Stock Code: 6994

富威电力
Foxwell Power

Foxwell Power Co., Ltd.

2025

Annual Report

Date of publication: April 15, 2026

The Annual Report may be accessed at: MOPS http://mops.twse.com.tw
Website of the Company: https://www.fwp.com.tw/

I. Company Spokesperson and Acting Spokesperson

Spokesperson: Kuan-Hua Hsu
Job Title: Director, Planning and Development Office
Tel. No.: (02) 2269-9888
E-mail: ir@fwp.com.tw
Acting Spokesperson: Yun-Jen Yang
Job Title: Chief Sustainability Officer, Sustainable Development Office
Tel. No.: (02) 2269-9888
Email: ir@fwp.com.tw

II. Company Address and Telephone

Headquarters
Address: No. 49, Section 4, Zhongyang Road, Tucheng District, New Taipei City
Tel: (02) 2269-9888
Suao Branch
Address: No. 49, Section 4, Zhongyang Road, Tucheng District, New Taipei City
Tel: (02) 2269-9888

III. Shareholders Service Agency

Name: Grand Fortune Securities Co., Ltd.
Address: 6F., No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City
URL: www.gfortune.com.tw
Tel: (02) 2371-1658

IV. Name, CPA Firm Name, address, website, and telephone number of the external auditor for the most recent financial statements

Name of CPAs: Hsiao-Tze Chou and Chi-Tung Chen
CPA Firm: PwC Taiwan
Address: 27F, No. 333, Sec. 1, Keelung Rd., Taipei City
URL: www.pwc.tw
Tel: (02) 2729-6666

V. Name of any exchanges where the Company's securities are traded overseas, and the methods by which to access information on the overseas securities:

The Company had no overseas securities listed or traded by the publishing date.

VI. Company website: www.shinfox.com.tw

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One. A Message to Shareholders

Dear shareholders,

The Company aims to become a leading integrated energy service company, providing customers with net-zero emission solutions and offering one-stop carbon reduction path services. By providing customers with comprehensive energy "sustainable solutions," we are committed to promoting the progress of sustainable development of enterprises, enabling people to enjoy a better future and contributing to the environment. The motivation from both domestic and foreign enterprises to purchase green electricity has increased year by year and, therefore, the Company's revenue increased remarkably. According to the National Renewable Energy Certification Center, the Company has ranked among the best in the aspect of transaction volume of green energy.

As a significant amount of renewable energy, particularly solar power, becomes integrated into the grid, the peak period of the power grid has shifted from daytime to evening. Consequently, in order to effectively alleviate the night peak power demand, make good use of increased renewable energy generation during the day, and enhance feeder utilization rates, in addition to regulating existing energy storage systems, Taipower Corporation’s demand for solar energy storage systems has also increased. Building upon our experience in constructing self-owned energy storage systems, the Company will actively participate in turnkey projects for the construction of solar energy storage systems, thereby expanding our business scope. Furthermore, considering the increasing difference between peak and off-peak electricity prices, we will also include behind-the-meter energy storage system turnkey projects within our business scope With two structural increases in industrial electricity tariffs in 2024 (resulting in a significant cumulative adjustment), high energy costs have become a regular challenge for businesses. Through years of dedicated work in energy audits and improvement technologies, the energy-saving department has helped customers turn their fundamental needs for “reducing operating costs and complying with regulations”into sustainable business growth. Given the steady demand growth in recent years, indicating strong long-term market support, the Company has further integrated energy management consulting services to provide a one-stop solution encompassing preliminary diagnosis, system optimization, and overall energy management. During the energy transition when high energy costs persist and carbon pricing mechanisms take effect, we are committed to serving as an expert consultant for companies undergoing low-carbon transformation and helping customers steadily improve their market competitiveness by delivering tangible energy-saving results. The IT department also upgraded the existing green power platform to a "data cloud service," which, integrating with green power and carbon services, is promoted to a wider user base in the future.

