
(5) A director or employee of an institutional shareholder who directly holds more than 5% of the Company's total issued shares, who are among the top five shareholders, or who designates its representative to serve as a director or employee at the Company in accordance with Article 27 of the Company Act.
(6) A director or employee at another company where a majority of the Company's director seats or voting shares and those of another company are controlled by the same person.
(7) A director or employee at another company or institution where the Chairman, the President, or person holding an equivalent position of the Company and a person in an equivalent position at another company or institution are the same person or are spouses.
(8) A director, manager, or shareholder holding 5% or more of the shares of a specific company or institution which has a financial or business relationship with the Company.
(9) A professional individual who, or an owner, partner, director, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. However, it does not apply to those who serve as members of the Company's Remuneration Committee.

Board diversity and independence:

The Company advocates and respects the Board diversity principle. To strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Board diversity policy will surely help improve the overall performance of the Company. The election and appointment of Board members are based on the principles of employing talents based on their abilities, possessing diverse and complementary capabilities in different fields, including the basic composition (such as age, gender and nationality). Based on the principle of diversity, one of the directors is from Japan and the rest of the directors are nationals. There are three female directors (23.1%), which is 15.59% higher than the proportion of female directors in 2023. The ages are dispersed across all age groups. Board members are from the management team, industry managers, and professionals with finance, business and different backgrounds. They are all capable of risk management, decision-making, leadership and crisis management.

A total of 13 directors (including 3 independent directors) were elected at the general shareholders' meeting for 2023 (June 13, 2023), of which 3 directors (representing 23.1%) were independent directors. Three directors act as the Company's managerial officers (Mr. Win-Feng Lee, Mr. Wen-Lin Lee, and Mr. Yulong Chaio, accounting for 23.1%, no more than one-third of the total number of directors). Chairman Mr. Win-Feng Lee did not concurrently serve as the President of the Company.

The Company’s current board diversity policy and implementation are as follows:

Diverse core competencies item / Name of director	Title	Gender	Age	Nationality	Length of term of independent director	Professional background, skills and industrial experience							Employee Status
						Land development	Chemical Engineering	Financial Accounting	Electronic motors	Leadership of the Company	Business development	Professionals (lawyers, accountants, doctors)	
Sanyo Electric Foundation (Taipei City) Representative: Win-feng Lee	Chairman	Male	71-80	R.O.C.				◎		◎	◎		◎
Taipei Zhisong Social Welfare Foundation Corporate Representative: Wenlin Lee	Director	Male	71-80	R.O.C.				◎		◎	◎		◎
Zhisong Investment Co., Ltd. Corporate Representative: Yulong Chaio	Director	Male	71-80	Japan					◎		◎		◎
Mingde Investment Co., Ltd. Corporate Representative: Zhuoyin Lee	Director	Female	41-50	R.O.C.				◎			◎		
Legal Representative of Anli International Investment Co., Ltd.: Zisheng Zheng	Director	Male	71-80	R.O.C.		◎				◎	◎		
Ability Investment Co., Ltd. Corporate Representative: Junren Dong	Director	Male	61-70	R.O.C.		◎				◎	◎		
Ability Investment Co., Ltd. Corporate Representative: Yijia Dong	Director	Female	41-50	R.O.C.		◎		◎		◎			
Fujin Investment Co., Ltd. Corporate Representative: Tsung-Jen, Chen	Director	Male	61-70	R.O.C.			◎			◎			
Maotong Investment Co., Ltd. Corporate Representative: Yuanling Hsu	Director	Female	41-50	R.O.C.			◎			◎			
Tianmu Investment Co., Ltd. Corporate Representative: Dunli Lee	Director	Male	61-70	R.O.C.						◎	◎		
Changmin Jin	Independent Director	Male	61-70	R.O.C.	6–9 years			◎				◎	
Fuchuan Chen	Independent Director	Male	80-90	R.O.C.	< 3 years							◎	
Han-Wei Tsai	Independent Director	Male	41-50	R.O.C.	< 3 years	◎		◎			◎		

(II) Background information of the President, Vice Presidents, Assistant Vice Presidents and heads of various departments and branches

April 18, 2026

Title (Note 1)	Nationality	Name	Gender	Date of (elected to) office	Shareholding		Spouse and minor children Shareholding		Shareholding in the name of a third party		Major work experience (education) (Note 2)	Holding other positions of the Company and other companies at present	Spouse or kin within the second pillar under the Civil Code and who is a manager			Note (Note 3)
					Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio			Title	Name	Relationship	
President	R.O.C.	Wenlin Lee	Male	2005.06.14	14,500	0.00%	8,685	0.00%	None	None	Business Administration, Sanno University, Japan	Chairman of Chen Ho & Co., Ltd. President of Taiwan Sanyo Electric Co., Ltd.	Vice President	Yulong Chaio	Relative of second degree of kinship by marriage	None
Vice President of the Manufacturing Dept.	Japan	Yulong Chaio	Male	2013.07.01	1,252,386	0.47%	1,020,719	0.38%	None	None	Kanagawa University, Japan	Chairman of Zhisong Investment Co., Ltd. Vice President of Taiwan Sanyo Electric Co., Ltd.	President	Wenlin Lee	Relative of second degree of kinship by marriage	None
Vice President of the Project Office	R.O.C.	Anlang Chi	Male	2013.07.01	69,000	0.02%	516	0.00%	None	None	Vocational School	Chairman of Shouji Investment (Crotch) Company Vice President of Taiwan Sanyo Electric Co., Ltd.	None	None	None	None
Assistant VP, Treasury Dept.	R.O.C.	Changhui Lin	Female	2016.06.01	0	0.00%	3,150	0.00%	None	None	Master's in Accounting, Fu Jen Catholic University	Director of Shouji Investment (Crotch) Company Assistant Vice President of Taiwan Sanyo Electric Co., Ltd.	None	None	None	None
Assistant Vice President of the Project Office	R.O.C.	Chienlin Chen	Male	2022.04.01	0	0.00%	0	0.00%	None	None	Tamkang University	Supervisor of Shouji Investment (Crotch) Company Assistant Vice President of Taiwan Sanyo Electric Co., Ltd.	None	None	None	None

Note 1: Information on the President, Vice Presidents, Assistant Vice Presidents, and heads of departments and branches as well as those whose positions are equivalent to the President, Vice Presidents, Assistant Vice Presidents shall be disclosed, regardless of the title.

Note 2: Previous work experiences relating to their current roles; if the person works in the auditor's firm or in an affiliated company during the aforementioned time period, the job title and responsibilities must be provided.

Note 3: Where the President or person of an equivalent post (the highest level manager) of a company and the Chairman are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto. (For instance, more independent directors shall be added, and over half of directors are not concurrently an employee or manager.)

II. Remuneration Paid to Directors, Supervisors, President, and Vice Presidents in the Last Year

(I) Remuneration of directors and independent directors

Unit: NT$ thousand

Title	Name	Remuneration for directors								A. The sum of A, B, C, and D and as a percentage of net income		Remuneration for employees with concurrent positions								The sum of A, B, C, D, E, F and G and as a percentage of after-tax profit		Remuneration received from the invested companies other than the subsidiaries and the parent company
		Director fees (A)		Severance payment and pension (B)		Remuneration to directors (C) (Note 3)		Fees for performance of works (D)				Salaries, bonuses, special allowances etc (E) (Note 4)		Severance payment and pension (F) (Note 1)		Remuneration to employees (G) (Note 5)						
		The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company		All companies included in the consolidated financial statements		The Company	All companies included in the consolidated financial statements	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	Legal Representative of Sanyo Electric Foundation (Taipei City) Win-feng Lee	120	168	0	0	1633	1633	0	0	0.70%	0.72%	2974	2974	227	227	0	0	0	0	1.98%	1.99%	None
Director	Representative of the Zhisong Social Welfare Foundation Wenlin Lee	120	168	0	0	1485	1485	0	0	0.64%	0.66%	2125	2260	288	288	2025	0	2033	0	2.41%	2.48%	None
Director	Legal Representative of Zhisong Investment Co., Ltd. Yulong Chaio	84	84	0	0	1336	1336	0	0	0.57%	0.56%	1877	1877	99	99	1238	0	1238	0	1.85%	1.84%	None
Director	Legal Representative of Tianmu Investment Co., Ltd. Dunli Lee	84	84	0	0	743	743	0	0	0.33%	0.33%	0	0	0	0	0	0	0	0	0.33%	0.33%	None
Director	Representative of Anli International Investment Co., Ltd. Zisheng Zheng	84	84	0	0	743	743	0	0	0.33%	0.33%	0	0	0	0	0	0	0	0	0.33%	0.33%	None
Director	Representative of Mingde Investment Co., Ltd. Zhuoyin Lee	84	84	0	0	743	743	0	0	0.33%	0.33%	0	0	0	0	0	0	0	0	0.33%	0.33%	None

Director	Ability Investment Co., Ltd.: Junren Dong	84	84	0	0	743	743	0	0	0.33%	0.33%	0	0	0	0	0	0	0	0	0.33%	0.33%	None
Director	Ability Investment Co., Ltd.: Yijia Dong	84	84	0	0	743	743	0	0	0.33%	0.33%	0	0	0	0	0	0	0	0	0.33%	0.33%	None
Director	Representative of Fujin Investment Co., Ltd. Tsung-Jen, Chen	84	84	0	0	743	743	0	0	0.33%	0.33%	0	0	0	0	0	0	0	0	0.33%	0.33%	None
Director	Legal Representative of Maotong Investment Co., Ltd. Yuanling Hsu	84	84	0	0	743	743	0	0	0.33%	0.33%	0	0	0	0	0	0	0	0	0.33%	0.33%	None
Independent Director	Changmin Jin	600	600	0	0	0	0	0	0	0.24%	0.24%	0	0	0	0	0	0	0	0	0.24%	0.24%	None
Independent Director	Han-Wei Tsai	600	600	0	0	0	0	0	0	0.24%	0.24%	0	0	0	0	0	0	0	0	0.24%	0.24%	None
Independent Director	Fuchuan Chen	600	600	0	0	0	0	0	0	0.24%	0.24%	0	0	0	0	0	0	0	0	0.24%	0.24%	None

1. Specify the policy, system, standard, and structure of payment to the directors, the association between the amount of payment and the duties assumed, the risk, the time spent, and relevant factors: The remuneration to independent directors is paid monthly based on the general standard in the industry in alignment with the independence, and independent director do not receive the annual remuneration paid.
2. Except as disclosed above, the remuneration paid to the directors of the Company for providing services (such as serving as a non-employee consultant at the parent company, all companies in the consolidated financial statements, or investees) in the most recent year: None.

Note 1: The pensions listed above are all contributions made by the Company.
Note 2: The basis of remuneration disclosed above is different to the basis required by the income tax law; hence the above table has been prepared solely for information disclosure, and not for tax purposes.
Note 3: The Board of Directors of the Company made a resolution on March 9, 2026 to determine the remuneration of directors for 2025.
Note 4: It includes employee bonuses issued in January of 2026.
Note 5: The amount of employee remuneration listed above is a tentative estimate, and will be executed after the resolution is adopted by the regular shareholders’ meeting on June 16, 2026.

Payment scale

Payment scale of remuneration to the Directors of the Company	Name of director			
	Sum of the said four types of remunerations (A+B+C+D)		Sum of the said seven types of remunerations (A+B+C+D+E+F+G)	
	The Company	All companies mentioned in the financial statements (G)	The Company	All companies mentioned in the financial statements (H)
Less than NT$2 million	Legal Representative of Sanyo Electric Foundation (Taipei City): Win-feng Lee	Legal Representative of Sanyo Electric Foundation (Taipei City): Win-feng Lee	Legal Representative of Tianmu Investment Co., Ltd.: Dunli Lee	Legal Representative of Tianmu Investment Co., Ltd.: Dunli Lee
	Representative of the Zhisong Social Welfare Foundation: Wenlin Lee	Representative of the Zhisong Social Welfare Foundation: Wenlin Lee	Representative of Anli International Investment Co., Ltd.: Zisheng Zheng	Representative of Anli International Investment Co., Ltd.: Zisheng Zheng
	Legal Representative of Zhisong Investment Co., Ltd.: Yulong Chaio	Legal Representative of Zhisong Investment Co., Ltd.: Yulong Chaio	Representative of Mingde Investment Co., Ltd.: Zhuoyin Lee	Representative of Mingde Investment Co., Ltd.: Zhuoyin Lee
	Legal Representative of Tianmu Investment Co., Ltd.: Dunli Lee	Legal Representative of Tianmu Investment Co., Ltd.: Dunli Lee	Ability Investment Co., Ltd. Junren Dong	Ability Investment Co., Ltd. Junren Dong
	Representative of Anli International Investment Co., Ltd.: Zisheng Zheng	Representative of Anli International Investment Co., Ltd.: Zisheng Zheng	Ability Investment Co., Ltd. Yijia Dong	Ability Investment Co., Ltd. Yijia Dong
	Representative of Mingde Investment Co., Ltd. Zhuoyin Lee	Representative of Mingde Investment Co., Ltd. Zhuoyin Lee	Representative of Fujin Investment Co., Ltd.: Linde Chen	Representative of Fujin Investment Co., Ltd.: Linde Chen
	Ability Investment Co., Ltd. Junren Dong	Ability Investment Co., Ltd. Junren Dong	Legal Representative of Maotong Investment Co., Ltd.: Yuanling Hsu	Legal Representative of Maotong Investment Co., Ltd.: Yuanling Hsu
	Ability Investment Co., Ltd. Yijia Dong	Ability Investment Co., Ltd. Yijia Dong	Independent director Changmin Jin	Independent director Changmin Jin
	Representative of Fujin Investment Co., Ltd.: Linde Chen	Representative of Fujin Investment Co., Ltd.: Linde Chen	Independent director Han-Wei Tsai	Independent director Han-Wei Tsai
	Legal Representative of Maotong Investment Co., Ltd.: Yuanling Hsu	Legal Representative of Maotong Investment Co., Ltd.: Yuanling Hsu	Independent director Fuchuan Chen	Independent director Fuchuan Chen
	Independent director Changmin Jin	Independent director Changmin Jin		
	Independent director Han-Wei Tsai	Independent director Han-Wei Tsai		
	Independent director Fuchuan Chen	Independent director Fuchuan Chen	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

<table>
<tr><th rowspan="3">Payment scale of remuneration to the Directors of the Company</th><th colspan="4">Name of director</th></tr>
<tr><th colspan="2">Sum of the said four types of remunerations (A+B+C+D)</th><th colspan="2">Sum of the said seven types of remunerations (A+B+C+D+E+F+G)</th></tr>
<tr><th>The Company</th><th>All companies mentioned in the financial statements (G)</th><th>The Company</th><th>All companies mentioned in the financial statements (H)</th></tr>
<tr><td rowspan="6">NT$2,000,000~ NT$5,000,000 (exclusive)</td><td>-</td><td>-</td><td>Legal Representative of Sanyo Electric Foundation (Taipei City)
Win-feng Lee</td><td>Legal Representative of Sanyo Electric Foundation (Taipei City)
Win-feng Lee</td></tr>
<tr><td>-</td><td>-</td><td>Representative of the Zhisong Social Welfare Foundation
Wenlin Lee</td><td>Representative of the Zhisong Social Welfare Foundation
Wenlin Lee</td></tr>
<tr><td>-</td><td>-</td><td>Legal Representative of Zhisong Investment Co., Ltd.:
Yulong Chaio</td><td>Legal Representative of Zhisong Investment Co., Ltd.:
Yulong Chaio</td></tr>
<tr><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>NT$5,000,000~ NT$10,000,000 (exclusive)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>NT$10,000,000~ NT$15,000,000 (exclusive)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>NT$15,000,000~ NT$30,000,000 (exclusive)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>NT$30,000,000~ NT$50,000,000 (exclusive)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>NT$50,000,000~ NT$100,000,000 (exclusive)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>More than NT$100,000,000</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Total</td><td>13</td><td>13</td><td>13</td><td>13</td></tr>
</table>

(II) Remuneration of supervisors: N/A.

Note: The Company established an Audit Committee on June 19, 2017 to replace supervisors’ responsibilities.

(III) Remuneration of the President and Vice Presidents:

Unit: NT$ thousand

Title	Name	Salaries (A)		Severance payment and pension (B) (Note 1)		Bonuses and allowances etc. (C) (Note 2)		Remuneration to employees (D) (Note 3)				A. The sum of A, B, C, and D and as a percentage of net income (%)		Remuneration received from the invested companies other than the subsidiaries and the parent company
		The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company		All companies included in the consolidated financial statements		The Company	All companies included in the consolidated financial statements	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Wenlin Lee	1814	1934	288	288	311	326	2025	0	2034	0	1.77%	1.82%	None
Vice President	Yulong Chaio	1594	1594	99	99	283	283	1237	0	1237	0	1.28%	1.28%	None
Vice President	Anlang Chi	1329	1401	-	-	218	230	1226	0	1247	0	1.11%	1.15%	None

Note 1: The pensions listed above are all contributions made by the Company.
Note 2: It includes employee bonuses issued in January of 2026.
Note 3: The amount of employee remuneration listed above is a tentative estimate, and will be executed after the resolution is adopted by the regular shareholders' meeting on June 16, 2026.

Payment scale

Payment scale of remunerations paid to the President and Vice Presidents of the Company	Names of the President and Vice Presidents	
	The Company	All companies mentioned in the financial statements (D)
Less than NT$2 million	-	-
	-	-
	-	-
NT$2,000,000~ NT$5,000,000 (exclusive)	President: Wenlin Lee	President: Wenlin Lee
	Vice President Yulong Chaio	Vice President Yulong Chaio
	Vice President Anlang Chi	Vice President Anlang Chi
NT$5,000,000~ NT$10,000,000 (exclusive)		
NT$10,000,000~ NT$15,000,000 (exclusive)	-	-
NT$15,000,000~ NT$30,000,000 (exclusive)	-	-
NT$30,000,000~ NT$50,000,000 (exclusive)	-	-
NT$50,000,000~ NT$100,000,000 (exclusive)	-	-
More than NT$100,000,000	-	-
Total	3	3

(IV) Name of the managers received remuneration and the distribution of remuneration:

Unit: NT$ thousand

	Title	Name	Amount in stock	Amount in cash	Total	Proportion of total amount to net income after tax (%)
Managerial officers	President	Wenlin Lee	0	2025	2025	0.81%
	Vice President	Yulong Chaio	0	1237	1237	0.49%
	Vice President	Anlang Chi	0	1226	1226	0.49%
	Assistant VP, Treasury Dept.	Changhui Lin	0	830	830	0.33%
	Assistant Vice President of Project Promotion Office	Chienlin Chen	0	823	823	0.33%

Note: The amount of employee remuneration listed above is a tentative estimate.

(V) Comparison and description:

1. Analysis of the total remuneration paid to the Company's directors, supervisors, president, and vice presidents in the last two years as a percentage of net income after tax in the parent company only and consolidated financial statements:

Analysis of remuneration paid in the most recent two years	Total remuneration of directors, supervisors, presidents, and vice presidents		Proportion of total amount to net income after tax (%)	
	2025	2024	2025	2024
The Company	25,379	28,482	10.12%	13.21%
All companies included in the consolidated financial statements	25,723	28,849	10.23%	13.34%

2. The policies, standards and components of the remuneration, the procedure for determining remuneration, and the operation performance and future risks:

2-1 Remuneration to directors, including remuneration, business execution expenses and remuneration:

Remuneration: According to the Company's Articles of Incorporation, the Remuneration Committee is to present the proposal for director remuneration in the Board meeting to be discussed and resolved, regardless of the resulting operating profit or loss, depending on their involvement in and contribution to the Company's business operation. Also, by referring to the general standards of the industry.

Business Expenses: Fees incurred by directors for conducting business, such as transportation allowances.

Remuneration: If the Company has generated profits, it is necessary to appropriate an amount not less than 1% of the balance as remuneration to employees, of which no less than 2% as remuneration to entry-level employees, and an amount not more than 3% of the balance as remuneration to director. However, an amount equivalent to the cumulative deficit, if any, shall be reserved first to make up for said deficit.

2-2 Remuneration to the President and Vice Presidents, including salaries, bonuses and employee remuneration:

Salary: The salary level is determined based on the position assumed, responsibility assumed and contribution to the Company in accordance with the level of the same industry.

Bonus: According to the Company's employee handbook, year-end settlement is paid. If there is a profit, the employee who has worked throughout the year will be assessed based on the evaluation, after paying tax to make up for the deficit.

Employee remuneration: According to the Company's Articles of Incorporation, if the Company has generated profits, it is necessary to appropriate an amount not less than 1% of the balance as remuneration to employees, of which no less than 2% as remuneration to entry-level employees, and an amount not more than 3% of the balance as remuneration to director. However, an amount equivalent to the cumulative deficit, if any, shall be reserved first to make up for said deficit. The decision of paying employee remuneration in the form of stock shares or cash is to be resolved in the Board meeting with the attendance of two-thirds of the shareholders and with the consent of the majority of the directors present. Also, it must be reported to the Shareholders' Meeting. Furthermore, to reward and clearly recognize the management team's special contributions to the company's overall operational performance, individual performance, and achievement of profit targets, while also paying attention to the Company's long-term competitiveness and development, the Board of Directors and the Remuneration Committee have formulated and approved the "Annual Remuneration Regulations for the Chairman and Performance Bonuses for Managers." This is intended to align the performance of senior managers with the Company's vision and strategic goals, incorporating the Company's operational strategy objectives into the evaluation indicators, thereby achieving an actual linking effect.