The Company reported a consolidated net operating revenue of NTD$4,990,058 thousand in 2025, marking a 164.50% increase compared to the consolidated net operating revenue of NT$1,886,585 thousand in 2024. Additionally, the net income after tax for 2025 amounted to NT$454,339 thousand, reflecting a 437.34% surge from the net income after tax of NT$84,554 thousand in 2024. Furthermore, the earnings per share after tax grew from NT$1.42 per share in 2024 to NT$6.34 per share in 2025, representing a growth by 346.48%. The Company achieved significant growth in profit last year. We would like to thank all employees and shareholders for their contributions and support over the past year.

Looking to the future, in the face of the rapidly changing industry and business environment, the Company must grow on a stable foundation and create greater profits for shareholders. Therefore, we must be prepared to face challenges and resolve problems to ensure the growth of the Company's revenue and profits. Finally, I appreciate your continued support and encouragement to the Company, and wish you all the best.

I. 2025 Business results

In 2025, the Company's green electricity trading aligned with the government's policy of allowing Type III generation facilities to participate in energy wheeling. So far, 158 energy wheeling transactions have been completed, with signed contracts totaling 204 MW of capacity. The customer base for the energy wheeling includes several publicly listed companies, and some contracts effective for as long as 20 years. There were already more than 10 billion orders in place which can ensure the Company's long-term profitability. In order to assist customers with carbon reduction, the Company has successfully completed four energy-saving air conditioning and heat pump system improvement projects in hotels, office buildings and corporate headquarters through the Commercial Energy Conservation Subsidy Program of the Administration of Commerce and Taipei City Level 1 Energy Efficiency Equipment Subsidy Program. As verified upon the physical test, the average energy savings rate reaches over 40%, helping customers reduce their operating costs. Meanwhile, the Company is proactively planning energy-saving and carbon-reducing service models. By introducing high-performance energy-saving technologies, the Company optimizes and integrates energy diagnostics and system automation into diverse solutions. During the transition when high energy costs persist, the Company leverages tangible energy-saving results and professional service momentum to help enterprises achieve their transformation goals steadily and continuously enhance their market competitiveness. In addition to the existing 7MW d-Reg and 50MW E-dReg energy storage systems participating in Taipower's auxiliary services, and the successful completion of the 4MW d-Reg in Kaohsiung and the 5.9MW E-dReg energy storage turnkey project in Douliu, Yunlin, the Company has undertaken two cases, i.e. the 100MW E-dReg energy storage turnkey project and long-term maintenance contracts, in 2025. They are expected to be commissioned in the fourth quarter of 2026 and the first quarter of 2027, respectively. Meanwhile, the Company's first turnkey photovoltaic storage system project will be completed in the first quarter of 2026.

Revenue, expense, and profitability analysis:

(I) Results of the Implementation of the Business Plan

Unit: NTD thousand

Item	2025	2024	Growth rate
Operating revenue	4,990,058	1,886,585	164.50%
Operating cost	3,777,864	1,588,609	137.81%
Gross profit	1,212,194	297,976	306.81%
Net Gross profit	956,292	297,976	220.93%
Operating expenses	251,411	122,866	104.62%
Operating profit	704,881	175,110	302.54%
Non-operating income and expenses	(70,351)	(62,672)	12.25%
Net income before tax	634,530	112,438	464.34%
Net income for the period	454,339	84,554	437.34%
Net profit attributable to the owners of the parent company	449,893	84,929	429.73%

(II) Budget Execution

As the Company did not prepare a financial forecast for 2025, this section is not applicable.

(III) Financial revenue and expenditure

Unit: NTD thousand

Item	2025	2024	Changes in amount
Net cash inflow (outflow) from operating activities	56,634	(33,662)	90,296
Net cash inflow (outflow) from investing activities	(620,448)	(504,942)	(115,506)
Net cash inflow (outflow) from financing activities	973,860	493,919	479,941

(IV) Profitability analysis

Item		2025	2024
Return on assets (%)		8.28	3.44
Return on equity (%)		23.32	8.76
Return to paid-in capital ratio (%)	Operating profit	95.48	29.19
	Net profit before tax	85.95	18.74
Net profit margin (%)		9.10	4.48
Basic earnings per share (NTD) (Note)		6.34	1.42

Note: The ratios above are based on the figures in the consolidated financial statements. Earnings per share are calculated based on the number of shares after retrospective adjustment.