(VI) Top five managers of a public company with the highest remuneration (disclosure of individual names and remuneration methods)

Title	Name	Salaries (A) (Note 2)		Severance payment and pension (B)		Bonuses and allowances etc. (C) (Note 3)		Remuneration to employees (D) (Note 4)				A. The sum of A, B, C, and D and as a percentage of net income (%) (Note 6)		Remuneration received from the invested companies other than the subsidiaries and the parent company (Note 7)
		The Company	All companies included in the consolidated financial statements (Note 5)	The Company	All companies included in the consolidated financial statements (Note 5)	The Company	All companies included in the consolidated financial statements (Note 5)	The Company		All companies included in the consolidated financial statements (Note 5)		The Company	All companies included in the consolidated financial statements (Note 5)	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Wenlin Lee	1814	1934	288	288	311	326	2025	0	2034	0	1.77%	1.82%	None
Vice President	Yulong Chaio	1594	1594	99	99	283	283	1237	0	1237	0	1.28%	1.28%	None
Vice President	Anlang Chi	1329	1401	-	-	218	230	1226	0	1247	0	1.11%	1.15%	None
Assistant Vice President	Changhui Lin	1178	1238	-	-	204	214	830	0	847	0	0.88%	0.91%	None
Assistant Vice President	Chienlin Chen	1112	1112	-	-	184	184	823	0	823	0	0.84%	0.84%	None

Note 1: The term "top five managers with the highest remuneration" refer to the managers of the Company, and the standards for the identification of relevant managers are based on the definition of "manager" as stipulated in Tai-Cai-Zheng-III No. 0920001301 issued by the Securities and Futures Commission, Ministry of Finance, dated March 27, 2003. As for the principles for determining the "top five managers with the highest remuneration," it is based on the salaries, pensions, bonuses, and special allowances received by the Company's managers from all companies in the consolidated financial report, as well as the sum of employee remuneration (that is, the sum of A +B+C+D), and the top five managers with the highest remuneration will then be determined after sorted. Where a director serves as said manager concurrently, this table and the table (1-1) above shall be filled out.

Note 2: It refers to the salary, duty allowance, and severance payment of the top five managers with the highest remuneration in the last year.

Note 3: It refers to various bonuses, incentives, honoraria, special allowance, various allowances, dormitory, any company car assigned, and other physical items provided to the top five managers with the highest remuneration in the last year. If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payment must be disclosed. If drivers are also provided, please specify the related payment for the driver paid by the Company. This is not included in the remuneration. In addition, according to the salaries expense listed in the "Share-Based Payment" of IFRS 2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.

Note 4: It refers to the amount of employee remuneration (including stock and cash) paid to the top five managers with the highest remuneration approved by the Board of Directors in the last year. If it cannot be estimated, the amount proposed to be distributed for this year shall be calculated in proportion to the actual amount distributed last year, and Table 1-3 shall be filled out additionally.

Note 5: The total amount of remuneration paid to the Company's top five managers with the highest remuneration by all companies (including the Company) in the consolidated financial report shall be disclosed.

Note 6: Earnings shall refer to the net income after taxation of the parent company only or in separate financial statements in the most recent fiscal year.

Note 7: a. This column shall clearly list the amount of relevant remuneration received by the Company's top five managers with the highest remuneration from the investees other than subsidiaries or the parent company (if none, please fill in "none").

b. Remuneration refers to the compensation, remuneration (including employee compensation and remuneration of directors and supervisors), and professional service fees received by the Company's top five managers with the highest remuneration as directors, supervisors, or managers at the investees other than subsidiaries or the parent company.

III. Status of Corporate Governance

(I) Information on the operation of the Board of Directors

The Board of Directors had held 7 meetings in 2025, and the attendance of directors is as follows:

Year	Title	Name	Actual attendance (B)	Attendance by proxy	Percentage of actual attendance (%) [B/A]	Note
	Chairman	Sanyo Electric Foundation (Taipei City) Representative: Win-feng Lee	7	0	100%	
	Director	Taipei Zhisong Social Welfare Foundation Representative: Wenlin Lee	7	0	100%	
	Director	Zhisong Investment Co., Ltd. Representative: Yulong Chaio	7	0	100%	
	Director	Mingde Investment Co., Ltd. Representative: Zhuoyin Lee	7	0	100%	
	Chairman	Anli International Investment Co., Ltd. Representative: Zisheng Zheng	5	2	71%	
2025	Director	Ability Investment Co., Ltd. Representative: Junren Dong	7	0	100%	Total of 7 meetings in 2025 (A)
	Director	Ability Investment Co., Ltd. Representative: Yijia Dong	3	4	43%	
	Director	Tianmu Investment Co., Ltd. Representative: Dunli Lee	7	0	100%	
	Director	Fujin Investment Co., Ltd. Representative: Tsung-Jen, Chen	7	0	100%	
	Director	Maotong Investment Co., Ltd. Representative: Yuanling Hsu	7	0	100%	
	Independent Director	Changmin Jin	7	0	100%	
	Independent Director	Fuchuan Chen	7	0	100%	
	Independent Director	Han-Wei Tsai	6	1	86%	

Additional information:

I. If any of the following is applicable to the operation of the Board of Directors, specify the date, the series of the session, the content of the motions, all independent directors' opinions, and the Company's response to said opinions:

(I) Matters specified in Article 14-3 of the Securities and Exchange Act: Please refer to the operation of the Audit Committee for this year. All proposals were passed by all independent directors unanimously.

(II) In addition to the previous issues, other resolutions adopted by the Board of Directors, regarding which independent directors expressed objections or reserved opinions on record or in written statements: None.

II. In the case of directors' recusal from proposals with which they have a conflict of interest, the name of the directors, the content of the proposals, the reasons for recusal, and participation in voting are shown in the table below.

Date	Agenda	Director's recusal, reason for recusal, and voting
2025.06.27	The deliberation of the details of allocation of 2024 remuneration of directors and managers' employee remuneration by the Remuneration Committee.	1. Approved by all the members of the Remuneration Committee present unanimously without objection. 2. Except for the directors who recused themselves from the discussion and voting in accordance with the law, the other directors present did not express any objections and agreed to pass the motion as proposed.

III. Implementation of the 2025 Board of Directors Performance Self-Assessment Results (Reported to the Board of Directors on March 9, 2026)

Evaluation cycle		Evaluation performed once a year		
Evaluation period		January 1 to December 31, 2025		
Evaluation scope		Including performance assessment of the Board of Directors, individual directors, and functional committees		
Evaluation method		Board of Directors' internal self-assessment and directors' self-assessment		
Date of assessment		January 15 to January 31, 2026		
Date of the assessment report submitted to the Board of Directors		March 9, 2026		
Board of Directors	Items for assessment	Total score	Average score	Achievement rate (%)
	Level of participation in the Company's operations	60	58.62	97.70
	Improvement of the quality of the Board of Directors' decision making	60	58.92	98.20
	Formation and structure of the Board of Directors	35	34.15	97.57
	Election of Directors and their continuing education	35	33.87	96.77
	Internal Control	35	34.09	97.40
	Total	225	219.65	97.62
	Reviews and comments	The performance self-assessment results show that the performance assessment of the Board of Directors are all good.		
Board Member	Items for assessment	Total score	Average score	Achievement rate (%)
	Alignment of the goals and missions of the Company	15	14.55	97.00
	Awareness of the duties of a director	15	14.62	97.47
	Level of participation in the Company's operations	40	39.15	97.87
	Management of internal relationship and communication	15	14.55	97.00
	Professional training for directors	15	14.55	97.00
	Internal Control	15	14.62	97.46
	Total	115	112.04	97.42
	Reviews and comments	The performance self-assessment results show that the performance assessment of the Board of Directors are all good.		
Self-assessment of functional committee performance (including Remuneration Committee, Audit Committee, and Sustainability Committee)	Items for assessment	Total score	Average score	Achievement rate (%)
	Level of participation in the Company's operations	20	19.20	96.00
	Awareness of the duties of the functional committees	35	34.40	98.28
	Quality of decision making of the functional committees	35	33.80	96.57
	Formation and election of the functional committees	15	14.4	96.00
	Internal Control	15	15	100
	Total	120	116.80	97.33
	Reviews and comments	The performance self-assessment results show that the performance assessment of the functional committees are all good.		

The "Regulations on Self-evaluation or Peer Evaluation of the Board of Directors" were passed at the 13th meeting of the

	18th Board of Directors of the Company on May 3, 2019, and the Company has evaluated the overall performance of the Board of Directors each year since 2019. Please refer to the table above for the details of the evaluation. The Company's meeting affairs unit is responsible for conducting said internal performance evaluation of the Board of Director, and compiling the self-evaluation results after the self-evaluation is submitted by individual directors, and the evaluation is conducted in the form of internal questionnaires. The results of said performance evaluation will be provided to the directors, which can be adopted as a reference when directors and the Remuneration Committee need to make decisions. This can further improve the quality of the Board of Directors' decision-making, and can also be adopted as a reference for director candidate nomination. The overall performance of the Board of Directors was excellent as it could perform its functions as required, with an average score of 5 points. The content of the performance evaluation was reported to the 19th meeting of the 20th Board of Directors on March 9, 2026. IV. The goal of enhanced functions of the Board of Directors in the current year and the last year (such as establishing an Audit Committee or increasing information transparency, etc.) and the assessment of the implementation: (I) The goal of enhanced functions of the Board of Directors 1. The Company's Remuneration Committee shall meet at least twice a year to regularly review directors' salary and remuneration policy, payment system, and whether there are significant differences in the salary and remuneration structure from that in similar industries. 2. Implement corporate governance and increase information transparency: The operation of the Board of Directors is conducted in accordance with the Rules of the Meeting of the Board of Directors, and the Company's Board of Directors also hold a meeting in accordance with said rules. 3. The Company established an Audit Committee in 2017 to strengthen its corporate governance and management functions. 4. The Company formulated performance evaluation regulations for directors and managers in 2018 to implement its corporate governance and enhance the functions of the Board of Directors. (II) Implementation status of the evaluation: The charter of each committee is approved by the Board of Directors, and each committee reports its resolution results to the Board of Directors on a regular basis, so that the Board can better understand the Company's actual operations. The Company, in line with the principle of operational transparency, makes public the important resolutions of the Board of Directors on the Market Observatory Post System (MOPS) immediately after each Board meeting to safeguard shareholders' rights and to enhance information transparency.

(II) Information on the operation of the Remuneration Committee:

The Company's Audit Committee was established on June 19, 2017 to replace the original supervisors. The members of the committee (three seats) are served by independent directors of the Board of Directors, and all the committee members elect from among themselves an independent director to serve as the convener and another as the chair of the meetings. The operation is conducted in accordance with the Company's Audit Committee Charter, and the matters deliberated include the Company's financial statements, auditing and accounting policies and procedures, internal control systems, major assets or derivatives trading, raising or issue of securities, appointment, dismissal, or remuneration of CPAs, and appointment and dismissal of financial and accounting managers or chief internal auditor.

Major tasks of 2025:

1. Review of financial statements

The preparation of the company's 2024 financial statements (including consolidated financial statements) is completed by the board of directors. An independent auditor's report with an unqualified opinion is issued by CPA Chin-Chang Chen and CPA Fu-Ming Liao of PwC Taiwan. In addition to said statements, the 8th meeting of the 3rd Audit Committee (2025.03.10) has approved the business report and an earnings distribution proposal and submitted them to the 12th meeting of the 20th Board of Directors (2025.03.10), which resolved to adopt the motions above. Said motions have also been ratified by the 2025 regular shareholders' meeting (2025.6.17).

2. Assessment of the effectiveness of the internal control system

The Company exercised judgment on the effectiveness of the internal control system design and implementation in 2024 based on the criteria of the internal control system effectiveness in the "Regulations Governing the Establishment of Internal Control System by Public Companies."

The Company's internal control self-assessment was completed on January 31, 2025, and the Company did not discover major defects in the design and implementation of its internal control system; thus, the Company's internal control system design and implementation should be effective. The assessment was approved by the 8th meeting of the 3rd Audit Committee (2025.03.10) after deliberation, and reported to and approved by the 12th meeting of the 20th Board of Directors (2025.03.10), after which the 2024 the Statement of Declaration of Internal Control System was issued.

The Audit Committee met 6 times in 2025, and the attendance of members of the Audit Committee is as follows:

Year	Title	Name	Actual number of attendance (B)	Attendance by proxy	Attendance rate (%) [B/A] (Note 1, Note 2)	Note
2025	Convener and chair	Changmin Jin	6	0	100%	Total of 6 meetings in 2025 (A)
	Member	Fuchuan Chen	6	0	100%	
	Member	Han-Wei Tsai	5	1	83%	

Additional information:

I. For Audit Committee meetings that meet any of the following circumstances, specify the date, session, the content of the proposal, independent directors' objections, reservations, or major suggestions, Audit Committee' resolution results, and the Company's response to such opinions.

(I) The matters specified in Article 14-5 of the Securities and Exchange Act are as in the table below

Audit Committee	Agenda	The results of the Audit Committee's resolution and the Company's response to the Audit Committee's opinions
8th meeting of the 3rd term (2025.03.10)	1. The Company's 2024 business report and financial statements. 2. Appointment of Prosperity CPA to provide financial and tax reporting certification and transfer pricing report for the Company in 2025. 3. Amendments to the Company's Internal Control Process Management for "Payroll Cycle." 4. The Company's 2024 Statement of Declaration of Internal Control System drafted in accordance with the specified format.	All attending members passed the proposal without objection.
9th meeting of the 3rd term (2025.05.02)	1. The Company's consolidated financial statements for the first quarter of 2025.	
10th meeting of the 3rd term (2025.06.27)	1. The proposal for short-term financing provided by the Company to the subsidiary Sanyo Chuan-Neng Co., Ltd. due to its operational needs.	
11th meeting of the 3rd term (2025.08.08)	1. The Company's consolidated financial statements for the second quarter of 2025.	
12th meeting of the 3rd term (2025.08.29)	1. The Company's acquisition of land for the Chiayi Business Office.	
13th meeting of the 3rd term (2025.11.10)	1. The Company's consolidated financial statements for the third quarter of 2025. 2. The Company's formulation of the 2026 audit plan per the provisions of the internal control system and filing of the case to the competent authority in accordance with the regulations.	

(II) Except for said matters, other matters that have not been approved by the Audit Committee but have been adopted by more than two-thirds of all directors: None.

II. Implementation status of independent directors' recusal from the proposals with their personal interest involved: None.

III. The communication between the Independent Directors and the Chief Internal Auditor and the certified public accountants (including the communications related to the financial position and state of operation of the Company, in materiality, the means of communications, and the result):

1. The Company's chief internal auditor reports on the audit business, audit results, and follow-up regularly to independent directors in each meeting of the Audit Committee held, and the communication has been positive.
2. The Company's CPAs report on the basis for audit, key audit matters, and the audit results of the financial statements for the year at the annual meeting of the Audit Committee, and the communication has been positive.
3. The Company's independent directors and chief internal auditor attend every Board meeting held in a non-voting capacity, and the chief internal auditor reports on the internal audit business at each Board meeting.

Note 1: If an independent director resigns before the end of the year, the date of resignation shall be indicated in the remarks column, and their attendance rate (%) shall be calculated based on the total number of the Audit Committee meetings and the number of attendance during their term.

Note 2: If there is an election of independent directors before the end of the year, the new and old independent directors shall be entered, and the old or new independent director or re-elected and the election date shall be indicated in the remarks column. The attendance rate (%) shall be calculated based on the total number of the Audit Committee meetings and the number of attendance during their term.

(III) How The Company's actual governance differs from The Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and why:

Items for assessment	Actual governance (Note)			The variation with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons for the variation
	Yes	No	Summary Description	
I. Will the Company instituted and disclosed the corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company has established the "Corporate Governance Best-Practice Principles" in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies," which was discussed and approved at the 16th meeting of the 17th Board of Directors (November 9, 2016). To comply with international corporate governance development trends and respond to recent social and international concerns, the Principles have been amended over the years in line with relevant regulations. The most recent amendment of the relevant content was made on November 8, 2024, and has been disclosed on the MOPS and the Company's website. One amendment of the relevant content has been disclosed on the MOPS and the Company's website.	No significant differences from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies."
II. The Company's shareholding structure and shareholders' equity (I) Will the Company has the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?		V	(I) The Company has engaged a spokesperson and an acting spokesperson, and stock affairs departments and legal affairs departments to handle shareholders' suggestions or disputes.	It is quite aligned with the [Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies] without significant differences.
(II) Will the Company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders?	V		(II) The Company regularly possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders.	No significant differences from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies."
(III) Will the Company establish and	V		(III) The Company has formulated the Regulations on [Supervision and	No significant

Items for assessment	Actual governance (Note)			The variation with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons for the variation
	Yes	No	Summary Description	
implement the risk control and firewall mechanisms with the related parties?			Management of Subsidiaries] and [Regulations on Long-term Investment] as well as other internal management control mechanisms and firewalls in accordance with the laws, and executed them accordingly.	differences from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies."
(IV) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?	V		(IV) The Company has established internal regulations, "Procedures for Handling Material Inside Information" and "Management Measures for the Prevention of Insider Trading," and periodically educates company insiders that if they engage in insider trading, they will be subject to criminal and civil liabilities. These regulations prohibit company insiders from trading securities using non-public information available in the market.	No significant differences from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies."
III. The organization of the Board and their duties (I) Has the Board of Directors formulated a Board diversity policy and specific management objectives and implemented them accordingly?	V		(I) The Company implements the policy of diversity of Board members in the "Corporate Governance Best-Practice Principles," which includes but is not limited to the following two major standards: (1) Basic requirements and values: Gender, age, nationality and culture. (2) Professional knowledge and skills: A professional background (e.g. law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.	No significant differences from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies."
			<u>Management goals:</u> (1) The number of independent directors shall not be fewer than three and not less than one-fifth of the total number of directors; (2) The chairperson of the board and the president or an equivalent position shall not be the same person or spouses or first-degree relatives; (3) The members of the board of directors shall include at least one female director. <u>Implementation:</u> A total of 13 directors (including 3 independent directors) were elected at the 2023 annual general meeting of the Company's shareholders on 2023.6.13. They have diverse and	

Items for assessment	Actual governance (Note)			The variation with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons for the variation
	Yes	No	Summary Description	
			complementary industry experiences and professional capabilities in finance, accounting, and finance. Three independent directors, not less than one-fifth of the total number of directors; the chairman and the general manager are not the same person; three female directors are included in the board of directors, which meets the requirement of including at least one female director. In line with the management goals of the policy on diversity of the board members, the board members actively attended board meetings with an attendance rate of 92.3%, effectively supervising and monitoring operational plans. In the future, the company will pursue the management goal of having one-third of the board members as independent directors.	
(II) Will the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily?	V		(II) In order to establish good corporate governance, enhance and strengthen management functions, and commit to corporate social responsibility and sustainable operations, the Company resolved to establish the [Ethical Management and Sustainable Development Committee] and formulate the [Ethics and Sustainability Committee Organizational Charter] at the 3rd meeting of the 20th Board of Directors on August 7, 2023. The current members, namely Director Yulung Chiao, Independent Director Changmin Chin, and Independent Director Fuchuan Chen, are jointly responsible for the Company's sustainable development.	No significant differences from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies."
(III) Has the Company had the rules governing the performance evaluation of the board of directors and evaluation methods stipulated, the performance evaluation performed annually and regularly, the	V		(III) In order to establish good corporate governance, enhance and strengthen management functions, and commit to corporate social responsibility and sustainable operations, the Company resolved to establish the [Ethical Management and Sustainable Development Committee] at the 3rd meeting of the 20th Board of Directors on	No significant differences from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed

Items for assessment	Actual governance (Note)			The variation with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons for the variation
	Yes	No	Summary Description	
results of the performance evaluations reported to the board of directors, and the evaluation result applied as a reference for individual director's remuneration and nomination for re-election?			August 7, 2023. In order to strengthen corporate governance and provide the functions of the Company's Board of Directors and various functional committees, the Board of Directors approved the establishment of the "Procedures of Performance Evaluation of the Board of Directors" on May 3, 2019, which was amended and approved on November 10, 2020. The Company's board of directors and each functional committee shall conduct an internal performance evaluation at least once a year. The results of the Company's most recent internal evaluation of the performance of the Board of Directors and various functional committees (2025) were submitted to the Board of Directors on March 9, 2026 for review and improvement.	Companies."
			The scope of performance evaluations for the company's Board of Directors and functional committees should include the overall performance of the Board of Directors, individual directors, and each functional committee. The measurement items and scoring criteria for the evaluation indicators shall be in accordance with the regulations stipulated in the company's Performance Evaluation Guidelines for the Board of Directors and Functional Committees. The Company's 2025 internal performance evaluation of the Board of Directors and functional committees resulted in the following results: Evaluation period: January 1, 2025 to December 31, 2025. Evaluation outcome: After evaluation, the performance of the Board of Directors, the Audit Committee, the remuneration, the performance of the Sustainable Development Committee, and the members' performance were all rated as "Good" during the evaluation period.	

Items for assessment	Actual governance (Note)			The variation with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons for the variation
	Yes	No	Summary Description	
			In terms of the procedures for determining directors' remuneration at the company, the guidelines and regulations of each functional committee are adhered to for performance evaluation, in addition to following the regulations stipulated in the Company's Articles of Incorporation. The relevant performance evaluations and reasonableness of remuneration are reviewed by each functional committee and the Board of Directors. The directors' remuneration system is reviewed in a timely manner in accordance with the actual operating conditions and relevant laws and regulations.	
(IV) Will the Company have the independence of the public accountant evaluated regularly?	V		(IV) The financial department of the Company conducts a preliminary evaluation on the independence and suitability of the CPAs, and sends the evaluation to the Audit Committee for review and approval, and then to the Board of Directors for approval. The Company requires PricewaterhouseCoopers (PwC), Taiwan to provide an "Independence Statement" from its certified public accountants, as well as an evaluation report on "Audit Quality Indicators at the Firm Level" and "Audit Quality Indicators at the Engagement Level" in accordance with the "Audit Quality Indicators Disclosure Framework and Template" issued by the Financial Supervisory Commission. The accounting firm and its certified public accountants have audit experience and audit input indicators that are superior to the industry average. Based on the above assessment, CPA Chen, Chin-Chang-Ku and Liao, Fu-Ming did not have any matters that affect their independence and suitability, and are qualified to serve as the Company's certified public accountants. The evaluation of the independence and suitability of CPAs was discussed in the 15th meeting of the 3rd Audit Committee (on March 9, 2026) and in the	No significant differences from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies."

Items for assessment	Actual governance (Note)			The variation with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons for the variation
	Yes	No	Summary Description	
			19th meeting of the 20th term of the Board (on March 9, 2026).	
IV. Dose the Company appoint an appropriate number of suitable corporate governance personnel, and engage a corporate governance officer to be in charge of corporate governance-related matters (including but not limited to providing directors and supervisors with materials required to perform duties, assisting directors and supervisors with compliance, handling matters related to the meetings of the Board of Directors and shareholders' meetings per the law, and preparing the minutes of the meetings of the Board of Directors and shareholders' meeting)?	V		In accordance with Article 3-1 of the "Corporate Governance Best-Practice Principles," the Company has established a corporate governance unit with six concurrent personnel to handle corporate governance-related affairs. Additionally, in compliance with the "Directions for the Appointment and Exercise of Powers by the Boards of Directors of TWSE/TPEx Listed Companies," the Company resolved to appoint Associate Vice President Changhui Lin of the Finance Department as the corporate governance officer in the 7th meeting of the 19th Board of Directors (May 4, 2021). She possesses more than three years of experience in legal affairs, finance, accounting, auditing, and meeting administration at a public company. She is responsible for assisting directors in executing their duties, providing necessary information and continuous training, overseeing the procedural and compliance matters of board meetings and shareholders' meetings, implementing ethical management, maintaining investor relations, and other related matters. <u>The implementation of business in 2025 is as follows:</u> 1. Plan the schedules for Board of Directors and Audit Committee meetings, formulate meeting agendas, and assist the Chairperson in convening meetings according to law, and distribute meeting materials and meeting minutes within the time limit. 2. After each Board meeting, responsible for reviewing the disclosure of material information concerning important resolutions, ensuring the legality and accuracy of the information to protect equal access to trading information for investors. 3. Assist directors in performing their duties and enhance Board effectiveness, responsible for handling matters requested by directors.	No significant differences from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies."

Items for assessment	Actual governance (Note)			The variation with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons for the variation
	Yes	No	Summary Description	
			4. Arrange directors' continuing education courses on August 8 and November 10, meeting the recommended training hours required by law. 5. Assist in implementing the Board performance assessment. 6. Handle shareholders' meeting related matters according to law, and announce the meeting handbook, annual report and other related information in both Chinese and English versions before the deadline in compliance with corporate governance evaluation indicators. 7. Update the Company website information from time to time so that investors can understand the Company's financial, business and corporate governance information to protect shareholders' rights and interests.	
V. Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a section dedicated to stakeholders on the Company's website, and respond to critical corporate social responsibility issues about which stakeholders are concerned appropriately?	V		The Company has established communication channels for stakeholders, setting up a dedicated stakeholder's section on the Company website, with designated personnel from each responsible unit to respond to issues of concern to stakeholders.	No significant differences from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies."
VI. Does the Company appoint a professional stock affairs agency to handle the affairs of shareholders' meetings?	V		The Company appoint a professional stock affairs agency to handle the affairs of shareholders' meetings. Stock Affairs Agency: Entrust Securities Co., Ltd. Stock Affairs Tel: 886-2-2718-6425 Address: 4F., No. 54, Sec. 4, Minsheng E. Rd., Songshan Dist., Taipei City	No significant differences from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies."

Items for assessment	Actual governance (Note)			The variation with the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies,” and the reasons for the variation
	Yes	No	Summary Description	
VII. Information disclosure (I) Does the Company have a website setup and the financial business and corporate governance information disclosed? (II) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company’s website, etc.)? (III) Has the Company announced and declared its financial report within 2 months after the end of the fiscal year, and announced and declared the quarterly financial report of Q1, Q2, and Q3 and the monthly business report before the deadline?	V V V		(I) The Company have a website setup and the financial business and corporate governance information disclosed. Company Website: https://sanlux.com.tw (II) The Company has designated relevant departments to be in charge of the collection and disclosure of company information, and appointed those who are capable of speaking on behalf of the Company alone to serve as the Company’s spokesperson and acting spokesperson, and the process of the investor conferences is placed on the official website. (III) In accordance with Article 36 of the Securities and Exchange Act and other relevant regulations, the Company announces and files its annual financial reports within 75 days, first, second, and third quarter financial reports within 45 days, and monthly operating conditions by the 10th of each month. Temporarily unable to announce and report the annual financial report within two months after the end of the fiscal year. The 2025 financial statements were announced and filed on March 12, 2026.	No significant differences from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.” No significant differences from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.” No significant differences from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.”
VIII. Does the Company have other critical information that will facilitate the understanding of its corporate governance operation (including but not limited to employee rights, employee care, investor	V		1. In order to protect the rights and interests of employees, the Company has established a labor union, regularly holds labor meetings, and actively builds a bridge of communication with employees. The Company also publicly recognizes outstanding employees for their achievements.	It is partially aligned with the [Corporate Governance Best Practice Principles for TWSE/TPEx Listed

Items for assessment	Actual governance (Note)			The variation with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons for the variation
	Yes	No	Summary Description	
relations, supplier relations, stakeholders' rights, continuing education of directors and supervisors, and implementation status of risk management policy and risk evaluation standards, implementation status of customer policy, and purchase of liability insurance for directors and supervisors)?			2. The Company has established the Employee Welfare Committee since 1967 to promote various welfare measures, such as climbing, hiking, barbecue, and badminton, to enhance the friendship between employees and employees. 3. The Company has established a financial unit. In addition to regularly disclosing important operating information of the Company and continuously improving the information transparency of the Company, the Company has also established a feedback mechanism for investors to express their suggestions on the Company's development. 4. The Company visits and communicates with each supplier at least once a year on average to increase the communication channels between Sanyo and its suppliers. 5. To protect the rights of stakeholders, the Company has designated dedicated personnel/sections to respond to shareholders and stakeholders. Communication can be made directly through telephone, fax or e-mail. The Company has set up a whistleblowing mailbox to encourage employees to report violations of laws and regulations. 6. The Company is committed to providing customers with quality products at high cost performance. At the same time, we use the customer service hotline, after-sales service tracking, telephone interviews, official website and other multiple channels to understand customers' expectations of the company and products, in order to better meet customer needs in products and services. 7. The Company purchases liability insurance for directors and managers during their term of office in respect of their scope of business, in order to reduce and diversify the risk of major damage to	Companies]; partial improvement is required.

Items for assessment	Actual governance (Note)			The variation with the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies,” and the reasons for the variation
	Yes	No	Summary Description	
			the Company and shareholders caused by a director’s error or negligence. The Company’s liability insurance for directors was reported to the 18th meeting of its 20th term on January 16, 2026, on the liability insurance coverage amount (US$3 million), coverage (all directors and key employees), and insurance coverage period (2026).	
IX. State of corrective action taken for responding to the results of the corporate governance assessment announced by Taiwan Stock Exchange Corporation in the Corporate Governance Center the most recent fiscal year, and the priority for improvement on issues pending further corrective action and related measures. The Company will conduct corporate governance evaluations in accordance with the regulations of the competent authorities, and gradually improve the corporate governance situation in order to enhance the corporate governance image.				

Note: Whether the company selects “Yes” or “No” in the operation condition, it should explain the situation in the summary space.

(IV) The composition, responsibilities, and operation of the Company’s Remuneration Committee:

(1) <u>Information on members of the Remuneration Committee</u>

<table>
<tr><th>By identity (Note 1)</th><th>Condition / Name</th><th>Professional qualifications and experience (Note 2)</th><th>Status of independence (Note 3)</th><th>Number of public companies where the members of the Remuneration Committee are also the members of the remuneration committees of these companies</th></tr>
<tr><td>Independent Director</td><td>Changmin Jin</td><td rowspan="3">The Remuneration Committee consists of two independent directors and a professional. The members possess professional qualifications and experiences in business, legal affairs, finance, or accounting, or other work experiences required to carry out the Company’s business.</td><td rowspan="3">All Remuneration Committee members have met the following criteria:
1. Is in compliance with Article 14-6 of Securities and Exchange Act and 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 (Note) promulgated by the FSC
2. Does not and spouse and minor child (children) thereof (or by nominee arrangement) do not hold the Company’s shares.
3. Did not receive remuneration for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the last two years.</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Fuchuan Chen</td><td>0</td></tr>
<tr><td>Others</td><td>You-Jian Li</td><td>0</td></tr>
</table>

Note: Not under any of the following situations during the two years before being elected and during the term of office

(1) Employed by the Company or any of its affiliates
(2) A director or a supervisor at the Company or its affiliate
(3) A natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 natural-person shareholders in the name of itself, its spouse, minor children or others
(4) Not the spouse, the kindred to the second tier under the Civil Code or the direct kin within the third tier under the Civil Code of the managers stated in (1) or other roles stated in (2), (3)
(5) A director or employee of an institutional shareholder who directly holds more than 5% of the Company’s total issued shares, who are among the top five shareholders, or who designates its representative to serve as a director, supervisor, or employee at the Company in accordance with Article 27 of the Company Act
(6) A director, supervisor, or employee at another company where a majority of the Company’s director seats or voting shares and those of another company are controlled by the same person
(7) A (managing) director, supervisor, or employee at another company or institution where the Chairman, the President, or person holding an equivalent position of the Company and a person in an equivalent position at another company or institution are the same person or are spouses
(8) A (managing) director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution which has a financial or business relationship with the Company
(9) A professional individual who, or an owner, partner, (managing) director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. However, it does not apply to those who serve as members of the Company’s Remuneration Committee.

(2) Information on the operation of the Remuneration Committee

I. The Company's Remuneration Committee has three Committee members in total.

II. The term of the current committee members: From June 13, 2023 to June 12, 2026. In the last year, the Remuneration Committee held 2 meetings (A); the members' qualifications and attendance are as follows:

Title	Name	Actual number of attendance (B)	Attendance by proxy	Attendance rate (%) (B/A) (Note)	Note
Convener	Changmin Jin	2	0	100	
Member	Fuchuan Chen	2	0	100	
Member	You-Jian Li	2	0	100	

Additional information:

(1) Where the Board may not take or revise the advice of the Remuneration Committee, specify the date and the session of the Board, the content of the motion, the resolution of the Board, and the response to the opinions of the Company towards the advice of the Remuneration Committee (if the resolution of the Board suggested better position of remuneration than the advice of the Remuneration Committee, specify the reasons and the variations): None.

(2) Where members of the Remuneration Committee may have adverse opinions or qualified opinions in their resolutions on record or in written declaration, specify the date and session of the committee, the content of the motion, the opinions of all other members, and the responses to the adverse opinions: None.

(3) The summary of the main communication matters and resolutions in 2025 is as follows:

Remuneration Committee	Communication matters	Result of communication
4th meeting of the 5th term (2025.02.21)	Discussion of the 2024 Board of Directors' performance evaluation and managerial officers' performance evaluation of the Company.	Reviewed and passed, and submitted to the Board of Directors for resolution.
	Discussion about the Company's 2024 employee remuneration and director remuneration.	Reviewed and passed, and submitted to the Board of Directors for resolution.
5th meeting of the 5th term (2025.06.20)	Review of the Company's 2024 distribution of remuneration to directors and managers.	Reviewed and passed, and submitted to the Board of Directors for resolution.

Note:

(1) If a particular member of the Remuneration Committee resigned from office prior to the end of the fiscal year, specify the date of resignation in the field provided. The attendance (or attend as observer) rate to the session of the committee (%) shall be calculated on the basis of the number of sessions held in such period and the actual number of presence in the sessions.

(2) If there was an election of new members for the Remuneration Committee before the end of the fiscal year, fill in the information on the former and the new members, and specify if the members are newly elected to office or reelected for a second term of office, and the date of the election. The attendance rate to committee session (%) shall be calculated on the basis of the number of sessions held in such period and the actual number of presence in the sessions.

(3) Scope of responsibilities of the Remuneration Committee.

The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the board of directors for discussion:

I. Periodically review this Charter and make recommendations for amendments.
II. Establish and regularly review the directors' and managers' performance evaluation standards, annual and long-term performance targets, and their remuneration policy, system, standards, and structure, and disclose the content of the performance evaluation standards in the annual report.

Regularly evaluate the directors' and managers' achievement of their performance targets, determine the content and amount of their individual remunerations per the evaluation results based on the performance evaluation standards. Disclose their individual performance evaluation results, and the correlation between the content and amount of individual remuneration and their performance evaluation results, and the reasonableness in the annual report.

(V) Status of promotion of sustainable development and deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof:

Item	Status of implementation (Note 1)			The variation with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons for the variation
	Yes	No	Summarized explanation (Note 2)	
I. Has the Company established exclusively (or concurrently) dedicated units to promote sustainable development, and has the Board of Directors placed personnel at the senior management in charge of the promotion and monitored the promotion?	V		In order to implement the Company's sustainable development, strengthen the corporate governance system, reinforce the Board of Directors' oversight function over environmental protection, social responsibility, and corporate governance, and establish a sound functional committee governance system for the company, the "Ethical Management and Sustainable Development Committee" was established under the 20th Board of Directors at its 3rd meeting (August 7, 2023) in accordance with the company's "Sustainable Development Best-Practice Principles" and "Corporate Governance Best-Practice Principles." The Committee convenes at least two meetings a year and the committee comprises three or more directors, including one independent director. The committee proposals are made by the responsible units of the Sustainability Promotion Team and reported to the Board of Directors after approval. The sustainable development task force regularly reports to the Board of Directors on the implementation of sustainability plans. A total of 2 meetings were held in 2025, covering the identification of sustainability issues that need attention, as well as the collection of greenhouse gas inventory data and tracking of subsequent reporting progress.	It is quite aligned with the [Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies].
II. Does the Company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?		V	1. The scope of the 2025 risk assessment for sustainable development implementation included Taiwan Sanyo Electric Co., Ltd. and its subsidiaries, Sanyo Chuan-Neng Co., Ltd., Shouji Investment Co., Ltd., and Chen Ho & Co., Ltd. These entities were covered by the risk assessment conducted by Sanyo Taiwan. The disclosure information and risk assessment boundaries cover the sustainability performance of Taiwan Sanyo Electric Co., Ltd. and its subsidiaries from January to December 2025. 2. The Sustainable Development Committee conducts an analysis based on the materiality principle of the sustainability report, communicates with internal and external stakeholders, and accordingly evaluates material priority issues. The committee formulates effective risk management policies for identifying, measuring, assessing, monitoring, and controlling risks, as well as adopts concrete action plans to mitigate the impacts of risks.	It is quite aligned with the [Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies].

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Status of implementation (Note 1)</th><th rowspan="2">The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” and the reasons for the variation</th></tr>
<tr><th>Yes</th><th>No</th><th>Summarized explanation (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>3. Based on the risk assessment, the following risk management policies or strategies have been established:</td><td></td></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Material Issues</th><th>Description of assessed risks</th><th>Explanation</th></tr>
<tr><td>Environmental</td><td>Environmental impact and management</td><td>The Company and its major subsidiaries have obtained ISO 14001 environmental management system certification and continue to be committed to environmental sustainable development, as well as the research and development or introduction of environmentally friendly products. This commitment is supplemented by the implementation of process safety management and systematic management cycles, which have effectively reduced pollution emissions and their impact on the environment.

The climate risk identification process was constructed with reference to the Task Force on Climate-Related Financial Disclosures (TCFD) structure. In 2025, discussions on climate risks and opportunities by the Sustainable Development Working Group resulted in the identification of key risk themes: technology risk, market risk, and natural disaster climate response risk. Opportunity areas identified included product and service opportunities and resource efficiency, and these topics are now being managed.

Regularly assess greenhouse gas emissions in accordance with ISO 14064-1, review the impacts faced by business operations, and continuously refine carbon reduction measures based on the results of the greenhouse gas inventory to effectively reduce direct and indirect greenhouse gas emissions across Scope 1, Scope 2, and Scope 3.

Implement the annual internal audit plan, review compliance with relevant environmental regulations, and inspect whether operating procedures have met the regulatory requirements.</td></tr>
<tr><td>Society</td><td>Customer privacy and information security</td><td>Information security awareness training and security incident drills are held occasionally, and the number of occurrences and their achievement rates are tracked. In 2025, there was no violation of customer privacy or loss of customer information.</td></tr>
</table>
</td><td></td></tr>
</table>

Item	Status of implementation (Note 1)			The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” and the reasons for the variation
	Yes	No	Summarized explaination (Note 2)	

	Supply Chain Sustainability Management	Suppliers and their key components are regularly evaluated and tracked for compliance with relevant international specifications for restricted substances control, with findings disclosed on the official website. The performance appraisal for the supplier management policy has also been established to support this effort. There will be no actual negative impact in 2025.
	Customer relationship	The Company continuously monitors critical risk assessment items, including product safety concerns, personal data leakage, and delayed deliveries, to mitigate stakeholder concerns and protect brand trust assets.
	Talent Attraction and Retention	The Company has received certification and commendation for an age-friendly workplace for middle-aged and elderly persons, and has established a learning zone to provide digitalized teaching for middle-aged and elderly employees. The Company conducts regular evaluations and arranges work appropriately.
	Occupational safety and health	1. Labor environment monitoring To protect workers from workplace hazards and provide a healthy and comfortable work environment, the Company conducts two workplace environment monitoring sessions per year in accordance with its occupational safety and health management plan. The Company gradually gains an understanding of actual worker exposure levels, enabling it to take necessary corrective measures. 2. Promotion of occupational safety and health management The Company implements various safety and health management measures in accordance with its occupational safety and health management plan, and holds occupational safety and health committee meetings quarterly. During the meetings, relevant units present work reports, review the current status of safety and health implementation, and propose specific recommendations to improve the work environment and enhance safety and health management performance.

Material Issues	Description of assessed risks	Explanation
Corporate governance	Economic performance	In response to the government’s promotion of the “return of commodity taxes” and “appliance replacement subsidies,” the home appliance industry has seen a positive and direct economic

Item	Status of implementation (Note 1)			The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” and the reasons for the variation
	Yes	No	Summarized explanation (Note 2)	
			(continued) impact on revenue and end consumers. Innovative R&D: Guided by principles of energy efficiency and practical design, we continuously offer consumers remote control and smart temperature control products with energy efficiency certification. Socioeconomic factors and legal compliance: Ensure that personnel and operations comply with the relevant laws and regulations through the establishment of governance organizations and the implementation of internal control mechanisms. Enhancing director functions: Plan relevant professional development topics for directors and provide them with the latest updates on the laws, regulations, and policies annually. Purchase directors' and officers' liability insurance to protect directors from lawsuits or claims. Stakeholder communication: To avoid operational issues or litigation caused by misunderstandings stemming from differing perspectives between stakeholders and corporate management, the Company annually analyzes key stakeholders and their primary concerns. It has also established an investor mailbox to centrally manage and promptly address inquiries.	
III. Environmental issues (I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	V		(I) The Company follows the environmental protection laws and regulations set by the Ministry of Environment (such as the Air Pollution Control Act, Water Pollution Control Act, Waste Disposal Act, and Toxic and Concerned Chemical Substances Control Act). In 2025, the Company and its important subsidiary factories obtained ISO 14001 environmental management system certification. We and these factories continue to be committed to environmental sustainable development, as well as the research, development, and introduction of environmentally friendly conceptual products.	It is quite aligned with the [Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies].
(II) Is the Company committed to improving the energy use efficiency and using recycled materials with a low impact on the environment?	V		(II) The Company continues to promote R32 eco-friendly refrigerant as a replacement for R410a. R32 inverter air conditioner products are constantly being updated to emphasize eco-friendly refrigerant and frequency conversion energy savings.	It is quite aligned with the [Sustainable Development Best

<table>
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<tr><th>Yes</th><th>No</th><th>Summarized explanation (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>The Company’s production process waste is handled by qualified manufacturers. End-use products that become obsolete are also outsourced for product disassembly, recycling, and circular utilization to reduce waste.</td><td>Practice Principles for TWSE/TPEx Listed Companies].</td></tr>
<tr><td>(III) Has the Company assessed its present and future potential risks and opportunities of climate change and taken relevant countermeasures?

(IV) Does the Company make statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and formulate policies for greenhouse gas reduction, water consumption reduction or other waste management?</td><td>V</td><td>

V</td><td>(III) The Board of Directors serves as the Company’s highest decision-making body for climate issues. The Integrity Management and Sustainable Development Committee, established by the Board, annually reviews the Company’s climate change strategies and goals, its actions for managing climate change risks and opportunities, and the implementation status of these initiatives. The Committee also discusses future plans and reports its findings to the Board of Directors.

(IV) The results of the consolidated company’s greenhouse gas inventory, assurance, and reduction policies are illustrated in the following table.
Water consumption in the last 2 years:
<table>
<tr><th>Year</th><th>Water withdrawal (million liters)</th><th>Total water intake intensity (Million liters/million turnover)</th></tr>
<tr><td>2024</td><td>52.974</td><td>0.009</td></tr>
<tr><td>2025</td><td>50.398</td><td>0.009</td></tr>
</table>
The Company’s water resource usage is mainly at the headquarters and Taishan plant. The wastewater discharge treatment processes of the Taishan plant are regularly tested and reported in accordance with regulations. In 2025, there were no fines related to violations of the Water Pollution Prevention Act.

The waste generated by Taiwan Sanyo’s headquarters and Taishan plant is all general waste, with no hazardous waste. Recyclable garbage from the headquarters is classified and processed uniformly. The Taishan plant’s</td><td>It is quite aligned with the [Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies].