(V) Research and development status

Integrated management of energy services:

1. Upgrade the energy integration platform and incorporate AI data cloud service for effective matching and energy management integration.
2. Assist enterprises in energy health examination and carbon reduction planning services, and provide diversified sustainable solutions.
3. Energy storage system, energy-saving improvement projects, and improvement in management of real-time data for project site maintenance and operation.

II. Summary of the 2026 business plan

(I) Business policy

The Company is committed to becoming a leading energy integration service provider, focusing on "renewable energy solutions, digital energy conservation and carbon reduction, and grid-scale energy storage services" to help businesses achieve net-zero emission goals. After the Company completed the listing in 2025, it officially introduced diversified capital and cross-disciplinary talent. By strengthening cooperation with power generation companies and bank syndicates, the Company achieves economies of scale, consolidates customer trust, and establishes a leading position in the offshore wind power market. In response to the increasing proportion of renewable energy integrated into the grid, the Company is proactively investing in “integrated photovoltaic storage” and ancillary services (E-dReg), extending its focus from grid-scale energy storage (front-of-meter) to corporate users (behind-the-meter). Meanwhile, the Company is developing smart business models to ensure power supply and demand balance and resilience. In response to Taiwan's 2050 net-zero carbon emissions roadmap, the Company is transforming its traditional engineering services into “digital energy management.” By using AI and big data to build an intelligent carbon management model, providing a one-stop green transformation solution encompassing energy-saving diagnostics and carbon reduction planning. The Company will stay on top of the southward trend of the global supply chain and accelerate its entry into the Southeast Asian market starting this year. Through technology transfer and local strategic alliances, the Company helps overseas Taiwanese businessmen achieve their green energy procurement and energy conservation goals, and expand their international brand influence.

(II) Operation strategy

The Company will leverage its strengths in "vertical integration across the entire supply chain" and "one-stop service" to develop targeted strategies for each business sector, ensuring a competitive edge in the market.

1. Energy Business Unit: Deepening resource integration and green retail.

Construction site integration and scaling: Capitalize on opportunities arising from regulatory relaxation, proactively integrate Type III power plants, and strengthen the Company's own power generation assets to meet the large demand for green power going forward. Formulate forward-looking procurement and sales strategies to target future offshore wind power resources entering the market, and provide large-scale enterprises (such as those in finance and technology) with a stable and substantial supply of clean energy. Promote the "green leasing program," focusing on department store counters, brand retail spaces, and other commercial properties to make green electricity more accessible to SMEs.

Overseas certificate trading: Prioritize developing the green power certificate market in Vietnam, providing local Taiwanese businessmen with environmental rights certificates that meet international standards.

2. Energy Storage Business Unit: Grid stabilization and back-of-meter application development

The optical storage project aligns with government policies, focusing on "solar energy plus storage" as its primary growth driver to enhance the reliability of renewable energy supply.

Regarding the auxiliary service market, the Company will focus on building its own E-dReg platform and outsourcing services, participating in Taipower’s electricity trading platform to offer power grid stabilization services. By studying the Behind-the-Meter business model, provide industrial users with backup power and demand response services, and simultaneously develop the Southeast Asian integrated energy storage project market.

3. Energy Conservation Business Unit: Digital energy management and carbon credit value creation

Implement AI forecasting, Digital Twin, and IoT technology to help customers evolve from equipment replacement to dynamic energy dispatch and reduce energy deviation risk. Develop combustion efficiency enhancement, waste heat recovery (such as ORC systems), and carbon dioxide capture technologies with respect to industrial customers to establish technological differentiation thresholds. Focus on Taiwanese businessman factory premises in Southeast Asia, implement bioenergy power generation equipment, and create a zero-carbon energy environment.

III. Future development strategies of the Company

The Company officially completed its IPO in 2025. After entering the capital market, it will attract more outstanding cross-disciplinary talent and secure sufficient funding and thereby strengthen cooperation with power generators and create economies of scale. We will continue to cultivate the renewable energy market and leverage the transparency and track record of a publicly listed company to strengthen the long-term trust of our customers and bank syndicates. While consolidating the foundation of solar energy and onshore wind power, the Company has initiated a forward-looking deployment in the offshore wind power market to ensure it secures key projects in the next wave of energy transition.

In view of global carbon reduction goals and the trend of European and American carbon-related legislation (such as CBAM), the Company has established the following core technological barriers to transform Taiwan’s experience into a global competitive advantage: Digital Matchmaking Technology: To address the intermittency of renewable energy, the Company has developed an algorithm combining big data and AI to accurately forecast power generation and analyze user behavior, maximizing the efficiency of green power wheeling matching and effectively resolving the issue of power generation and consumption imbalances. Integrate the dispatch and deployment of large-scale energy storage systems and deeply participate in Taipower’s electricity auxiliary service market (day-ahead auxiliary service and backup capacity markets). In addition to providing grid stabilization services and bidding agency services, the Company is also proactively expanding “behind-the-meter (BTM)” applications to achieve smart, dynamic management of distributed energy resources. The digital ESCO service has evolved from replacement of equipment to "digital energy management," incorporating AI-powered peak prediction, Digital Twin, and IoT technologies to provide predictive diagnostics and dynamic scheduling, helping customers minimize energy costs. Industrial green transformation program: Provide integrated consulting services for industrial furnace combustion efficiency improvement, waste heat recovery (such as ORC power generation systems), and carbon capture technology to help industrial clients achieve resource circularity and mitigate the impact of carbon tariffs.

Based in Taiwan, Looking to the World The Company plans to use a “knowledge transfer” model to expand its rich technical service and energy storage dispatch experience accumulated domestically to Southeast Asia, Japan, Australia, and other Asia-Pacific regions, aiming to become a regional smart energy integration solution expert.

IV. The Company's future development strategy and the effect of external competition, legal environment, and overall business environment.

Looking forward to the future, the global green energy industry is entering a critical period of transformation. Currently, the global share of clean energy generation has surpassed 40% , with strong growth in solar and wind power. Thanks to the European Union's Carbon Border Adjustment Mechanism (CBAM) and the RE100 initiative, green power procurement has become a key indicator of legal compliance for businesses. The domestic government announced the "Taiwan 2050 Net Zero Emission Pathway" and 12 key strategies to guide the comprehensive green transformation of industries and create huge energy service demands. With the integration of technology, it is estimated that the output value of Taiwan's smart grid will reach NT$700 billion in 2030. Faced with the intermittent nature of renewable energy, energy storage systems have become an indispensable "relay station" for grid stability . This trend will bring ample growth opportunities for companies with proven expertise.

In the face of the rapidly changing industrial landscape, the Company continues to deepen its "lean management" practices and implement group-wide resource allocation. Through business strategies of "vertical integration across the entire supply chain" and "one-stop service" , we accurately control fixed costs to ensure product price competitiveness and timely delivery to the market. In view of the high degree of specialization and long training periods required in the industry, the Company is proactively investing in talent acquisition and technological research and development. By leveraging the expertise and successful track record of its various business units, it is developing innovative smart energy solutions.We are committed to providing high value-added technical services to strengthen customer trust and escape the red ocean of low-price competition.

The Company will proactively implement a comprehensive "conservation, storage, sale and management" strategy to translate national policy benefits into tangible operating results. We will uphold our core strategy emphasizing "technology-driven and service-led," and are committed to enhancing operational efficiency, expanding our market presence, and delivering long-term and stable investment value and vision for our shareholders.