Completed a greenhouse gas inventory, water consumption tracking, and total waste volume statistics. The reduction plan has not been formulated yet.</td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Summarized explanation (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>(Taiwan Sanyo and Sanyo Chuan-Neng) total waste in 2025 was 1337.4287 tons, a decrease of 18.39% compared to the previous year, of which 132.7657 tons (9.927%) were directly disposed of and 1204.663 tons (90.073%) were transferred for disposal. No violation occurred in 114.
<table>
<tr><th>Item</th><th>Explanation</th><th>2024</th><th>2025</th></tr>
<tr><td>Scope 1</td><td>Direct greenhouse gas emissions</td><td>1895.59</td><td>1424.50</td></tr>
<tr><td>Scope 2</td><td>Energy indirect greenhouse gas emissions</td><td>3725.13</td><td>4139.75</td></tr>
<tr><td>Scope 1+2</td><td>Total emissions</td><td>5620.72</td><td>5564.25</td></tr>
<tr><td>Scope 3</td><td>Other indirect greenhouse gas emissions</td><td>9297.87</td><td>10009.11</td></tr>
<tr><td>Intensity (Scope 1+2)</td><td>metric tons CO2e/NT$ million in turnover</td><td>0.99</td><td>1.03</td></tr>
<tr><td>Intensity (Scope 3)</td><td>metric tons CO2e/NT$ million in turnover</td><td>1.63</td><td>1.86</td></tr>
</table></td><td></td></tr>
<tr><td>IV. Social issues
(I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?</td><td>V</td><td></td><td>(I) The Company is committed to protecting the basic human rights of employees and safeguarding their legal rights and interests. We support and comply with internationally recognized human rights conventions and standards such as the United Nations Universal Declaration of Human Rights and the International Labor Organization Conventions.</td><td>It is quite aligned with the [Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies].</td></tr>
<tr><td>(II) Has the company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflected business performance and achievements in the remuneration for employees?</td><td>V</td><td></td><td>(II) The Company establishes welfare measures and reflects operating performance and results in compensation and bonuses. The Company has also established an employee welfare committee to determine employee welfare matters, and annually holds a model employee commendation event on Labor Day to award certificates and bonuses.</td><td>It is quite aligned with the [Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies].</td></tr>
<tr><td>(III) Does the Company provide</td><td>V</td><td></td><td>(III) The Taiwan Sanyo Plant has established an environmental, safety and health</td><td>It is quite aligned with</td></tr>
</table>

Item	Status of implementation (Note 1)			The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” and the reasons for the variation
	Yes	No	Summarized explanation (Note 2)	
employees with a safe and healthy work environment, and provide safety and health education to employees regularly?			management system in accordance with ISO14001 (environmental management system) and ISO45001/CNS45001 (international/Taiwan occupational safety and health management system). The Company also executes the environmental, safety and health training for all employees to increase their environmental, safety and health knowledge and awareness. The Company also cooperates with external experts to conduct third-party external audits in the factory to enhance the performance of the environmental, safety and health system. In addition, as required by the law, special health examinations for employees engaging in special operation are conducted every year and the health examinations for general employees are held every two years. The Company implements various safety and health management measures in accordance with its occupational safety and health management plan, and holds occupational safety and health committee meetings quarterly. During the meetings, relevant units present work reports, review the current status of safety and health implementation, and propose specific recommendations to improve the work environment and enhance safety and health management performance.	the [Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies].
(IV) Has the company established an effective career development and training program for employees? Describe the aspects, scope and implementation of the training plan.	V		(IV) Taiwan Sanyo is committed to providing employees with training and education training opportunities to improve the skills and professional knowledge of employees, including regular internal training courses, external training courses and seminars, as well as the provision of professional certifications and learning resources. The Company also offers online courses for professional development and encourages employees to pursue self-directed learning.	It is quite aligned with the [Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies].
(V) Has the Company complied with the relevant regulations and international standards and formulated policies for consumer or customer protection and grievance procedures with respect to consumer health and safety, customer privacy, marketing, and	V		(V) The Company has established a consumer service hotline to address product inquiries and customer complaints. It also works to ensure effective certification of product inspection and labeling, thereby guaranteeing the compliance of products sold.	It is quite aligned with the [Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies].

Item	Status of implementation (Note 1)			The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” and the reasons for the variation
	Yes	No	Summarized explanation (Note 2)	
labeling of products and services?				
(VI) Has the Company established the supplier management policy to demand suppliers observe applicable rules and regulations governing environmental protection, occupational safety and health, or labor rights, and the state of implementation?		V	(VI) The Company has formulated a supplier management policy requiring trading partners to sign a supplier commitment letter. This letter details that all goods or services provided must comply with the relevant safety and environmental protection laws and international standards, and that their labor practices must adhere to the applicable human rights and labor laws and policies.	It is quite aligned with the [Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies].
V. Does the Company refer to internationally accepted report preparing guidelines or guides to compile its sustainable report or other reports disclosing non-financial information of the Company? Has said reports been assured or guarantee by a third-party certification unit?		V	The Company used the internationally accepted GRI Standards when preparing its sustainability report, but it has not yet obtained third-party verification.	It is still in compliance with the [Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies], but it has not undergone third-party verification.
VI. If the Company has formulated its own Sustainable Development Best Practice Principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe the difference between its operation and the established Principles: We have formulated the Sustainable Development Best-Practice Principles for Taiwan Sanyo Electric Co., Ltd. in accordance with the “Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies,” and all operations are conducted in compliance with the Principles.				
VII. Other important information for facilitating the understanding of sustainability and its implementation: (1) At the 3rd meeting of the 20th session of the board (2023.8.7), the Company amended the [Sustainable Development Best-Practice Principles] in accordance with the content released by the competent authority. (2) At the 3rd meeting of the 20th session of the board (2023.8.7), the Company established the [Ethics and Sustainability Committee].				

Note 1: If “Yes” is checked, specify the essential policy, strategy, measures, and implementation. If “No” is checked, specify the differences and reasons in the column of Deviations from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof, and state a plan to adopt relevant policies, strategies, and measures in the future.

Note 2: The materiality principle refers to the environmental, social and corporate governance issues which have a significant influence on the Company’s investors and other interested parties.

Note 3: For disclosure methods, please refer to the Best Practice Examples on the website of the Corporate Governance Center, Taiwan Stock Exchange Corporation.

(V)-I Promoting sustainability – Climate-related information of publicly traded and OTC companies

1 Implementation of reporting of climate-related information

<table>
<tr><th>Item</th><th>Status of implementation:</th></tr>
<tr><td>1. Describe board and management supervision and governance of climate-related risks and opportunities.</td><td>In response to the uncertainty of climate and rapid changes in policies and markets, SANLUX promptly grasps and estimates the possible impacts of climate change, and regularly convenes meetings of senior managers from various departments to identify major climate risks and opportunities. The Company also further assesses the potential risks and impacts of climate change on each operating base to understand changes in the external environment and market dynamics, and adjusts its overall business strategy accordingly.
The Board of Directors established the Integrity Management and Sustainability Committee at the 20th Board’s 3rd meeting (August 7, 2023), consisting of two Board members and one independent director with professional knowledge and capabilities in corporate sustainability authorized by the Board of Directors. The committee meets at least twice a year, responsible for formulating and promoting the company’s sustainable development policies, reviewing and tracking the overall implementation and effectiveness in a timely manner, and reporting to the Board of Directors.
A Sustainability Development Task Force is set up under the committee, including divisions for corporate governance, green products, employee care, environmental sustainability, social responsibility, and integrity management, to evaluate and implement sustainability development plans.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities will affect the Company’s business, strategy and finances (short, intermediate and long term).</td><td>The main risk issues in 2025 were technology risks, market risks, and physical risks. Opportunities include using more efficient production and increasing product service opportunities:
<table>
<tr><th colspan="6">Transition risk</th></tr>
<tr><th></th><th>Issues</th><th>Explanation</th><th>Strategy</th><th>Expected time of occurrence</th><th>Financial impact</th></tr>
<tr><td>Technology risk</td><td>Low-carbon technology transition, demand for low-carbon products and services transformation</td><td>The ratio of eco-friendly recycled or reclaimed materials used affects the physical properties of plastic parts. To reduce the negative impact of physical properties on product quality, the R&D department inevitably increases manpower and the R&D budget.</td><td>Under permissible conditions for appearance and strength, environmentally friendly recycled materials and regenerated materials will be used to reduce environmental impact.
● Short term: Using 25% regenerated materials for refrigerator inner</td><td>Short term</td><td>The R&D department’s increased investment in manpower and budget for testing has led to cost increases.</td></tr>
</table></td></tr>
</table>

Item	Status of implementation:					
				boxes. ● Long-term: Using 100% recycled materials for washing machine bases.		
	Market risk	Changes in customer preferences	With the rise in awareness of sustainable development and net-zero emissions, coupled with government policy promotion and related subsidy policies, purchasing green energy products will become a trend.	● Short term: Simultaneously develop and import relevant products that meet market demands. ● Mid-term: Invest in R&D funding to maintain market competitiveness.	Long-term	The investment in R&D of green energy products will increase the cost.
	Physical risks	Physical risks are vulnerable to climate change **(floods, droughts, windstorms, and heavy rainfall are examples of acute physical risks)**.	**Climate change impacts** have the potential to pose the most direct "high-frequency, high-impact" acute physical risks to business continuity, asset protection, and supply chain resilience.	● Relocation of production bases, business model transformation (rental/service), and resilience investments	Short-term and high occurrence	Business interruption, order delays, supply chain instability, and rising warranty claims.

Item	Status of implementation:
3. Describe the financial impact caused by extreme climate events and transition actions.	Financial impacts of extreme climate events: Dramatic climate changes pose potential risks to production and transportation stages. For example, wide storms or heavy rainfall can cause operational site shutdowns and equipment damage, resulting in an inability to ship in the short term. Drought and water shortages affect normal production line operations, requiring reduced water pressure or regional time-based water outages, leading to production stagnation and even affecting delivery schedules, indirectly causing increases in transportation and operational costs. Financial impact of transition actions: The Company continues to promote its sustainable development policy to reduce energy dependence and water resource consumption. Under the transition risk of technology and product services, the Company's asset value, profitability, and cost of capital have been simultaneously impacted.
4. Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.	The Board of Directors is the highest decision-making body for risk control and management of the Group The Board of Directors established the "Integrity Management and Sustainable Development Committee" in 2023. The Sustainable Development Working Group under the committee has been responsible for identifying and managing business operation risks, including physical and transition risks that may arise from climate change, and leading the planning of relevant countermeasures. The group reports identified risk issues and subsequent response strategies to the Board of Directors at least once a year.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions and analysis factors used and significant financial impacts should be explained.	Taiwan Sanyo has not yet used scenario analysis for evaluation. In the future, the Company will continue to review the necessary timing for using this analytical model to enhance resilience against climate change risks.
6. If there is a transition plan to manage climate-related risks, explain the content of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	In addition to actively developing low-carbon materials, the Company has also introduced energy-saving products to enhance market competitiveness.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	The Company has not yet implemented internal carbon pricing. Before doing so, it will evaluate both internal and market transaction conditions to establish a reasonable internal carbon price.
8. If there are climate-related goals set, the activities, scope of greenhouse	The Company has not yet set specific targets for strategically reducing greenhouse gas emissions. The Company completed its first carbon inventory in 2022 in accordance with ISO 14064-1: Perform emission source identification

Item	Status of implementation:
gas emissions, planning schedule, annual progress and other information covered should be explained. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon reduction credits to be exchanged or the quantity of RECs should be explained.	and inventory to comply with the 2018 standards.
9. Status of greenhouse gas inventory and assurance and the reduction goals, strategy and specific action plans (to be filled in 1-1 and 1-2 separately).	The Company established an emissions inventory baseline year in 2024, and will subsequently formulate reduction targets, strategies, and specific action plans based on annual carbon emission data. Status of greenhouse gas inventory and assurance to be filled in 1-1 and 1-2.

1-1 GHG inventory and assurance in the last 2 years

1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emission volume (metric tons CO2e), emission intensity (metric tons CO2e per million NTD revenue), and data coverage for the past two years.
The scope of data to be disclosed under the Sustainable Development Roadmap for TWSE/TPEx Listed Companies (refer to the website https://isds.tpex.org.tw for the exclusive roadmap of TWSE/TPEx listed companies): 1. The 2026 annual report disclosed the parent company’s standalone inventory information for 2025. The 2027 annual report disclosed the 2026 consolidated company inventory information. 2. From 2026 to 2027, annual reports published each year were required to disclose the Scope 1 and 2 greenhouse gas inventory information of the previous year. The greenhouse gas inventory scope includes direct greenhouse gas emissions (Category 1), indirect greenhouse gas emissions from imported energy (Category 2), and other indirect greenhouse gas emissions (Categories 3-6) to provide an understanding of the Company's GHG emission sources and emission volume. The inventory results are shown in the figure below.

Greenhouse gas emissions (metric tons CO_2e)			2024	2025
Scope 1	Category 1	Direct greenhouse gas emissions	1,895.59	1,424.50
Scope 2	Category 2	Energy indirect greenhouse gas emissions	3,725.13	4,139.75
Scope 1 + Scope 2	Category 1 + Category 2	Total emissions	5,620.72	5,564.25
Scope 3	Category 3~4	Other indirect greenhouse gas emissions	9,297.87	10,009.11
Turnover (NTD million)			5,689.79	5,392.85
Scope 1 + Scope 2	Category 1 + Category 2	GHG emission intensity (metric tons CO_2e/NT$ million in turnover)	0.99	1.03
Scope 3	Category 3~4	GHG emission intensity (metric tons CO_2e/NT$ million in turnover)	1.63	1.86

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the Company), emissions from indirect energy choices (Scope 2, i.e. indirect greenhouse gas emissions from in-taken 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 of direct emissions and indirect energy emissions shall be processed in accordance with the schedule specified in Paragraph 2, Article 10 of the “Regulations Governing Information to be Published in Annual Reports of Public Companies.” Other indirect emissions may be disclosed voluntarily.

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

Note 4: The intensity of GHG emissions can be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT$ million) should be disclosed.

1-1-2 Greenhouse gas assurance information

Describe the status of assurance in the last 2 years as of the date of publication of the annual report, including the scope of assurance, body of assurance, standards of assurance and opinions of assurance.
The Company has not yet conducted greenhouse gas inventory assurance, and the implementation of assurance is scheduled for 2027.

Note 1: It should be carried out in accordance with the timetable specified in the order stipulated in Paragraph 2, Article 10 of the Regulations. If the Company fails to obtain a complete greenhouse gas assurance opinion by the publication date of the annual report, it should indicate that "The complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it should indicate that "The complete assurance information will be disclosed in the Market Observation Post System" and disclose the complete assurance information in the annual report of the following year.

Note 2: The assurance organization shall comply with the relevant requirements for sustainability report assurance stipulated by the Taiwan Stock Exchange and Taipei Exchange.

Note 3: For disclosure methods, please refer to the Best Practice Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange Corporation

1-2 Greenhouse gas reduction goals, strategies and concrete action plans

Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and concrete action plans and achievement of reduction goals.
In 2024, Taiwan Sanyo re-established the baseline year for carbon inventory. By setting a baseline year for carbon inventory, the Company can measure and track its greenhouse gas emissions and subsequently formulate specific reduction targets.

Note 1: It shall be implemented in accordance with the schedule prescribed in Paragraph 2, Article 10 of the Regulations.

Note 2: The base year should be the year that the inventory is completed based on the boundaries of the consolidated financial statements. For example, pursuant to Paragraph 2, Article 10 of the Regulations, companies with a capital over NT$10 billion should complete the inventory for the 2024 consolidated financial reports before 2025, so the base year is 2024. If the Company has completed the inventory ahead of schedule, the earlier year can be used as the base year, and the data of the base year can be calculated by a single year or the average of several years.

Note 3: For disclosure methods, please refer to the Best Practice Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange Corporation

(VI) Ethical corporate management practice and deviation and causes of deviation from the Ethics Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies:

Items for assessment	Actual governance (Note)			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company" and the Reasons
	Yes	No	Summary Description	
I. The policy and plan of business integrity Does the Company explicitly state policies and methods of ethical corporate management in its approved ethical corporate management policies, rules, and regulations, and external documents and is the commitment of the board and management level to active implementation of such policies clearly stipulated?	V VVV		(I) In order to fully implement a policy of ethical management and actively prevent unethical conduct, the board approved the formulation of the "Ethical Corporate Management Best-Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" on August 7, 2023, and reported the formulation to the shareholder meeting on June 13, 2024. The Company also announced on the official website that the board and senior management have both issued the Declaration of Ethical Principles to demonstrate the Company's commitment to actively implement the ethical management strategy.	It is quite aligned with the [Ethical Corporate Management Best-Practice Principles for TWSE or TPEx Listed Companies].
(I) Has the Company developed the mechanisms for the assessment of integrity risk with routine analysis and assessment on business activities exposed to higher integrity risk in the operation based on which the Company planned for the prevention of unethical practices? The content shall cover at least the preventive measures contained in Paragraph 2 in Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-listed Companies."			(II) The Company has formulated the "Ethical Management Policy," including the measures of preventive programs, and urges the Company's directors, managers, employees, mandataries, and substantial controllers to fulfill their duty of care to prevent unethical behaviors. Regularly reviews its implementation effectiveness and continuous improvement to ensure the implementation of the ethical management policy.	It is quite aligned with the [Ethical Corporate Management Best-Practice Principles for TWSE or TPEx Listed Companies].
(II) Has the Company established plans for the prevention of unethical practices, and has it specified the operation procedures, code of conduct, and punishment for violation, and the system of complaints in the plans and properly implemented these plans with routine review and revision?			(III) In order to implement the ethical management policy and actively prevent unethical behaviors, the "Procedures for Ethical Management and Guidelines for Conduct" specify the operating procedures, guidelines for conduct, discipline, whistleblowing and grievance systems for violations, which are incorporated into employee performance evaluation and human resources policies, and are regularly reviewed and amended.	It is quite aligned with the [Ethical Corporate Management Best-Practice Principles for TWSE or TPEx Listed Companies].

Items for assessment	Actual governance (Note)			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company” and the Reasons
	Yes	No	Summary Description	
II. Implementation of Ethical Corporate Management (I) Does the company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?			(I) Before developing a business relationship such as a supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and require the signing of the “Supplier Letter of Commitment to Corporate Social Responsibility and Code of Conduct,” which specifies in detail that the goods or services provided should comply with relevant safety and environmental protection laws and international standards; and that labor practices should comply with domestic and international human rights and labor laws, policies or standards. Since the establishment of the “Ethical Operations Management Best-Practice Principles” in 2023, the document has been required for the documentation of new suppliers and existing suppliers as qualified suppliers along with the annual evaluation. After the signing, if the supplier is in breach of the Letter of Commitment, the Company may terminate or cancel the business relationship at any time.	It is quite aligned with the [Ethical Corporate Management Best-Practice Principles for TWSE or TPEx Listed Companies].
(II) Does the Company set up a unit dedicated to promoting ethical corporate management under the board of directors, and regularly (at least once a year) report to the board of directors its ethical corporate management policies and unethical conduct preventive action and the implementation of supervision?	V		(II) In August 2023, the Company’s board approved the formulation of the “Ethics and Sustainability Committee,” which is subordinate to the board and responsible for the promotion of corporate ethical management, the establishment of ethical management policies and preventive programs, supervision and implementation of whistleblowing reports, interpretation, consultation services and report content registration and filing and other related operations, as well as supervising the implementation. The Committee also reports to the board on a regular basis in accordance with the “Ethical Corporate Management Best-Practice Principles.”	It is quite aligned with the [Ethical Corporate Management Best-Practice Principles for TWSE or TPEx Listed Companies].
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate	V		(III) The Company has established a grievance hotline and grievance mailbox, and protects the identity of whistleblowers.	It is quite aligned with the [Ethical Corporate Management

Items for assessment	Actual governance (Note)			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company" and the Reasons
	Yes	No	Summary Description	
channel for communication, and substantiated the policies?				Best-Practice Principles for TWSE or TPEx Listed Companies].
(IV) Does the Company establish effective accounting and internal control systems for the purpose of maintaining ethical corporate management? Does the internal audit unit develop relevant audit plans based on the risk assessment result with respect to unethical conducts and audit the compliance with the unethical conduct prevention measures or commission CPAs to perform the audit?	V		(IV) The audit unit assesses risks and performs audits in accordance with the proposed audit plan, and entrusts accountants to regularly review various systems, and reports the progress to the board of directors on a regular basis.	It is quite aligned with the [Ethical Corporate Management Best-Practice Principles for TWSE or TPEx Listed Companies].
(V) Does the Company provide regular internal and external educational training on ethical corporate management?	V		(V) The Company requires new hires to sign a "Letter of Commitment" upon arrival, and the current employees reaffirm the "Letter of Commitment" every three years. The document contains the commitment of ethics and confidentiality, so that the employees are aware of the Company's ethical management policy. However, the Company has not yet implemented education and training programs for ethical management.	It is not aligned with the [Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies]
III. The operation of the Company's whistleblower reporting system (I) Has the Company established the system for reporting of unethical practices with action plan and reward to the informants, and relevant channels for reporting, and also the appointment of designated personnel for handling the report and the person being reported?	V		(I) The Company has established employee grievance filing channels and dedicated point of contact for employees to report provide opinions and report unlawful incidents or violations of business ethics. The information on whistleblowing channels are as follows: 1. Whistleblowing hotline: (02)2521-0251 #1205 2. Whistleblowing mailbox: san0001@sanyo.com.tw or mail to the mailbox of Audit Office, 11th Floor, No. 266, Songjiang Road, Zhongshan District, Taipei City.	It is quite aligned with the [Ethical Corporate Management Best-Practice Principles for TWSE or TPEx Listed Companies].
(II) Has the Company established the standard operation procedures for the investigation of complaints as reported, follow-up actions after	V		(II) 1. The "Taiwan Sanyo Electric Co., Ltd. Whistle-blowing System Implementation Measures" have stipulated the principles for	It is quite aligned with the [Ethical Corporate Management Best-Practice Principles for

Items for assessment	Actual governance (Note)			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company” and the Reasons
	Yes	No	Summary Description	
the investigation, and related mechanisms for confidentiality?			accepting reported cases, investigation procedures, follow-up measures for investigation reports, and protection of whistle-blowers. 2. Principles for accepting whistle-blowing cases: If a reported case falls under any of the following circumstances, the acceptance unit may refuse to accept a reported case, but it should be kept on record for further investigation: (1) The whistleblower fails to provide effective contact information. (2) The reported case does not fall into the type of acceptance specified in Article 6. (3) The information referred to in Article 5 is not attached to the reported case or it is obviously malicious or false. (4) The same fact is found to be inadmissible after inspection, or has been handled and closed. However, this does not apply if the informant can provide new and concrete evidence to prove that it is necessary to re-investigate the same case. (5) The reported case is already under investigation by the prosecution, police and investigation authorities, or has been in court, or has been settled by court ruling or established through mediation. If the same fact of the reported case was reported earlier by another party, or is currently under investigation and handling, the case should be handled together. 3. Investigation procedure (including time limit for handling the matter): For a reported case referred for investigation, the investigation unit shall investigate the content of the report and related evidence in accordance with the following principles: (1) The investigation unit may contact the relevant departments to cooperate in the investigation into the	TWSE or TPEx Listed Companies]. It is quite aligned with the [Ethical Corporate Management Best-Practice Principles for TWSE or TPEx Listed Companies].