Two. Corporate Governance Report

I. Information on directors, president, vice presidents, assistant vice presidents, and heads of departments and branches

(I) Directors

March 24, 2026 Unit: shares

Job Title	Nationality or place of registration	Name	Gender/ Age	Date of Appointment	Term of office	Date of initial appointment	Shareholdings at the time of appointment		Current shares held		Shares currently held by spouse and underage children		Shares held in someone else's name		Main experience/education	Concurrent positions in the Company and other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remarks (Note 1)
							Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio			Job Title	Name	Relationship	
Chairman	Republic of China	SHINFOX ENERGY CO., LTD.	Male Aged 31~40	November 27, 2025	3 years	June 18, 2019	48,140,000	80.23	30,244,000	40.78	–	–	–	–	–	–	–	–	–	–
	Republic of China	Representative 1: Shou-Fu Kuo					0	0.00	0	0.00	–	–	–	–	Bachelor of Marketing, Seattle University, USA Special Assistant to Cheng Uei Group Chairman, SYNCROBOTIC CO., LTD. Chairman, Ubilink.AI CO., Ltd. Chairman, Luimnys System Corp., USA Chairman, Smart Power System Co., Ltd. Chairman, Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Note 2	–	–	–	–
Director	Republic of China	SHINFOX ENERGY CO., LTD.	–	November 2, 2023	3 years	June 18, 2019	48,140,000	80.23	30,244,000	40.78	–	–	–	–	–	–	–	–	–	–
	Republic of China	Representative 2: Kun-Huang Lin	Male Aged 61~70			October 26, 2020	80,000	0.13	80,000	0.11	–	–	–	–	Department of Accounting, Fu Jen Catholic University Special Assistant of Chairman's Office, Cheng Uei Precision Industry Co., Ltd	Note 3	–	–	–	–
	Republic of China	Representative 3: Ching-Fan Pu	Male Aged 71~80			November 2, 2023	80,000	0.13	80,000	0.11	–	–	–	–	Management Division, Tamsui Industrial and Commercial Bank Manager, Cathay United Bank Vice President, Cheng Uei Precision Industry Co., Ltd	Note 4	–	–	–	–
Director	Republic of China	Hsia-Peng Hao	Male 51~60 years old	November 2, 2023	3 years	October 26, 2020	1,081,500	1.80	1,115,000	1.50	–	–	–	–	PhD, Civil and Commercial Law Section, Law School, Soochow University (currently enrolled) Head of Sales, Taan Electric Co., Ltd., part of TECO Group; Technical Manager, Jingye Co., Ltd. Head of Shanghai Branch, CHUANG YI INFORMATION TECHNOLOGY CO., LTD. Assistant Vice President, SHINLEE PRODUCT INC. Assistant Vice President, Project Center Department, SHINFOX ENERGY CO., LTD.	President of Foxwell Power Co., Ltd.; Chairman of Foxwell Certification Co., Ltd. And Hui Jie Energy Co., Ltd.; Representative of Juristic Person Director of Cheng Shin Digital CO., LTD. and Smart Power System Co., Ltd.	–	–	–	–

Job Title	Nationality or place of registration	Name	Gender/ Age	Date of Appointment	Term of office	Date of initial appointment	Shareholdings at the time of appointment		Current shares held		Shares currently held by spouse and underage children		Shares held in someone else's name		Main experience/education	Concurrent positions in the Company and other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remarks (Note 1)
							Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio			Job Title	Name	Relationship	
Independent Director	Republic of China	Rui-Chu Chen	Female Aged 61~70	November 2, 2023	3 years	November 2, 2023	–	–	–	–	–	–	–	–	Master of Law, Fu Jen Catholic University Responsible person, ChuChu Labor Law Consultant Co., Ltd. Independent Director, Yi Chun Green Technology Co., Ltd. Independent Director, Iscom Online International Information Inc. Remuneration Committee Member, INVENTEC BESTA CO., LTD.	Same as the left	–	–	–	–
Independent Director	Republic of China	Ming-Hui Hsieh	Female Aged 51~60	November 2, 2023	3 years	November 2, 2023	–	–	–	–	–	–	–	–	Ph.D. in Marketing and Strategic Management, Warwick Business School Director, The Language Training and Testing Center Managing Supervisor, Taiwan Institute of Marketing Science Dean, NTU School of Professional Education and Continuing Studies CEO, NTU EMBA Program Professor, NTU Department of International Business Associate Dean for Industry-Academia Development, NTU College of Management, National Taiwan University Independent Director, Cica-Huntek Chemical Technology Taiwan Co., Ltd. Independent Director, EYECARE TECH INC.	Same as the left	–	–	–	–
Independent Director	Republic of China	Tsun Cheng	Male Aged 61~70	November 2, 2023	3 years	November 2, 2023	–	–	–	–	–	–	–	–	Department of Accounting, Tamkang University Auditor, Deloitte Taiwan Manager, Listing and Corporate Governance Department of TWSE Independent Director, Nan Juen International Co., Ltd. Independent Director, Inter Great Holdings Ltd. (Board of Directors dissolved in October 2025)	Same as the left	–	–	–	–