Items for assessment	Actual governance (Note)			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company” and the Reasons
	Yes	No	Summary Description	
			evidence. (2) Give the accused or other personnel concerned the opportunity to fully state their opinions and defend their case. (3) The whistleblower, the accused party or other personnel concerned may be notified to be present onsite to explain the case. Those with the relevant knowledge and experience may also be invited to help explain the case. (4) The investigation unit shall prepare a written report with the investigation results and suggestions after the investigation. If the accused is a director or an independent director, the case shall be reported to the Audit Committee for review and then to the Board of Directors.	
(III) Has the Company taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident? IV. Intensification of Disclosure Does the Company disclose on its website and MOPS the content and the effectiveness of the implementation of its Ethical Corporate Management Best Practice Principles?	V	V	(III)The “Procedures for Ethical Management and Guidelines for Conduct” stipulate that the Company’s personnel handling whistleblowing matters shall declare in writing they will keep the whistleblowers’ identity and contents of information confidential. The Company also promises to protect the whistleblowers from improper treatment due to their whistleblowing actions. The Ethical Corporate Management Best-Practice Principles have been disclosed on the Company’s website and the Market Observation Post System, but the effectiveness of its promotion has not yet been disclosed	It is not aligned with the [Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies]
V. If the Company has formulated its own Sustainable Development Best Practice Principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe the difference between its operation and the established Principles: 1. The Company amended the “Taiwan Sanyo Electric Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” on August 7, 2023. The Company regularly reports on implementation results to the Board of Directors to strengthen its corporate social responsibility efforts. 2. Although the Company has not yet formulated a carbon reduction strategy, it has reported greenhouse gas inventory data annually since 2023 and requires management and employees to actively participate in sustainability issues, greenhouse gas inventory, and environmental education and training courses. This has enabled the Company to improve its response to sustainable development issues, and its practices have remained consistent with the established guidelines to date.				

<table>
<tr><th rowspan="2">Items for assessment</th><th colspan="3">Actual governance (Note)</th><th rowspan="2">Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company” and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td colspan="5">VI. Other important information for facilitating the understanding of sustainability and its implementation:
The Company’s website (https://www.sanyo.com.tw/) discloses content on corporate sustainability issues, including social care, supplier management, environmental friendliness, workplace safety, and a friendly work environment.</td></tr>
</table>

Note: Whether the company selects “Yes” or “No” in the operation condition, it should explain the situation in the summary space.

(VII) Other critical information that facilitates better understanding of the corporate governance and operation must be disclosed together:

1. The Company's all critical information is announced on MOPS per the regulations of the competent authority.
2. 2025 continuing education of representatives of institutional directors and independent directors

Title	Name	Date	Organizer	Course name	Hours
Chairman	Sanyo Electric Foundation (Taipei City) Representative: Win-feng Lee	2025.11.10	Securities and Futures Development Foundation	Sustainable information disclosure trends – publication of the IFRS S1 and S2 sustainability disclosure standards, their impacts, and the responses to them.	3 hours
		2025.08.08	Securities and Futures Development Foundation	How do directors and supervisors oversee corporate risk management and crisis management (including gender equality issues)?	3 hours
Director	Taipei Zhisong Social Welfare Foundation Representative: Wenlin Lee	2025.11.10	Securities and Futures Development Foundation	Sustainable information disclosure trends – publication of the IFRS S1 and S2 sustainability disclosure standards, their impacts, and the responses to them.	3 hours
		2025.08.08	Securities and Futures Development Foundation	How do directors and supervisors oversee corporate risk management and crisis management (including gender equality issues)?	3 hours
Director	Zhisong Investment Co., Ltd. Representative: Yulong Chaio	2025.11.10	Securities and Futures Development Foundation	Sustainable information disclosure trends – publication of the IFRS S1 and S2 sustainability disclosure standards, their impacts, and the responses to them.	3 hours
		2025.08.08	Securities and Futures Development Foundation	How do directors and supervisors oversee corporate risk management and crisis management (including gender equality issues)?	3 hours
Director	Mingde Investment Co., Ltd. Representative: Zhuoyin Lee	2025.11.10	Securities and Futures Development Foundation	Sustainable information disclosure trends – publication of the IFRS S1 and S2 sustainability disclosure standards, their impacts, and the responses to them.	3 hours
		2025.08.08	Securities and Futures Development Foundation	How do directors and supervisors oversee corporate risk management and crisis management (including gender equality issues)?	3 hours
Director	Anli International Investment Co., Ltd.	2025.11.10	Securities and Futures Development Foundation	Sustainable information disclosure trends –	3 hours

	Representative: Zisheng Zheng			publication of the IFRS S1 and S2 sustainability disclosure standards, their impacts, and the responses to them.	
		2025.08.08	Securities and Futures Development Foundation	How do directors and supervisors oversee corporate risk management and crisis management (including gender equality issues)?	3 hours
Director	Ability Investment Co., Ltd. Representative: Junren Dong	2025/12/23	Taiwan Investor Relations Institute	Business Operations and Sustainable Financial Impact – Analysis of the IFRS Sustainability Disclosure Standards	3 hours
		2025/11/19	Taiwan Investor Relations Institute	Green supply chain	3 hours
		2025/08/11	Corporate Governance Association in Taiwan	Corporate governance and securities regulation	3 hours
		2025/08/08	Securities and Futures Development Foundation	How do directors and supervisors oversee corporate risk management and crisis management (including gender equality issues)?	3 hours
		2025/07/30	Taiwan Investor Relations Institute	Workplace unlawful infringement encompasses sexual harassment and workplace bullying	3 hours
Director	Ability Investment Co., Ltd. Representative: Yijia Dong	2025.11.10	Securities and Futures Development Foundation	Sustainable information disclosure trends – publication of the IFRS S1 and S2 sustainability disclosure standards, their impacts, and the responses to them.	3 hours
		2025.08.08	Securities and Futures Development Foundation	How do directors and supervisors oversee corporate risk management and crisis management (including gender equality issues)?	3 hours
Director	Fujin Investment Co., Ltd. Representative: Tsung-Jen, Chen	2025.11.10	Securities and Futures Development Foundation	Sustainable information disclosure trends – publication of the IFRS S1 and S2 sustainability disclosure standards, their impacts, and the responses to them.	3 hours
		2025.08.08	Securities and Futures Development Foundation	How do directors and supervisors oversee corporate risk management and crisis management (including gender equality issues)?	3 hours
Director	Maotong Investment Co., Ltd. Representative: Yuanling Hsu	2025.11.10	Securities and Futures Development Foundation	Sustainable information disclosure trends – publication of the IFRS S1 and S2 sustainability disclosure standards, their impacts, and the responses	3 hours

				to them.	
		2025.08.08	Securities and Futures Development Foundation	How do directors and supervisors oversee corporate risk management and crisis management (including gender equality issues)?	3 hours
Director	Tianmu Investment Co., Ltd. Representative: Dunli Lee	2025.11.10	Securities and Futures Development Foundation	Sustainable information disclosure trends – publication of the IFRS S1 and S2 sustainability disclosure standards, their impacts, and the responses to them.	3 hours
		2025.08.08	Securities and Futures Development Foundation	How do directors and supervisors oversee corporate risk management and crisis management (including gender equality issues)?	3 hours
Independent Director	Changmin Jin	2025/12/19	CPA ASSOCIATIONS R.O.C.(TAIWAN)	Analysis of new regulations and a case study of the Money Laundering Control Act	3 hours
		2025/11/20	CPA ASSOCIATIONS R.O.C.(TAIWAN)	Recent updates and trends in anti-money laundering, counter terrorism, and proliferation financing	3 hours
		2025/11/19	CPA ASSOCIATIONS R.O.C.(TAIWAN)	Introduction to the Taxpayer Rights Protection Act and case sharing	3 hours
		2025/09/18	CPA ASSOCIATIONS R.O.C.(TAIWAN)	Introduction to the carbon accounting GHG Protocol and the link to financial information	3 hours
Independent Director	Fuchuan Chen	2025.11.10	Securities and Futures Development Foundation	Sustainable information disclosure trends – publication of the IFRS S1 and S2 sustainability disclosure standards, their impacts, and the responses to them.	3 hours
		2025.08.08	Securities and Futures Development Foundation	How do directors and supervisors oversee corporate risk management and crisis management (including gender equality issues)?	3 hours
Independent Director	Han-Wei Tsai	2025.11.10	Securities and Futures Development Foundation	Sustainable information disclosure trends – publication of the IFRS S1 and S2 sustainability disclosure standards, their impacts, and the responses to them.	3 hours
		2025.08.08	Securities and Futures Development Foundation	How do directors and supervisors oversee corporate risk management and crisis management (including gender equality issues)?	3 hours

(VIII)Status of Internal Control

1. Statement of Declaration of Internal Control

Taiwan Sanyo Electric Co., Ltd.
Statement of Declaration of Internal Control System

Date: March 9, 2026

It is hereby declared that results of self-assessment of the Company's internal control system for 2024 are as follows:

I. The Company is aware that the establishment, execution, and maintenance of its internal control policies are the responsibilities The Company's board of directors and managers. These policies were implemented throughout The Company. The purpose is to provide reasonable assurance on the achievement of operating effectiveness and efficiency (including profits, performance, and assets safeguarding), reporting matters with reliability, timeliness, and transparency, and compliance with the relevant law and regulations.

II. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of internal control policies. However, self-supervision measures were implemented within The Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.

III. The Company has based on the criteria of the internal control system effectiveness in the "Regulations Governing the Establishment of Internal Control System by Public Companies" (hereinafter referred to as the Regulations" hereinafter) to determine the effectiveness of the internal control system design and implementation. The criteria introduced by "The Governing Principles" consisted of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, 5. Supervision.

IV. The Company adopted the abovementioned criteria to evaluate the effectiveness of its policy design and execution.

V. The Company based on the assessment results in the preceding paragraph believes that the Company's internal control system (including the supervision and management of subsidiaries) as of December 31, 2025, including the achievement of operating effectiveness and efficiency, reporting matters with reliability, timeliness, transparency, and compliance with the relevant specifications, and the compliance with the relevant law and regulations, and the related internal control system design and implementation, is effective and is able to reasonably ensure achieving the above objectives.

VI. This declaration forms part of the main contents of the company's annual report and prospectus, and shall be disclosed to the public. Any misrepresentation or concealment of the aforementioned disclosures shall be liable to violation of Articles 20, 32, 171 and 174 of the Securities and Exchanges Act and the legal consequences thereof.

VII. The "Internal Control System Declaration" was resolved in the Board of Directors meeting on March 10, 2026 without any objection from any of the 13 attending Board Directors. The attending Board Directors approved the "Internal Control System Declaration" unanimously.

Taiwan Sanyo Electric Co., Ltd.

Chairman: Win-feng Lee Signature

President: Wenlin Lee Signature

2. Where CPAs are appointed to conduct ad-hoc review of the internal control system, the review report issued by the CPAs shall be disclosed: None.

(IX) Import resolution of the shareholders' and Board of Directors meetings in the most recent year up to the publication date of this annual report:

1. Important resolutions of the 2025 regular shareholders' meeting:

Nature of the meeting	Date of session	Resolutions	Status of implementation:
Meeting of shareholders	2025.06.17	The 2024 business report and financial statements are submitted for ratification.	Proceeded in accordance with the resolution adopted.
		The 2024 earnings allocation proposal is submitted for ratification.	The resolution was passed, with July 21, 2025 set as the record date for allocation. The cash dividends of NT$156,748,807 to be distributed were completed on August 6, 2025.
		Amendments to the "Articles of Incorporation"	This proposal was passed as proposed.

2. A summary of the important resolutions adopted by the Board of Directors in the total of 10 meetings held in 2025 and as of the publication date of the annual report is as follows:

Date	By period	Agenda	Resolutions
2025/01/20	First time in 2025	1. Discussion of the proposal for the Company's appointment of attorney Tsunglin Ho as its legal consultant.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		2. Discussion of the Company's 2025 sales plan.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		3. Discussion of the Company's plan for 2025 earnings, revenue, and expenditure.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		4. Discussion of the Company's employee salary adjustment proposal.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
2025/03/10	Second time in 2025	1. Discussion of the Company's 2024 employee compensation and directors' remuneration allocation proposal.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		2. Discussion of the Company's 2024 business report and financial statements.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		3. Discussion of the Company's 2024 earnings allocation proposal.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		4. Discussion of the appointment of Prosperity CPA to provide financial and tax reporting certification and transfer pricing report for the Company in 2025.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		5. Discussion of the amendments to the "Articles of Incorporation"	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.

Date	By period	Agenda	Resolutions
		6. Discussion of the amendments to the Company’s Internal Control Process Management for “Payroll Cycle.”	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		7. Discussion of the validity of the 2024 Statement on Internal Control.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		8. Discussion on the proposed renewal of the credit line with “Sungjiang Branch of Chang Hwa Commercial Bank” for one year as the current credit line is about to expire.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		9. Discussion on the proposed renewal of the credit line established by “Wuchio Branch of Taiwan Cooperative Bank” for one year as the current credit line is about to expire.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		10. Discussion of the proposal for matters concerning the convening of the Company's 2025 regular shareholders’ meeting.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		11. Discussion of the Company’s proposal for shareholders’ right to make proposals for the regular shareholders’ meeting.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		12. Discussion of the proposal for promotion of the Company’s “deputy managers”	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
2025/05/02	Third time in 2025	1. Discussion of the Company's consolidated financial statement for the first quarter of 2025 prepared in accordance with the International Accounting Standards.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		2. Discussion of the Company’s disposal of the shareholding in E & E Recycling.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
2025/06/27	Fourth time in 2025	1. Discussion of the proposal to determine the ex-dividend and payout record dates for shareholders’ cash dividends for 2024.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		2. Discussion of the deliberation of the details of allocation of 2024 remuneration of directors and managers’ employee remuneration by the Remuneration Committee.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		3. Discussion of the proposal for short-term financing provided by the Company to the subsidiary Sanyo Chuan-Neng Co., Ltd. due to its operational needs.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
2025/08/08	Fifth time in 2025	1. Discussion of the Company's consolidated financial statement for the second quarter of 2025 prepared in accordance with the International Accounting Standards.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.

Date	By period	Agenda	Resolutions
		2. Discussion of the Company’s preparation of the “2024 Sustainability Report.”	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		3. Discussion of the resignation of corporate representative Wu-Chang Yeh from the post of director of Sanyo Chuan-Neng Co., Ltd. and the appointment of a new corporate representative as the successor director by the Company.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		4. Discussion of the resignation of Wu-Chang Yeh, corporate representative of the ninth board of supervisors of Shou Ji Investment Co., Ltd., and the appointment of a corporate representative by the Company to succeed him.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
2025/08/29	Sixth time in 2025	1. Discussion on the Company’s acquisition of land for the Chiayi Business Office.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
2025/11/10	Seventh time in 2025	1. Discussion of the Company's consolidated financial statement for the third quarter of 2025 prepared in accordance with the International Accounting Standards.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		2. Discussion of the proposed application for the change to the credit line for the one-year credit line with Chang Hwa Bank Songjiang Branch.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		3. Discussion of the Company’s formulation of the 2026 audit plan per the provisions of the internal control system and filing of the case to the competent authority in accordance with the regulations.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		4. Discussion of the proposal for promotion of the Company’s “deputy managers”	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
2026/01/16	First time in 2026	1. Discussion of the proposal for the Company's appointment of attorney Tsunglin Ho as its legal consultant.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		2. Discussion of the Company's 2026 sales plan.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		3. Discussion of the Company's plan for 2026 earnings, revenue, and expenditure.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		4. Discussion of a proposal to increase the Company’s short-term comprehensive credit line with the Cathay United Bank Songjiang Branch by NT$300 million to enhance capital utilization flexibility.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		5. Discussion of the amendments to the Company’s Internal Control Process Management for “Payroll Cycle.”	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.

Date	By period	Agenda	Resolutions
		6. Discussion of the Company's employee salary adjustment proposal.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		7. Discussion of the appointment of three directors and one supervisor as corporate representatives for subsidiary Shou Ji Investment Co., Ltd.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
2026/03/09	Second time in 2026	1. Discussion of the Company's 2025 employee compensation and directors' remuneration allocation proposal.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		2. Discussion of the Company's 2025 business report and financial statements.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		3. Discussion of the Company's 2025 earnings allocation proposal.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		4. Discussion of the appointment of Prosperity CPA to provide financial and tax reporting certification and transfer pricing report for the Company in 2026.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		5. Discussion of the validity of the 2025 Statement on Internal Control.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		6. Discussion on the proposed renewal of the credit line with “Sungjiang Branch of Chang Hwa Commercial Bank” for one year as the current credit line is about to expire.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		7. Discussion on the proposed renewal of the credit line with “Sungjiang Branch of Chang Hwa Commercial Bank” for one year as the current credit line is about to expire.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		8. Discussion of the proposal for matters concerning the convening of the Company's 2025 regular shareholders’ meeting.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		9. Discussion of the Company’s proposal for shareholders’ right to make proposals for the regular shareholders’ meeting.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		10. Discussion of the proposal for re-election of the Company’s directors, including independent directors.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		11. Discussion of the proposal for acceptance of the shareholders’ nominations for directors (including independent directors) and relevant matters.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.

Date	By period	Agenda	Resolutions
		11. Discussion of the Company's proposal for shareholders' right to make proposals for the regular shareholders' meeting.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		12. Discussion of the proposal for promotion of the Company's "deputy managers"	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
2026/05/04	Third time in 2026	1. Discussion of the Company's consolidated financial statement for the first quarter of 2026 prepared in accordance with the International Accounting Standards.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		2. Discussion of the proposal for review of the shareholders' nominations for directors (including independent directors).	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.
		3. Discussion of the proposal for removal of the non-compete clause on the Company's new directors and their representatives.	After the Chairperson sought the opinion of all directors present, the proposal was approved unanimously without objection.

(X) In the last year and as of the publication date of the annual report, where the directors (including independent directors) have different opinions on important resolutions passed by the Board of Directors on record or in a written statement, the main content shall be specified: None.

IV. Disclosure of the accountant’s fee:

<table>
<tr><th>Name of CPA firm</th><th>Name of CPA</th><th>CPA’s audit period</th><th>Auditing fee</th><th>Non-audit fees</th><th>Total</th><th>Note</th></tr>
<tr><td rowspan="2">PwC Taiwan</td><td>Chinchang Chen</td><td>2025.01.01-2025.12.31</td><td rowspan="2">1,520</td><td rowspan="2">190</td><td rowspan="2">1,710</td><td rowspan="2">Services for audit fees: Review of Q1–Q3 financial reports, audit of annual parent company only and consolidated financial reports. Non-audit fee service content: Translation and review of annual parent company only and consolidated financial statements into English, review of annual shareholders’ meeting report, and payroll information checklist.</td></tr>
<tr><td>Fuming Liao</td><td>2025.01.01-2025.12.31</td></tr>
<tr><td rowspan="2">PwC Taiwan</td><td>Wenli Huang</td><td>2025.01.01-2025.12.31</td><td rowspan="2">0</td><td rowspan="2">500</td><td rowspan="2">500</td><td rowspan="2">Services for non-audit fees: Tax compliance audit and transfer pricing audit</td></tr>
<tr><td>Hung Ouyang</td><td>2025.01.01-2025.12.31</td></tr>
</table>

Please specify the services for non-audit fees: (such as tax compliance audit and assurance for other financial consulting services)

Note: If the Company has replaced a CPA or the accounting firm this year, please list their audit periods separately, explain the reason for the replacement in the remarks column, and disclose the audit and non-audit fees paid by the Company in order. The details services for the non-audit fees shall be provided.

V. Change of CPA: None.

VI. Where the Company’s Chairman, President, or Managers in Charge of Financial or Accounting Affairs Have Worked in the CPA Firm at Which the CPAs Appointed Work or Its Affiliates Within the Last Year: None.

VII. In the Last Year and as of the Publication Date of the Annual Report, Equity Transfer and Changes in Pledged Equity by Directors, Managers, and Shareholders whose Shareholding Ratio Exceeds 10%

(I) Changes in the equity of directors, managers, and major shareholders

Title	Name	2025		As of April 18, 2026	
		Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares	Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares
Chairman	Sanyo Electric Foundation (Taipei City)	0	0	0	0
	Representative: Win-feng Lee	(61,000)	0	(76,000)	0
Director	Taipei Zhisong Social Welfare Foundation	0	0	0	0
	Representative: Wenlin Lee	(2,000)	0	(3,000)	0
Director	Zhisong Investment Co., Ltd.	0	0	0	0
	Representative: Yulong Chaio	0	0	0	0
Director	Mingde Investment Co., Ltd.	0	0	0	0
	Representative: Zhuoyin Lee	61,000	0	114,000	0
Director	Anli International Investment Co., Ltd.	0	0	0	0
	Representative: Zisheng Zheng	0	0	0	0
Director	Ability Investment Co., Ltd.	0	0	0	0
	Representative: Junren Dong	0	0	0	0
Director	Ability Investment Co., Ltd.	0	0	0	0
	Representative: Yijia Dong	0	0	0	0
Director	Fujin Investment Co., Ltd.	0	0	0	0
	Representative: Tsung-Jen, Chen	0	0	0	0
Director	Maotong Investment Co., Ltd.	0	0	0	0
	Representative: Yuanling Hsu	11,000	0	7,000	0
Director	Tianmu Investment Co., Ltd.	0	0	0	0
	Representative: Dunli Lee	0	0	0	0
Independent Director	Changmin Jin	0	0	0	0
Independent Director	Fuchuan Chen	0	0	0	0
Independent Director	Han-Wei Tsai	0	0	0	0
President	Wenlin Lee	0	0	0	0
Vice President	Yulong Chaio	0	0	0	0
Vice President	Anlang Chi	0	0	0	0
Assistant Vice President	Changhui Lin	0	0	0	0
Assistant Vice President	Chienlin Chen	0	0	0	0
Major Shareholders	None	0	0	0	0

(II) Transfer of shareholding

Name	Reason for transfer	Date of transaction	Counterparty	Counterparty's relationship with The Company, Directors, Supervisors, Manager and shareholders with more than 10% ownership interest	Quantity	Transaction price
Win-feng Lee	Endowment (transferred out)	2025/03/24	Zhuoyin Lee	The daughter of Win-feng Lee, Chairman of the Company	61,000 shares	39.95
Win-feng Lee	Endowment (transferred out)	2026/03/09	Zhuoyin Lee	The daughter of Win-feng Lee, Chairman of the Company	76,000 shares	32.05
Zhuoyin Lee	Endowment (acquired)	2025/03/24	Win-feng Lee	The daughter of Win-feng Lee, Chairman of the Company	64,000 shares	39.95
Zhuoyin Lee	Endowment (acquired)	2026/03/09	Win-feng Lee	The daughter of Win-feng Lee, Chairman of the Company	76,000 shares	32.05

(III) Information of shares ownership pledge: not applicable.

VIII. Information on the relationship among the top ten shareholders

April 18, 2026

Name	Own shareholdings		Shareholding by spouse or dependents		Shareholding in the name of a third party		If there are related parties, spouses, kindred within the 2nd tier under the Civil Code among the top 10 shareholders, give the names and affiliations of such shareholders		Note
	Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio	Name	Relationship	
Nun-Lu Investment Co., Ltd.	26,295,827	9.77%	0	0	0	0	None	–	
Representative: I-Chia, Tung	17,000	0.006%							
Zhisong Investment Co., Ltd.	25,514,520	9.48%	1,020,719	0.38%	0	0	Win-feng Lee	Relative of second degree of kinship by marriage	
Representative: Yulong Chaio	1,252,386	0.47%							
Mingde Investment Co., Ltd.	13,176,050	4.90%	0	0	0	0	None	–	
Representative: Kuochien Wu	0	0							
Anli International Investment Co., Ltd	12,517,100	4.65%	3,150	0.00%	0	0	None	–	
Representative: Changhui Lin	0	0							
Siruba International Inc.	10,003,469	3.71%	0	0	0	0	None	–	
Representative: Changhui Lin	0	0							
Shouji Investment Co., Ltd.	7,735,226	2.87%	516	0.00%	0	0	None	–	
Representative: Anlang Chi	69,000	0.02%							
Jiesen Xiongdi Investment Co., Ltd.	5,346,150	1.98%	0	0	0	0	None	–	
Representative: Meichun Chen	0	0	0	0	0	0	None	–	
Zhengfen Industrial Co., Ltd.	5,270,907	1.96%	0	0	0	0	None	–	
Representative: Kuotai Li-Lin	0	0							
Fujin Investment Co., Ltd.	5,046,000	1.88%	0	0	0	0	None	–	
Representative: Yujin Chen	220,401	0.08%							
Win-feng Lee	4,511,991	1.67%	373,895	0.13%	0	0	Yulong Chaio	Relative of second degree of kinship by marriage	

IX. The Number of Shares Held by the Company, Its Directors, Supervisors, Managers, and Businesses Directly or Indirectly Controlled by the Company in the Same Investee, and the Combined Shareholding Ratio

April 18, 2026
Unit: share; %

Investee	Investment of the Company		Investment of the directors, supervisors, managers and business under direct or indirect control		Comprehensive investment	
	Quantity	Shareholding percentage	Quantity	Shareholding percentage	Quantity	Shareholding percentage
Shouji Investment (Crotch) Company	19,500,000	100.00	—	—	19,500,000	100.00
Sanyo Chuan-Neng Co., Ltd.	9,500,000	100.00	—	—	9,500,000	100.00
Chen Ho & Co., Ltd.	7,584,175	68.95	2,527,000	22.97	10,111,175	91.92

Three. Status of Capital Planning

I. Shares and Dividends

(I) Capital sources

1. Share capital composition

Year and month	Issuing price	Authorized capital		Paid-up capital		Note		
		Quantity	Amount	Quantity	Amount	Capital sources	Using property other than cash as payment of shares	Others
1986/10	10	150,000,000	1,500,000,000	134,316,000	1,343,160,000	Capitalization of capital surplus	None	None
1987/09	10	150,000,000	1,500,000,000	137,673,900	1,376,739,000	Capitalization of capital surplus	None	None
1988/10	10	150,000,000	1,500,000,000	141,140,000	1,411,400,000	Capitalization of capital surplus	None	None
1989/09	10	200,000,000	2,000,000,000	165,839,500	1,658,395,000	Capitalization of capital surplus and capitalization of earnings	None	None
1991/04	10	300,000,000	3,000,000,000	230,000,000	2,300,000,000	Capital increase in cash, capitalization of capital surplus, and capitalization of earnings	None	None
1992/02	10	300,000,000	3,000,000,000	246,100,000	2,461,000,000	Capitalization of capital surplus	None	None
1994/08	10	300,000,000	3,000,000,000	258,405,000	2,584,050,000	Capitalization of capital surplus	None	None
1995/08	10	300,000,000	3,000,000,000	271,325,250	2,713,252,500	Capitalization of capital surplus	None	None
1998/11	10	300,000,000	3,000,000,000	298,457,775	2,984,577,750	Capitalization of capital surplus	None	None
2000/10	10	340,000,000	3,400,000,000	310,396,086	3,103,960,860	Capitalization of capital surplus and capitalization of earnings	None	None
2001/09	10	340,000,000	3,400,000,000	316,604,007	3,166,040,070	Capitalization of capital surplus and capitalization of earnings	None	None
2013/08	10	340,000,000	3,400,000,000	269,113,406	2,691,134,060	Capital reduction	None	None

2. Total amount of shares

April 18, 2026

Stock Type	Authorized capital			Note
	Outstanding shares (already listed on stock market)	Unissued shares	Total	
Registered common share	269,113,406 shares	70,886,594 shares	340,000,000 shares	-
Preference share	-	-	-	-

*Note: The Company has issued 269,113,406 ordinary shares, all of which have been listed on the Taiwan Stock Exchange for trading.

3. Self registration system information: None

(II) Name of major shareholder

The top ten shareholders with the highest shareholding ratios, their number of shares held, and percentage

Shares / Information on major shareholders	Shareholding	Shareholding percentage
Nun-Lu Investment Co., Ltd.	26,295,827	9.77%
Zhisong Investment Co., Ltd.	25,514,520	9.48%
Mingde Investment Co., Ltd.	13,176,050	4.90%
Anli International Investment Co., Ltd	12,517,100	4.65%
Siruba International Inc.	10,003,469	3.71%
Shouji Investment Co., Ltd.	7,735,226	2.87%
Jiesen Xiongdi Investment Co., Ltd.	5,346,150	1.98%
Zhengfen Industrial Co., Ltd.	5,270,907	1.96%
Fujin Investment Co., Ltd.	5,046,000	1.88%
Win-feng Lee	4,511,991	1.67%

(III) The company’s dividend policies and execution

1. Due to the fact that the life cycle of the industry is in maturity, taking into account the gradually diminishing profitability and the capital needs for diversified investment; also, the interests of shareholders and the long-term financial planning of the company, the shareholder dividend is appropriated from the distributable earnings that should not be less than 50% of the distributable earnings in the current year, including cash dividends not less than 20% of the distributable earnings in the current year.
2. The proposed dividend allocation at the shareholders’ meeting: The Company’s Board of Directors has passed the resolution on March 9, 2026 to distribute a cash dividend of NT$0.96777202 per share to shareholders (rounded down to the nearest NT$1) and will submit it to the shareholders’ meeting for approval.

(IV) The impact of the stock dividend proposed for the shareholders’ meeting on the Company’s operating performance and earnings per share: None

(V) Employee remuneration and directors’ remuneration:

1. The percentage or range with respect to the remuneration for employees and directors as set forth in the Company’s Articles of Incorporation:

   If the company has distributable earnings at the end of the current year in accordance with the law and regulations, it should be applied to make up for the loss (including the adjusted unappropriated earnings for the current period) with priority, and then appropriated 10% of the balance as the legal reserve until the legal reserve is equivalent to the company’s total capital stock. Also, after the appropriation or reversal of the special reserve according to law or regulations or the competent authorities, the remaining amount can be distributable in the current year. For the total amount of the current distributable earnings plus the cumulative unappropriated earnings at the beginning of the period and the adjustment to the current unappropriated earnings, the Board of Directors shall propose a distribution plan to be resolved in the Shareholders’ Meeting.

   If the Company has generated profits, it is necessary to appropriate an amount not less than 1% of the balance as remuneration to employees, of which no less than 2% as remuneration to entry-level employees, and an amount not more than 3% of the balance as remuneration to director. However, an amount equivalent to the cumulative deficit, if any, shall be reserved first to make up for said deficit.
2. Based on the above statement, the amount of remuneration to employees and directors which was based on the past experience regarding remuneration distribution, and was recognized as the operating costs or operating expenses of the current year. The amount of remuneration to managers is calculated in accordance with the Company’s operating bonus payment plan and ratio to the salary, which is also recognized as operating costs or operating expenses of the year. However, where there is a discrepancy between the actual amount distributed and the estimated amount as resolved by the shareholders’ meeting, the amount will be adjusted in the following year.
3. The information on the proposed employee remuneration to be distributed if in line with the amended Articles of Incorporation:
   (1) The amount of employee remuneration, stock dividends, managers’ remuneration and directors’ remuneration to be distributed:

   The remuneration to employees was NT$ 26,700,862, the remuneration to managers was NT$ 17,368,000, and the remuneration to directors was NT$ 9,655,000.

   (2) The amount of the proposed employee stock dividends and its proportion to the net profit after tax and the total employee remuneration for the current period: None.

   (3) Imputed earnings per share after considering the proposed employee remuneration and directors' remuneration: N/A.
4. Earnings from the prior year were used to distribute employee remuneration and directors’ remuneration:
   (1) The remuneration to employees was NT$ 26,168,092, the remuneration to managers was NT$ 17,235,000, and the remuneration to directors was NT$ 9,590,000.

   (2) The number of employee stock dividends and its proportion to capitalization of earnings: None.

   (3) The amount actually distributed is the same as the proposed amount approved by the Board of

Directors without any difference.

(VI) Shares repurchased by The Company: none.

II. Disclosure relating to corporate bonds: none.

III. Disclosure relating to preference shares: none.

IV. Disclosure relating to depository receipts: none.

V. Issue of employee stock warrants and new restricted employee shares: None.

VI. Disclosure on new shares issued in exchange of other company shares: None.

VII. Implementation of fund utilization plan

(I) Contents of the plan:

The previous issues or private placements of securities that have not been completed have been completed within the last three years and the benefits thereof have not yet been shown: None.

(II) Execution: None.

Four. Operation Profile

I. Business Contents

(I) Scope of business:

1. The Company's business:

Code	Description of business
CA01030	Iron and Steel Casting
CB01010	Mechanical Equipment Manufacturing
CB01990	Other Machinery Manufacturing
CC01010	Manufacture of Power Generation, Transmission and Distribution Machinery
CC01030	Electrical Appliances and Audiovisual Electronic Products Manufacturing
CC01060	Wired Communication Mechanical Equipment Manufacturing
CC01070	Wireless Communication Mechanical Equipment Manufacturing
CC01080	Electronics Components Manufacturing
CC01101	Telecommunications regulates radio frequency equipment manufacturing
CC01110	Computer and Peripheral Equipment Manufacturing
CC01990	Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
CZ99990	Manufacture of Other Industrial Products Not Elsewhere Classified
E701030	Controlled Telecommunications Radio-Frequency Devices Installation Engineering
F113070	Wholesale of Telecommunication Apparatus
F213060	Retail Sale of Telecommunication Apparatus
F401010	International Trade
F401021	Telecommunications regulates radio frequency equipment importing business
H701010	Housing and Building Development and Rental
H701040	Specific Area Development
H701060	New Towns, New Community Development
J101010	Buildings Cleaning Service
E602011	Refrigeration and Air Conditioning Engineering
CR01010	Gas Apparatus and Parts Manufacturing
IG03010	Energy Technical Services
G801010	Warehousing
F108031	Wholesale of Medical Devices.
F208031	Retail Sale of Medical Apparatus.
ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval

2. Weight of business lines:

The Company's proportion of each operation in 2025 was: electrical products (98.09%), wireless products (4.21%), other household appliances (-7.06%), and rental income (4.75%). The proportions of domestic sales, export, and rental income were 90.45%, 4.8% and 4.75%, respectively.

3. Current product (service) projects and new products planned to be developed:
   (1) Developed R32 refrigerant, and 2 models of window-type variable frequency heating and cooling units, 2.8kWand 3.6kW, with right blowers, all meeting the Tier 1 energy efficiency requirements.
   (2) Development of R32 refrigerant, and 4 models of window-type variable frequency cooling units, 2.8kW and 3.6kW, with left/right blowers, all meeting the Tier 1 energy efficiency requirements.
   (3) Development of R32 refrigerant, split-type models with capacities of 11.0kW, 14.2kW, and 16.0kW, totaling 3 models, complying with Level 1 energy efficiency standards.
   (4) Developed new models SR-V582B and SR-V582C two/three-door inverter refrigerators.
   (5) Developed MPR-N650FH medical grade freezers for export.
   (6) Developed SW-V19N: Washing/dehydration capacity 18KG.
   SW-V17N: Washing/dehydration capacity 17KG.
   SW-V15N: Washing/dehydration capacity 15KG.
   SW-V13N: Washing/dehydration capacity 13KG.

   This concerns the cancellation of HALL IC in inverter motor-related models. The inverter motor is an important operating component of washing machines. When there are fewer parts, malfunctions are less likely to occur. This discussion enables the integration of the Hall-effect sensor-free solution into the models, which can also reduce the cost of washing machines.

(II) Overview of the industry:

1. The main household appliances include:

   Electrical products: Refrigerators, freezers, washing machines, clothes dryers, and air-conditioner with heater.
   Wireless products: Thin liquid-crystal displays.
   Small household appliances: Electric fans, electric razors, electric cookers, thermos, microwave ovens, electric ovens, juice extractors, etc.

   Taiwan home appliance market is in a mature stage with many brands and fierce competition, as household appliances are necessities, and the consumer demand increased with the improvement in national income and the quality of life, the Company will continue to develop and launch products with new functions and strictly control the quality, so it can still maintain stable growth in the market.

2. Relationship of the upstream, midstream, and downstream sections of the industry:

   Taiwan has become self-sufficient for the materials used in the upstream, midstream, and downstream sections of the field of household appliances. The relationship is shown in the table below:

Downstream	Intermediary	Upstream
Air Conditioner Refrigerator	1. Refrigerant, compressor 2. Fan motor 3. Cooler 4. Evaporator 5. Capillary tube 6. Starter 7. Filter drier 8. Electronic substrate 9. Others	1. Copper pipe 2. Aluminum sheet 3. Iron plate 4. Silicon steel plate 5. Microcomputer components 6. Wire 7. Plastic parts 8. Powder coating 9. Others
Washing Machine	1. Timer 2. Laundry drum 3. Motor 4. Bearing assembly 5. Base frame 6. Electronic control substrate 7. Others	1. Plastic 2. Iron sheet 3. Copper 4. Aluminum 5. Silicon steel 6. PE wire 7. Others

Electric fan	1. Motor 2. Stator and rotor 3. Blade 4. Fan net 5. Timer 6. Case 7. Others	1. Plastic 2. Iron 3. Silicon steel 4. PE wire 5. Wire 6. Others

Source: Taiwan Institute of Economic Research

3. Product development trends:

Refrigerator

This year, research and development focuses on "**meeting the challenges of the 2027 energy-saving standard and further improving the energy efficiency of all models.**" Through the introduction of high-efficiency compressors and optimized insulation technology, we are committed to ensuring that all products meet future energy efficiency regulations in advance, responding to consumer expectations for energy-saving appliances.

Washing Machine

In response to the government's energy-saving and water-saving policies, we continue to develop products that meet the gold-level water-saving and energy-saving marks, and develop the HALL IC in line with market trends. In addition to saving power and water, quietness and convenience, the Company will engage in development in the direction of improved cleaning capability and smart functions to enhance our competitiveness in the washing machine market.

Air Conditioner

To meet the growing demand in the Taiwanese air conditioning market for high energy-efficiency products that comply with government energy-saving standards, manufacturers have continued to develop products with a Grade 1 energy efficiency rating. Functional research and development have shifted toward ultimate energy saving, AI-powered proactive sensing, and intelligent control via WiFi cloud connectivity.

In addition, to meet market demand for clean air, we are developing more marketable models featuring easy-to-clean fan blades and indoor and outdoor unit freeze cleaning. The overall product development direction will be in line with the market trends, and it will work to strengthen the stability of quality and enhance the appearance and functionality of the products to provide consumers with products well worth their value.

Liquid-crystal display (LCD):

In line with the government's energy-saving and carbon-reduction policies and evolving market demand, the increasing popularity of OTT streaming platforms and continued growth in demand for smart home entertainment have made smart connectivity and 4K high-definition liquid crystal displays the mainstream development direction in the market. Consumer viewing habits have gradually shifted from traditional cable TV to streaming platforms, driving continued growth in demand for CTVs. In addition, the key trends in the 2026 market technological development are 4K high-definition, QLED high-end panels, smart connectivity features, and good value products. These developments have been coupled with enhancements to high-refresh rates and audio-visual integration functions to better meet the demands of gaming entertainment and home theater applications. Meanwhile, we are heading toward the integration of peripherals such as smart remote controls, home theater systems, and gaming devices, offering a more complete home entertainment solution. In response to market trends this year, we have further enhanced the brand's competitive advantage and increased market share through product performance improvements and specification optimization.

4. Competition:

Taiwan has joined the developed countries. The household appliance products in the Taiwan market are already in a mature stage, with little room for overall market growth, and fierce competition among many competing brands and stores. However, Taiwan Sanyo has been in business for over 60 years. Its operating sites, sales network, and service sites are spread across Taiwan and its outlying islands. Featuring products Made in Taiwan, meets the needs of local consumers in Taiwa and Quality Service to be differentiated from low-priced imports, it has abundant R&D resources, and designs products that meet domestic users' habits, while introducing the latest technology and launching industry-leading new products. With that, the Company is convinced that it can operate sustainably.

(III) Technology and R&D:

1. R&D expenses invested in the last year and up to the publication date of the annual report:
   (1) The R&D expenses invested in 2025 totaled NT$70,753 thousand.
   (2) The R&D expenses invested up to the publication date of the annual report in 2026 were NT$17,913 thousand.
2. Technologies or products successfully developed:
   (1) Successfully developed R32 refrigerant window-type inverter heating and cooling models, meeting the Level 1 energy efficiency standard, with a total of two 3.0 and 3.6 kW right-blowing models: SA-R30 and SA-36VHJ.
   (2) Successfully developed R32 refrigerant split-type inverter heating and cooling one-to-one models, meeting the Level 1 energy efficiency standard, with a total of 8 models of 2.3–8.6 kW: SAE/C-V23, 28, 36, 41, 50, 63, 72, and 86HJ3.
   (3) Successfully developed R32 refrigerant split-type inverter heating and cooling one-to-one models (including 14.2 and 16.0 kW floor-standing models), which have met the Grade 1 energy efficiency rating at 11.0, 14.2, and 16.0 kW, for a total of five models (SAE/C-V110HR3, SAE/C-V142, and 160HP3).
   (4) Successfully developed SR-V532B, SR-V532C; SR-V612B, SR-V612C - two/three door inverter refrigerators.
3. Future annual R&D plan:
   (1) Continue to develop new energy-saving and eco-friendly air conditioners in line with the new energy efficiency Tier 1 standards, with additional rust prevention, air cleaning, and smart home appliance functions.
   (2) Continue to develop refrigerators of different volumes and add more functions to respond to needs of various clientele in the market.
   (3) Continue to develop laundry machines with new functions

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

1. In the short term, AI functions have been introduced into products to enhance the consumer experience. The Company will focus on developing energy-saving and power-saving functions due to the great pressure from increasing electricity prices and the government's effective effort to subsidize consumers' purchase of energy-saving and power-saving products in recent years. The Company will accelerate product development using existing developed technologies. The Company's DC inverter technology has been widely used in products, such as air conditioners, refrigerators, freezers and washing machines. Its energy-saving and power-saving efficiency is in line with consumer expectations, and can effectively increase the added value of the products to increase market share and business performance.

2. For the long term, the Company will actively promote its own brand to enhance the brand value. Enhance high-quality distribution channels: Strengthen instructions and education on product knowledge for traditional distributors/dealers, chain stores, hypermarkets, and online platforms, and stabilize market sales order and prices comprehensively so as to ensure that each channel can share their own benefits.

3. Actively pay attention to the development of e-commerce while monitoring the stability of product prices, online reputation, and effect thereof.

4. Actively develop land assets to increase rental income.

II. Overview of market, production, and sales

(I) Market analysis:

1. Areas of sales (provision) of main products (services):

The Company's products are divided into electrical, wireless, and small household appliances. The main products include refrigerators, freezers, washing machines, clothes dryers, air-conditioners with heaters, thin and ultra-high-resolution LCD, etc. Sales are mainly in the domestic market, with sales channels covering nearly 2,000 traditional dealers/distributors, chain stores, and hypermarkets across Taiwan. The after-sales service network (23 stations and 4 major repair shops) covers across Taiwan and its outlying islands to provide customers quick and satisfactory service quality.

The Company's distribution of 2025 domestic sales area: 42.6 % in northern Taiwan, 35.6% in central Taiwan, and 21.8 % in southern Taiwan. The exports are mainly medical-grade freezers and spare parts to the U.S., the Netherlands, Japan, Canada, Singapore, and Australia. The domestic sales accounted for 95.5 % while export sales 4.5 %.

2. Market share of major products, future supply and demand, and growth of the market

Product type	Total market sales	The Company's sales	Market share
Electrical products	2,447,641 units	293,932 units	12.0%
Wireless products	597,427 units	31,359 units	5.2%

Note: The source of the data is from the information exchanged in the industry association.

Based on the data below, only future supply and demand and growth of the market are analyzed below:

<u>**Refrigerator**</u>

The market penetration rate is approximately 99.8%. According to industry sales structure analysis, refrigerator development this year focused on achieving the **2027 new energy-saving standard** ahead of schedule. The **OEM import model** has been introduced for the **151–399 L** mainstream segment, replacing SKD assembly. This shift streamlines manufacturing costs and significantly improves price competitiveness. This ensures that products can respond to market competition with a more advantageous cost structure while maintaining their advantages in energy saving and noise reduction.

<u>**Air Conditioner**</u>

The market penetration rate is over 95%. Based on the sales of the window-type and split-type in the industry, the window-type accounts for 9.4% while the split type 90.6%, and with the split-type inverter models as the main products in the market. The split-type inverter models have a greater room for growth in terms of the market sales trend and output value, and can grow year by year.

<u>**Washing Machine**</u>

The market penetration rate is over 99%. Based on the sales analysis in the industry, the single washer accounts for 80.1% (the fixed-speed type accounts for 36.1% while the inverter type accounts for 44%), the dual washer accounts for 2.9%, and the rotary drum accounts for 17%. According to the sales trend and output value in the market, the top load washing machine is the main source of sales and sales of rotary drum washing machine are growing year by year.

<u>**Liquid-crystal display (LCD)**</u>

The market penetration rate is around 99%. Based on the analysis of the sales by size in the industry, the 43" or above display products account for around 54.7%. Benefiting from the popularity of over-the-top (OTT) media services, the sales of Internet-connected and large-sized display products are increasing year by year. There is a greater room for internet-connected large-sized display products (50") to grow in terms of the market sales trend and output value.

(*Note: Source of market penetration rate: Survey on the popularity of household appliances by Taipower.)

3. Competitive niches, favorable and unfavorable factors in the prospect of development, and relevant countermeasures:

(1) Competitive advantage

A. A sound financial structure, the ability to develop new products and respond to material and product price fluctuations, and have competitive advantages.

B. A team of outstanding R&D technicians and updated equipment to develop and provide products in line with market needs at any time.
C. Automated production equipment, simplification of manufacturing in product development, streamlined manpower, improved individual output value, and lowered production cost to create excellent business performance.

(2) Favorable and unfavorable factors in the prospect of development and relevant countermeasures:

Favorable factors:

A. Have R&D and production capabilities, it can launch competitive products in line with market needs.
B. As energy and power conservation has become a market trend, the Company applies DC inverter technology to air conditioners with heaters, refrigerators, washing machines, and other products with a focus on low power consumption. With well-developed design technology, its products have advantages in the market.
C. The distribution channels are stable, and the service system is complete and sound, making it easy to promote the sales.
D. Household appliances are indispensable goods for households and in daily life. Its sales are stable every year; thus, the business can be developed sustainably.
E. The brand is well-known and easily accepted by consumers.

Unfavorable factors:

A. Affected by the imports from China and Southeast Asia, the price competition has become more intense, but the increasing costs, such as wages and raw materials, have led to an increase in production costs, and it is difficult for to rise the market price in response.
B. The global economy is still highly uncertain due to the pressure from tariff, inflation, trade protection and geopolitics. As a conservative approach is adopted for domestic consumption because of the pressure from rising raw material costs, it is difficult to increase the overall consumption capacity.

Countermeasures:

A. Keep abreast of domestic and international economic conditions and changes in international raw material prices, while making purchases and adjusting production and sales strategies timely.
B. Incorporate the DC convertible frequency new technology to all products through R&D to prevent competition from low-priced imports, and to stay ahead of the government's energy efficiency standards to strengthen its market competitiveness.
C. Actively develop large-size ultra-high-resolution LCD products to seize market opportunities.
D. Actively educate the distribution channels to cope with market competition, strengthen their product knowledge and skills to enhance their sales capabilities.
E. Enhance the management of dealers'/distributors' situation and strictly implement the "credit limit control" to prevent bad debts from occurring.

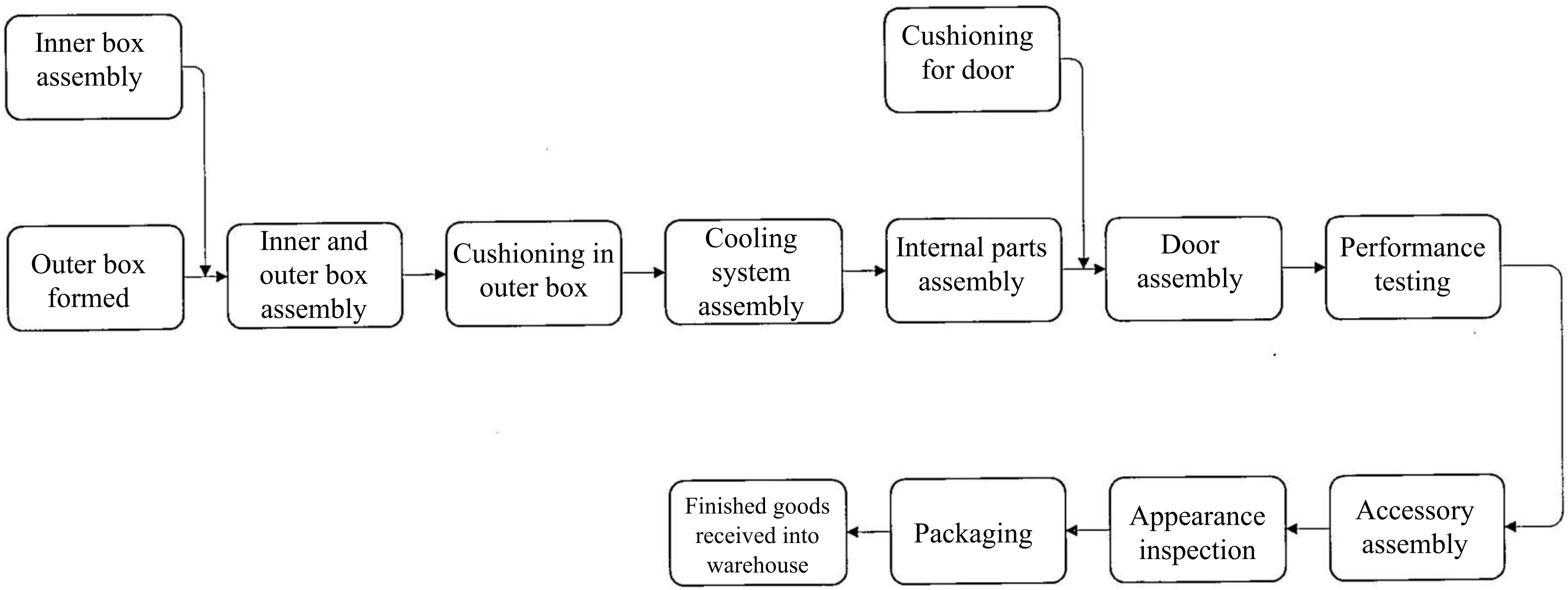
(II) Major purpose and manufacturing process of the main product

1. Major functions of the main products

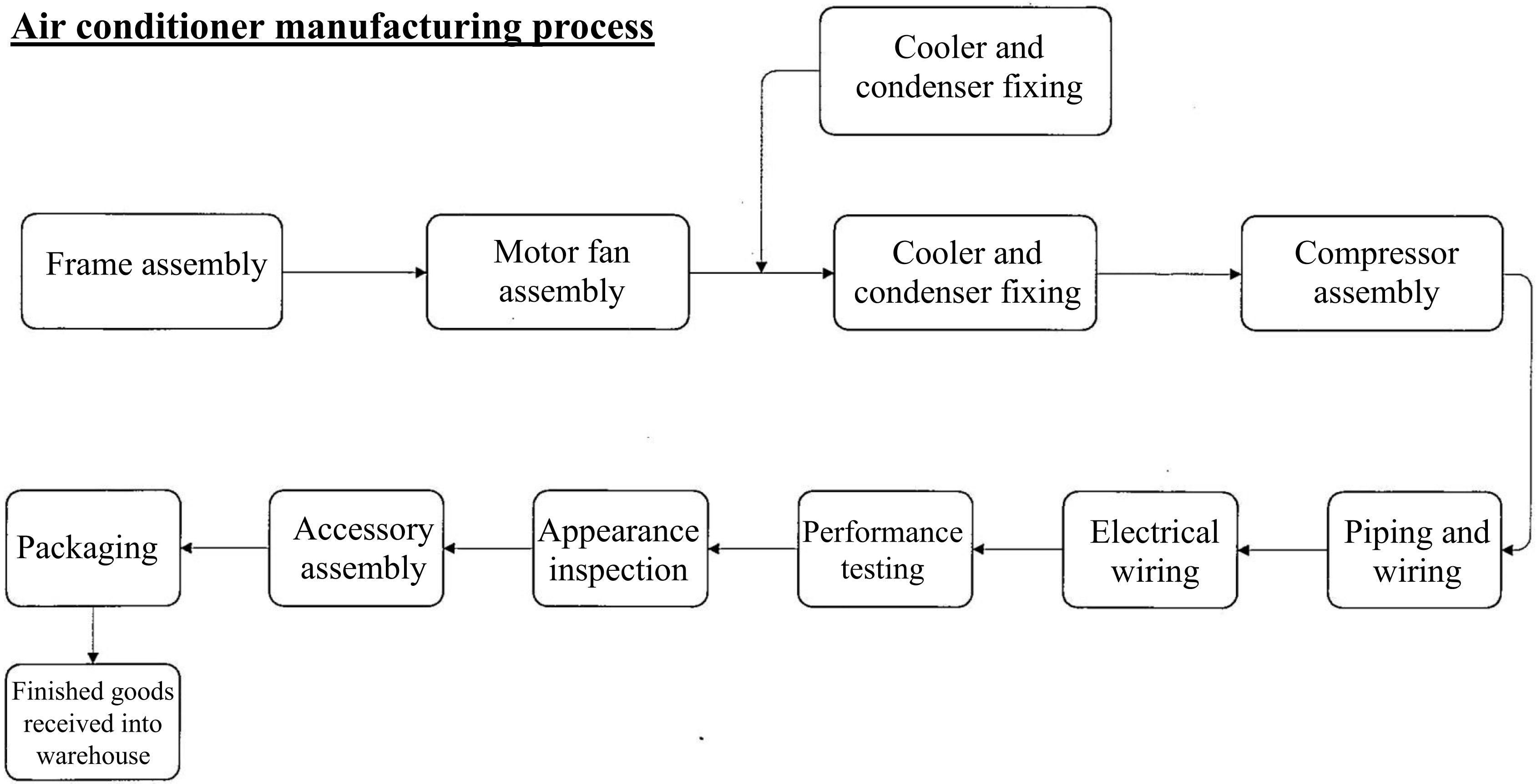
Item	Product	Important Uses
1	Refrigerator	For storage and preservation of household food
2	Air Conditioner	To provide a comfortable and cool living environment
3	Washing Machine	For the household to wash and dry clothes
4	LCD	For home leisure and entertainment

2. Production process of main products:

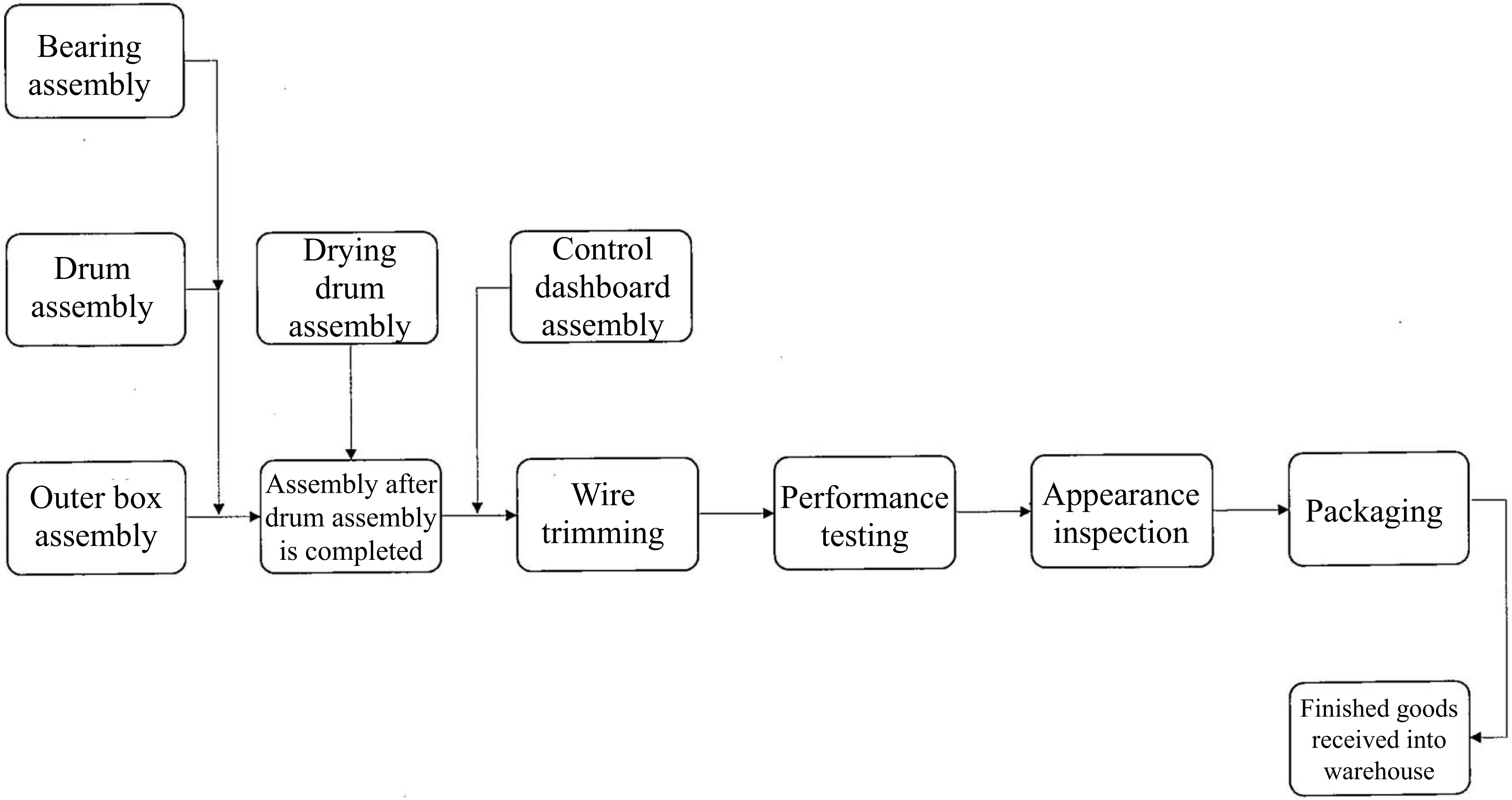
Refrigerator manufacturing process



Air conditioner manufacturing process



Washing machine manufacturing process



(III) Supply of key materials

Main production departments	Main products			Major materials		
	Name	principal market	Distribution and sale methods	Name	Main Sources	Supply
Manufacturing Department–Washing Machine Factory	Washing Machine	Taiwan	Distribution and direct sales	Washing machine motor, washing machine outer case, drying drum, and electronic dashboard.	Self-production, domestic purchase, import (Qijing Machinery Co., Ltd) (Kusatsu Corporation) (Hsie-De)	Self-production (40%), domestic purchase (44%), and import (16%)

(IV) The names of customers who have accounted for more than 10% of the total purchases (sales) in any of the last two years and the amount and proportion of their purchases (sales):

1. Information on major suppliers in the last two years:

(Unit: Thousands of NTD)

Item	2024				2025				As of March 31, 2026			
	Name	Amount	Ratio to the annual net purchases amount [%]	Relation with the issuer	Name	Amount	Ratio to the annual net purchases amount [%]	Relation with the issuer	Name	Amount	Proportion to the net purchase as of March 31, 2026 [%]	Relation with the issuer
1	Sanyo Chuan-Neng Co., Ltd.	2,270,098	52.73	Subsidiary of the Company	Sanyo Chuan-Neng Co., Ltd.	2,117,199	51.96	Subsidiary of the Company	Sanyo Chuan-Neng Co., Ltd.	463,002	48.94	Subsidiary of the Company
2	Others	2,035,240	47.27		Others	1,957,215	48.04		Others	483,016	51.06	
Net purchase amount		4,305,338	100		Net purchase amount	4,074,414	100		Net purchase amount	946,018	100	

2. Information on sales customers in the last two years:

Item	2024				2025				As of March 31, 2026			
	Name	Amount	Ratio to the annual net sales amount [%]	Relation with the issuer	Name	Amount	Ratio to the annual net sales amount [%]	Relation with the issuer	Name	Amount	Ratio to the net sales amount up to the prior quarter of the year [%]	Relation with the issuer
1	Others	5,433,394	100		Others	5,134,844	100		Others	1,196,218	100	
Net sales		5,433,394	100		Net sales	5,134,844	100		Net sales	1,196,218	100	

Note: The Company does not individual customers who account for at least 10% of the total sales.

III. Employees

The number of employees, average years of service, average age, and education distribution in the last two years and as of the publication date of the annual report

Year		2024	2025	April 20, 2026
Number of employees	Staff	413	396	390
	Technician	303	310	308
	Machine operator	293	251	246
	Total	1009	957	944
Average age		38.96	40.31	40.63
Average seniority		10.84	11.86	12.08
Proportion by educational levels	Doctoral Degree			
	Master's Degree	0.99	1.26	1.17
	College	41.67	43.89	44.17
	High school graduate	43.55	45.45	45.44
	Below senior high school	13.79	9.40	9.22

IV. Information on spending on environmental protection

(I) Environmental protection expenditure: Losses incurred (including compensation) and amount of penalties due to environmental pollution in the last year and as of the publication date of the annual report: None.

(II) Future countermeasures (including improvement of facilities) and potential expenditures (including the estimated amount of potential losses, penalties, and compensation that may occur if countermeasures are not taken):

1. Estimated environmental expenditures in the next three years

2025			
Pollution prevention equipment to be purchased or relevant expenditures	1. Waste removal and treatment expenses (hazardous/ general).	2. Labor work environment inspection and testing.	3. Continuous adoption of the environmental safety and health management system.
Expected improvement	General waste will be cleaned up daily while hazardous waste is disposed of based on the amount of waste generated.	Semi-annual testing and inspection are performed as stipulated by law.	As promised in the environmental safety and health policy.
Amount	Around NT$3.5 million	Around NT$100,000	Vary according to the content of each case
2026			
Pollution prevention equipment to be purchased or relevant expenditures	1. Waste removal and treatment expenses (hazardous/ general).	2. Labor work environment inspection and testing.	3. Continuous adoption of the environmental safety and health management system.
Expected improvement	General waste will be cleaned up daily while hazardous waste is disposed of based on the amount of waste generated.	Semi-annual testing and inspection are performed as stipulated by law.	As promised in the environmental safety and health policy.
Amount	Around NT$3.5 million	Around NT$100,000	Vary according to the content of each case
2027			
Pollution prevention equipment to be purchased or relevant expenditures	1. Waste removal and treatment expenses (hazardous/ general).	2. Labor work environment inspection and testing.	3. Continuous adoption of the environmental safety and health management system.
Expected improvement	General waste will be cleaned up daily while hazardous waste is disposed of based on the amount of waste generated.	Semi-annual testing and inspection are performed as stipulated by law.	As promised in the environmental safety and health policy.
Amount	Around NT$3.5 million	Around NT$100,000	Vary according to the content of each case

2. The estimated amount of losses, penalties, and compensation that may occur if countermeasures are not taken: Th safety and health laws and regulations must be executed in accordance with regulations, or occupational injuries will be fined (up to NT$150,000) or work will be suspended in accordance with laws.

V. Labor-Management Relations

The Company has always attached great importance to labor-management relations. As for employee benefits, it has established an Employee Welfare Committee, an employee welfare association, an employee dividend system, an employee death payment system, an employee wedding gift, and a funeral condolence money payment system for the death of parents and spouse. Where an employee passed away, is disabled, or any of his/her family members passed away, there is a bereavement benefit subsidy system. The Company also offers various employee benefits, such as employee travel, birthday gift, and Mid-Autumn Festival gift, every year. Also, it has set up a Supervisory Committee of Labor Retirement Reserve to be responsible for pension payment in accordance with the provisions of the Labor Standards Act, making contribution for employees who have chosen the new pension system in accordance with the provisions of the Labor Pension Act, and arranging education and training plans every year and implementing them as scheduled.

As for communication and agreements between labor and management, there are communication channels set up, including a union, collective bargaining agreements, employee management rules, work rules, other labor-management representative meetings, and labor-management negotiations. Therefore, there has been no losses incurred due to labor disputes. The Company's benefits and measures are complete and sound and are implemented per the Labor Standards Act and personnel management regulations; the labor-management relationship is harmonious.

The employee benefits and pension system are as follows:

(I) Employee benefits:

1. Insurance:
   (1) Employees are insured by the labor and health insurance policy per the Labor Standards Act.
   (2) Employees working outside the office are additionally insured by casualty insurance and vehicle insurance.
   (3) Employees on business trips will be insured by travel insurance when they travel on business.
2. Allowances and subsidies:
   (1) May 1 Labor Day travel subsidy.
   (2) Gift certificates for birthday and the Mid-Autumn Festival.
   (3) Gifts/funeral condolence money are provided for employee weddings/funerals according to their job ranks, and the Employee Welfare Committee will also provide a mutual aid.
3. Club activities: Mountain hiking, bowling, tennis, and other ball games and teambuilding activities in the factories are held from time to time every year. An employee barbecue activity and a lucky-draw activity are held for the Mid-Autumn Festival.

(II) Retirement system:

1. Employees who meet one of the following circumstances may apply for retirement:
   (1) Those who have worked for at least 15 years and are 55 years old or older.
   (2) Those who have worked for at least 25 years.
   (3) Those who have worked for at least 10 years and are 60 years old or older.
2. Employee pension standards:
   (1) After the implementation of the Labor Standards Act (August 1, 1984), the pension payment standard for years of service in the Company is calculated per the Labor Standards Act. Two base points will be given for each full year of work in the first 15 years of service, and one base point will be given for each full year of work thereafter. For the remaining length of service, less than half a year will be counted as half a year, and half a year will be counted as one year.
   (2) Before the implementation of the Labor Standards Act, the pension payment standard for years of

service in the Company is calculated in accordance with the Retirement Rules for Factory Workers in Taiwan. Thirty base points will be given for 15 full years of work, and 0.5 base points will be given for each full year of work thereafter. Half a year is counted as one year for the remaining length of service less than one year while less than half a year for the remaining length of service will not be counted.

(3) The standard for the pension base points is based on the average salary of one month upon approval of retirement, and the maximum total pension calculated or combined per the provisions of the preceding paragraph is limited to 45 base points.

(4) Where employees who are forced to retire due to insanity or physical disability, making them incapable of the job, if due to the performance of their duties, 20% shall be added in addition to the payment per the provisions of the preceding paragraph.

(5) Since July 1, 2005, it shall be handled in accordance with the Labor Pension Act as follows:

A. For those who have elected to adopt the system under the Labor Pension Act shall, their years of service shall be retained before the Labor Pension Act applies, and the Company contributes 6% of their monthly salary per their salary rankings on a monthly basis to their pension funds on their behalf.

B. The pension system under the Labor Pension Act shall apply to all who are onboard on and after July 1, 2005.

(6) For employees who were onboard before November 1, 1980, the pension shall be calculated according to the Company's original pension standard. Two base points are given for each full year of work, up to a maximum of forty base points, but if the pension calculated in accordance with the rules in the preceding article per the Enforcement Rules of the Labor Standards Act is better than the original standards set by the Company, the pension under said Rules shall prevail.

(7) Retirees who take the initiative to apply for retirement shall fill out the retirement application form and submit it for approval. For employees who are forced to retire, the relevant units will submit the application and notify the retirees to go through the retirement procedures after the application is approved.

Total amount of loss (including violation of the Labor Standards Act discovered by labor udit, which shall specify the date and document number of penalty, provisions of violation, content of violation and content of penalty) due to labor dispute as of the most recent year and the date of publication of the annual report. It also discloses the current and future potential estimates and countermeasures. If it cannot be reasonably estimated, please explain the fact.

The Company's labor-management relations have always been harmonious, and the employee work rules have complied with relevant laws and regulations.

VI. Information and communication security management

(I) Cyber security policy and management plan

To prevent external threats and protect our core systems, equipment, and customer privacy, the Company has established the following management plans:

1. Monitoring mechanisms and password management: Implement monitoring for behaviors such as identity verification, data access, and critical function errors. Enforce strict password management rules.
2. Personnel management and authorization: Establish procedures for onboarding, employment, and resignation, and require the signing of a non-disclosure agreement.
3. System access requires manager approval and is granted based on job roles. Inactive accounts are regularly reviewed and deactivated.
4. Prevention of abnormal behavior: In addition to the built-in security protection of Microsoft systems, all computers used by personnel have antivirus software installed. The status of these terminal devices is regularly monitored through a central control platform to prevent them from malicious modification or damage.
5. Information security awareness education: Provide information and communication security education and policy promotion for new personnel to ensure that all employees understand the importance of information security.

(II) Resources committed to cybersecurity management

The Company developed a comprehensive plan for information security protection. The key areas of execution for 2025 were as follows:

1. Internal/external network control:

   Internal: Implement internal network security monitoring products to filter endpoint device connections and prevent ransomware.

   External: Continuously update firewall and security software and hardware. The network firewall and load balancer upgrade is complete, enhancing network protection and control efficiency.

   Email security protection: Following the Guidelines for Information Security Control of Listed and OTC Companies, a new email filtering host has been adopted to prevent phishing emails, APT attacks, and zero-day vulnerabilities.

   Computer room and backup mechanism: The remote backup equipment architecture has been continuously updated. Regular local and remote backup restoration drills are performed annually to ensure quick recovery in case of business interruption.

   Authentication reinforcement: A multi-factor authentication mechanism (MFA) is implemented for accounts used to install critical software to prevent intrusion risks from account password leaks.

2. Professional training and drills:

   The dedicated information security officer and dedicated information security personnel both participate in online courses offered by the Taiwan Academy of Banking and Finance, covering information security incident prevention and control guidelines for listed and OTC companies.

   Social engineering exercises were carried out in March and November 2025, and cybersecurity awareness training was subsequently conducted for high-risk users based on the analysis report.

   We expect to conduct at least two drills per year and continue promoting the concept of “zero trust” to strengthen personnel awareness of information security risks.

(III) Description of information security incidents in 2025

As of the date of publication of the 2025 annual report, the Company has not experienced any material cybersecurity incident that resulted in financial loss or operational impact.

VII. Important Contracts

Contract nature	Interested party	Contract start and end dates	Subject	Restrictions
Distribution contract	Distributors/dealers across Taiwan	From the commencement date of the contract to the termination date of the contract	Distribution of SANLUX products	Pledged collateral and joint guarantors are provided depending on the case

Five. Review of financial status, business performance, and risk management issues

I. Financial position:

Where the change between the prior and current periods reaches at least 20% and the amount of change reaches NT$10 million, the analysis of the change is described as follows:

(I) Financial assets measured at fair value through profit or loss – current: This was due to the redemption of money market funds to pay for the purchase of land in Chiayi.

(II) Financial assets measured at fair value through other comprehensive income – non-current: This was due to the sale of renewable green power stock in May-June 2025.

(III) Other non-current assets: Resulted from the purchase of land in Chiayi from Yi Feng Gypsum Chemical Co., Ltd.

II. Financial performance:

(I) Analysis of changes:

Gross profit and net operating profit: The percentage of increase or decrease does not reach 20%, so analysis is not required

(II) Estimated sales volume and basis for the upcoming year, and the main factors influencing the continuous growth of the estimated sales volume:

Looking ahead to 2026, according to the latest estimates by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, Taiwan’s economy benefited from the growth in AI-related exports and a recovery in private investment in 2025, resulting in an economic growth rate of 8.63%. This represents a significant increase from the previous base period. It is expected that the overall economic growth momentum in 2026 will return to stability, with the economic growth rate estimated at 3.54%.

1. Analysis of consumption momentum

   Although increases in the basic wage and expected salary adjustments by enterprises are expected to drive growth in disposable income, uncertainties in the global political and economic situation, changes in U.S. tariff policies, and geopolitical risks remain high, impacting investment and private consumption confidence.

2. Housing market and demand for durable goods

   Affected by policy controls, the domestic housing market has maintained conservative overall transaction momentum, with limited effect in driving demand for large durable goods. However, favorable policies such as the government's continued "subsidies for replacing old appliances with new energy-saving products" and "commodity tax refunds" still help support the replacement demand in the home appliance market.

3. Overall market assessment

   Considering the domestic and international economic environment and industry variables as a whole, the overall outlook for the home appliance market in 2026 is primarily a "flat" one.

4. Expected sales targets

   After prudently assessing the market environment and the Company's various operating indicators, the Company's revenue and profit targets for 2026 will be based on the principles of pragmatism and stability, and the expected sales volume targets are as follows:

   Expected sales volume (units) of product categories: electrical and chemical products category: 344,994; wireless products category: 33,300

The main factors influencing the continuous growth of the estimated sales volume are as follows:

1. Develop and introduce niche products, increase the speed of research and development, shorten the time to market for new products, and maintain a leading edge.

2. Enhance product quality, improve quality stability and customer satisfaction, and reduce after-sales service costs.
3. Strengthen brand management and accumulate brand assets effects.

III. Cash flow:

(I) Analysis of the changes in the percentage of increase or decrease in cash flow in 2025:

Beginning balance of cash	Net cash inflow (outflow) from operating activities for the year	Net cash inflow (outflow) from investing activities for the whole year	Net cash inflow (outflow) from financing activities for the whole year	Cash at the end of the period
97,440	348,167	(219,161)	(164,506)	61,940

1. Operating activities: Due to stable sales and timely receivables collection, there was a net cash inflow from operating activities for the year.
2. Investing activities: Due to the purchase of land in Chiayi, there was a net cash outflow from investing activities for the year.
3. Financing Activities: Due to the distribution of cash dividends, there was net cash outflow from financing activities for the year.

(II) Analysis of changes in cash flow in 2026:

1. Operating activities:

   Although consumer spending decreased in anticipation of cost pass-through due to the conflict in the Middle East, the government's extension of the commodity tax reduction on energy-saving appliances through 2029 is expected to increase consumers' willingness to purchase. As a result, net cash inflow from operating activities is projected to grow in 2026.
2. Investing activities:

   It is estimated that the cash outflows in 2026 will increase mainly due to the purchase of financial assets.
3. Financing activities:

   It is mainly because of the planned distribution of earnings for 2025.

(III) Responsive measures and liquidity analysis on cash flow deficits: not applicable.

IV. Significant capital spending in the most recent year and its influence on financial positions and operations: None.

V. Indirect investment policy, the main reasons for profit or loss, and corrective action plan in the most recent year, and investment plan in the upcoming year:

(I) Reinvestment policy in the most recent year: None.

(II) Improvement plan: Not applicable.

(III) Investment plan for the next year: None.

VI. Analysis and assessment of risk issues in the last and as of the publication date of the annual report:

(I) The effect of changes in the interest and exchange rates and fluctuations on the profit/loss of the company and relevant measures in the future:

1. Impact of changes in interest rates and currency exchange and inflation on the Company's profit and loss in the most recent year:

Unit: NT$ Thousand

Item	2025
① Net interest income (expense)	(991)
② Operating revenues	5,407,695
③ Net profit before taxation	276,029
①/②	-0.02%
①/③	-0.36%

Unit: NT$ Thousand

Item	2025
①Net exchange gain (loss)	7,336
② Operating revenues	5,407,695
③ Net profit before taxation	276,029
①/②	0.14%
①/③	2.66%

2. Impact of changes in interest rates and currency exchange and inflation on the Company's profit and loss in the most recent year:

① Interest rate fluctuations and future response measures:

The Company's interest expenses for 2025 were NT$991 thousand, accounting for -0.02% of annual operating revenue and -0.36% of net profit before tax. The fluctuation has little impact on profit and loss, but the Company still maintains good interactive relationships with its banking partners and monitors changes in market interest rates to obtain more favorable rates.

② Exchange rate fluctuations and future response measures:

The Company's exchange benefits for 2025 were NT$7,336 thousand, accounting for 0.14% of annual operating revenue and 2.66% of net profit before tax. Such changes had little impact on profits and losses and did not significantly affect the Company. However, we maintain close contact with banking partners and continue to monitor the impact of international situations on global exchange rate fluctuations.

③ Inflation and Future response measures:

Under the influence of the international situation and the war in the Middle East, global energy supplies have become imbalanced. As an energy-importing country, Taiwan has been affected by rising transportation and production costs, and the inflation rate is expected to increase slightly. The Company continues to maintain good relationships with relevant vendors and monitor the overall economic environment to reduce the impact of inflation on its operations.

(II) Policies on high risk and highly leveraged investments, loans to others, endorsements / guarantees, and the trading of derivative instruments; describe the main causes of profit or loss and responsive measures in the future:

The Company does not engage in high-risk investments, nor does it have loans to others and endorsements/ guarantees provided to others. The derivatives trading is mainly for hedging. The operating procedures have the risk levels considered and are implemented carefully.

(III) Future R&D plan and estimated R&D expenses:

1. Future annual R&D plan:

(1) Continue to develop new energy-saving and eco-friendly air conditioners in line with the new energy efficiency Tier 1 standards, with additional rust prevention, air cleaning, and smart home appliance functions.

(2) Continue to develop refrigerators of different volumes and add more functions to respond to needs of various clientele in the market.

(3) Continue to develop laundry machines with new functions.

2. The estimated investment in R&D expenses is NT$73,073 thousand.

(IV) The impact of important domestic and international policy and legal changes on the Company's financial business and countermeasures: None.

(V) The impact of technological changes (including information and communication security risk) and industrial changes on the Company's financial business and countermeasures:

Dedicated information security organization and management: The Company has established a dedicated information security team, staffed with an information security manager and an information security specialist, responsible for coordinating and planning company-wide information security education and training. All documents involving business information, transaction data, and customer privacy are archived by dedicated personnel, and access requires strict approval and authorization.

Network security protection: The network management section is responsible for the security protection infrastructure. In response to increasing hacker intrusion threats, software and hardware protection has been continuously strengthened, and social engineering exercises are continuously implemented. High-risk account security protection education and training are provided to enhance employees' security awareness and prevent network attacks.

Quality management certification: The Company has achieved ISO 9001 international quality management certification. Each year, we review the compliance of information units according to standard operating procedures to ensure processes remain current.

(VI) The impact of changes in corporate image on the Company's crisis management and countermeasures: None.

(VII) Expected benefits and potential risks arising from mergers and acquisitions and countermeasures: None.

(VIII) Expected benefits and potential risks of plant expansion and countermeasures: None.

(IX) Risks arising from supplier/customer concentration and countermeasures: None.

(X) The risk arising from the massive transfer of equity or replacement of shares by directors, supervisors, or major shareholders holding more than 10% of the share and countermeasures: None.

(XI) The impact and risks of the change of the Company's management rights and countermeasures: None.

(XII) Litigation or non-litigious proceedings: None

(XIII) Other significant risks and responsive measures: None

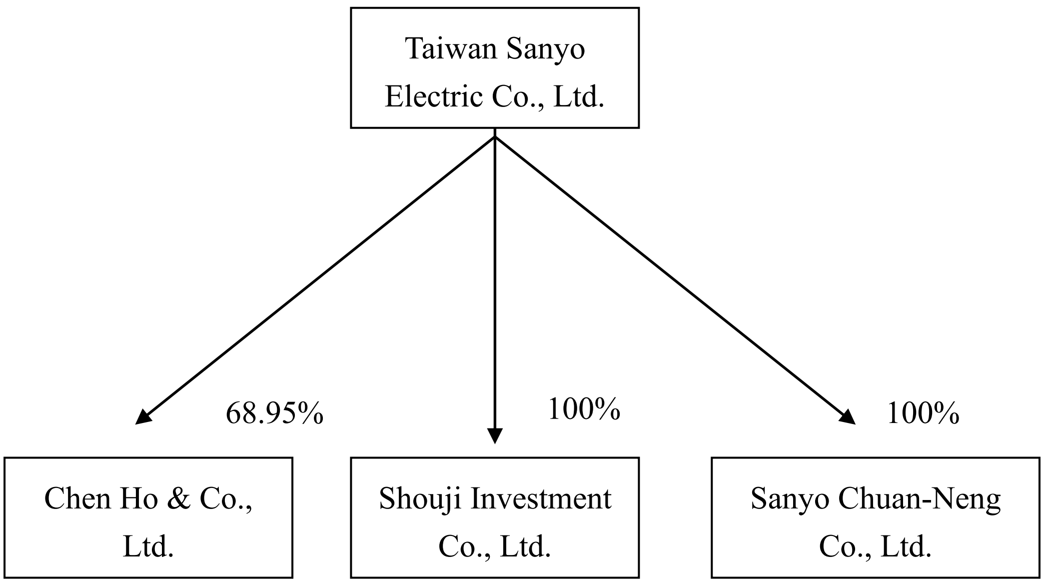
VII. Other important notes: None.

Six. Special Notes

I. Information regarding the bank’s subsidiaries

(I) Consolidated Report on business operations:

1. Organization chart for affiliates:



2. Affiliate Basic Information:

Enterprise name	Date of establishment	Address	Paid-up capital	Principal business
Shouji Investment (Crotch) Company	1999.05	10F, No. 266, Songjiang Road, Zhongshan District, Taipei City	195,000	Investment
Sanyo Chuan-Neng Co., Ltd.	2000.03	10F, No. 266, Songjiang Road, Zhongshan District, Taipei City	95,000	Manufacturer
Chen Ho & Co., Ltd.	1963.05	7F, No. 266, Songjiang Road, Zhongshan District, Taipei City	110,000	Trading

3. Information on the same group of shareholders presumed as under control and in subordinated relation: None.

4. Information on directors, supervisors, and Presidents of affiliates:

Enterprise name	Title	Name or Representative	Shareholding	
			Quantity	Shareholding percentage
Shouji Investment (Crotch) Company	Chairman	Anlang Chi (Taiwan Sanyo Electric Co., Ltd.)	19,500	100.00%
	Director	Win-feng Lee (Taiwan Sanyo Electric Co., Ltd.)	19,500	100.00%
	Director	Changhui Lin (Taiwan Sanyo Electric Co., Ltd.)	19,500	100.00%
	Supervisor	Chienlin Chen (Taiwan Sanyo Electric Co., Ltd.)	19,500	100.00%
Sanyo Chuan-Neng Co., Ltd.	Chairman	Win-feng Lee (Taiwan Sanyo Electric Co., Ltd.)	9,500	100.00%
	Director	Wenlin Lee (Taiwan Sanyo Electric Co., Ltd.)	9,500	100.00%
	Director / President	Changhui Lin (Taiwan Sanyo Electric Co., Ltd.)	9,500	100.00%
	Supervisor	Lianhsun Tu (Taiwan Sanyo Electric Co., Ltd.)	9,500	100.00%
Chen Ho & Co., Ltd.	Chairman and President	Wenlin Lee (Taiwan Sanyo Electric Co., Ltd.)	7,584	68.95%
	Director	Win-feng Lee (Zhisong Investment Co., Ltd.)	251	2.28%
	Director	Changhui Lin (Taiwan Sanyo Electric Co., Ltd.)	7,584	68.95%
	Supervisor	Chienlin Chen	0	0%

5. Operation overview of the bank's subsidiaries

Unit: NT$ Thousand; Earnings per share (NTD)

Code of affiliate	Enterprise name	Authorized capital	Assets	Liability	Net worth	Revenue	Operating profit	Gains and losses of the term (after tax)	Earnings per share (NT$) after taxation
16140001	Shouji Investment (Crotch) Company	195,000	490,173	369	489,804	42,601	9,134	9,569	0.49
16140002	Sanyo Chuan-Neng Co., Ltd.	95,000	647,487	457,711	189,776	2,117,383	40,506	37,148	3.91
16140003	Chen Ho & Co., Ltd.	110,000	256,234	10,701	245,533	7,538	1,133	1,670	0.15

(II) Consolidated Financial Statements of Affiliates

Taiwan Sanyo Electric Co., Ltd.
Affiliated Enterprise Consolidated Financial Statements Declaration

In 2025 (from January 1, 2025 to December 31, 2025), the companies that should be included in the consolidated financial reports of affiliated companies based on "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" and the companies that should be included in the consolidated financial reports of subsidiaries based on "Consolidated and separate financial statements" of Section 10 of International Financial Reporting Standards were the same. The related information that should be disclosed in the consolidated financial statements of affiliated companies was already disclosed in the consolidated financial reports for subsidiaries. Therefore, the consolidated financial statements of affiliated companies would not be published separately.

Very truly yours

Company name: Taiwan Sanyo Electric Co., Ltd.

Responsible Person: Win-Feng Lee

March 9, 2026

(III) Affiliation report: Not applicable.

II. Private placement of securities in the last year and as of the publication date of the annual report: None.

III. The Company's shares held or disposed of by the subsidiaries in the last year and as of the publication date of the annual report:

Unit: NT$ Thousand; Share: %

Subsidiary name	Paid-up capital	Source of fund	The Company's shareholding percentage	Date of acquisition or disposal	Number and amount of shares acquired	Number and amount of shares disposed of	Investment gains/loss	Number and amount of shares held as of the publication date of the annual report	Pledge	Amount of endorsements/ guarantees by the Company to subsidiaries	Amount of loans by the Company to subsidiaries
Shouji Investment (Crotch) Company	195,000	Self-owned Capital	100.00	-	-	-	0	7,735,226 shares NT$ 91,393 thousand	None	None	None
Chen Ho & Co., Ltd.	110,000	Self-owned Capital	68.95	-	-	-	0	2,447,518 shares NT$ 40,905 thousand	None	None	None

Note: It has no impact on the Company's operating results and financial position.

IV. Other matters requiring supplementary information: Not applicable

Seven. Occurrences of events defined under Article 36-3-2 of the Securities and Exchange Act in the latest year up till the publishing date of this annual report that significantly impacted shareholders' equity or security prices: None.

Taiwan Sanyo Electric Co., Ltd.

Chairman Win-Feng Lee