Note 1: The Company's Chairman and President are not the same person.

Note 2: Shou-Fu Kuo is the representative/manager of Kunshan Fushijin Electronics Co., Ltd. Concurrently, Chairman of Fushineng Technology Co.,Ltd, SYNCROBOTIC CO., LTD., Tai Fu International Investment Co., Ltd., Zheng Fa Investment Co., Ltd., Ubilink.AI CO., Ltd., Smart Power System Co., Ltd. and Eastern Rainbow Green Energy Environmental Technology Co., Ltd., Director of Changzhou Xinwei Car Energy Venture Capital Co., Ltd., Deepwaters Digital Support Inc., FOXLINK ARIZONA INC., Well Shin Technology Co., Ltd., Foxlink International Investment Ltd., Fu Ling International Investment Co., Ltd., Xinhong International Investment Co., Ltd., Central Motion Picture USA Corporation, Luminys Systems Corporation, Luminys Systems Canada Corporation, Foxwell Energy Corporation Ltd., Shih Fong Power Co., Ltd. and Toptron Technology Co.,Ltd, and Special Assistant of Chairman’s Office, Cheng Uei Precision Industry Co., Ltd..

Note 3: Kun-Huang Lin is concurrently a director of Fit Holding Co., Ltd., Well Shin Technology Co., Ltd., Microlink Communications Inc., Darts Technologies Corporation, Studio A Inc., Trinity Investment Corporation, Central Pictures Corporation, Central Pictures Culture and Creative Co., Ltd., Central Motion Picture Corporation, Deepwaters Digital Support Inc., Fu Ling International Investment Co., Ltd., Tai Fu International Investment Co., Ltd., Foxlink International Investment Ltd., Shinfox Natural Gas Co., Ltd., Straight A Inc., Super A Technology Co., Ltd., Shih Fong Power Co., Ltd., Studio A Technology Limited, World Circuit Technology Hong Kong Limited, Foxlink Taiwan Industry Co., Ltd., Shanghai Fugang Electronic Trading Co., Ltd., Eastern Rainbow Green Energy Environmental Technology Co., Ltd., Fugang Electronic (Dongguan) Co., Ltd., Power Quotient International (Yancheng) Co.,Ltd., Power Channel Limited, Glorytek Science India Private Limited, Sinobest Brothers Limited, Value Success Limited, New Start Industries Ltd., Foxlink Technical India Private Limited, Foxlink India Electric Private Limited, Foxlink Da Nang Electronics Co., Ltd., Dahua Technology USA Inc., Culink International Ltd., Capital Guardian Limited, Ashop Co., Ltd., Accu-Image Technology Limited, Cu International Ltd., Luminys Systems Corp., Foxlink Technology Limited, Tegna Electronics Private Limited, Microlink Da Nang Communications Limited, Foxlink Da Nang Technology Company Limited, Glory Tek (BVI) Co., Ltd., Glory Optics (BVI) Co., Ltd., Glory Tek (SAMOA) Co., Ltd., Yi Zheng Ltd., Ubilink.AI CO., Ltd., Smart Power System Co., Ltd. and Synergy Co., Ltd., Chairman of Central Motion Management Consultant Co., Ltd., Great Show Creative & Entertainment Corp., Fresh Air Movie Corp Ltd., Fu Wei Investment Co., Ltd., VA Product Inc., Shinfox Far East Company Pte Ltd., SFE Hercules Company Corporation, SFE Developer Company Corporation, Shinfox Far East (Taiwan) Co., Ltd., Toptron Technology Co., Ltd. and Billion Sun Energy Storage Technologies Inc., Vice Chairman of Sharetronic Data Technology Co., Ltd., President of SHINFOX ENERGY CO., LTD., Fushineng Electronics (Kunshan) Co., Ltd., Foxlink Da Nang Electronics Co., Ltd., Fuji Bay Electricity (Tianjin) Co., Ltd., Culink Tianjin Co., Ltd., Kunshan Fugang Investment Ltd., Fu Qiang Electronics (Maanshan) Ltd. and Fugang Electronics (Maanshan) Ltd., Supervisor of Youde Wind Power Co., Ltd. and Ubilink.AI Co., Ltd., Legal Representative of Fugang Electronics (Kunshan) Ltd., Fugang Electronics (Maanshan) Ltd., Fu Qiang Electronics (Yengchenh) Ltd., Fu Qiang Electronics (Maanshan) Ltd., Dongguan Fu Qiang Electronics Ltd., Dongguan Fuwei Electronics Co., Ltd., Dongguan Fuchang Precision Industry Co., Ltd., Dongguan Hanyang Computer Co., Ltd., Weihai Fukang Electronics Co., Ltd., Kunshan Fugang Electronics Trading Co., Ltd., Kunshan Fugang Investment Co., Ltd., Fuji Bay Electricity (Tianjin) Co., Ltd., Glory Science (Suzhou) Co. Ltd., Glorytek (Yancheng) Co., Ltd., Suzhou Kenarui Motor Technology Ltd., Culink Tianjin Co.,Ltd., Fujixiang R&D center (Kunshan) Corporation, Yencheng Yaowei Technology Co., Ltd., Guangyao Optics (Yancheng) Co., Ltd., Kunshan Jiuwei Information Co., Ltd., Chengdu Foxwell Energy Corporation Ltd., Fox Nam Energy Co., Ltd. and Foxlink Da Nang Electronics Co., Ltd., and Chairman/President of Foxwell Energy Corporation Ltd. and Changpin Wind Power Ltd.. Special Assistant of Cheng Uei Precision Industry Co., Ltd., and Accounting Manager of World Circuit Technology Co., Ltd..

Note 4: Ching-Fan Pu is concurrently a director of Cheng Uei Precision Industry Co., Ltd., Suntain Co., Ltd., Dongguan Fu Qiang Electronics Co., Ltd., Fugang Electronics (Kunshan) Co., Ltd., Fugang Electronics (Tianjin) Co., Ltd., Guanwei Electricity Corporation, Eastern Rainbow Green Energy Environmental Technology Co., Ltd., Foxlink Vietnam Co., Ltd., New Stast Industries Ltd., Capital Guardian Limited, Ce Link International Ltd., Cync Design Co., Ltd., Foxlink India Electric Private Limited, Foxlink International Inc., Cu International Ltd., Culink International Ltd. and Foxlink Technology Limited, Supervisor of Ashop Co., Ltd., Xunqiang Communication Technology Co., Ltd., World Circuit Technology Co., Ltd., Darts Technologies Corporation, Foxwell Energy Corporation Ltd., Shinfox Natural Gas Co., Ltd., Studio A Inc., Straight A Inc., Super A Technology Corporation, VA Product Inc., Central Pictures Corporation, Central Pictures Culture and Creative Co., Ltd., Central Motion Picture Corporation, Shih Fong Power Co., Ltd., Fu Ling International Investment Co., Ltd. Foxlink International Investment Ltd., Kunshan Fujiyou Trading Co., Ltd., Kunshan Fugang Investment Ltd., Kunshan Fugang Electronics Trading Co., Ltd., Guangyao Optics (Yancheng) Co., Ltd., Yaowei Optoelectronics (Yancheng) Co., Ltd., Yencheng Yaowei Technology Co., Ltd., Foxlink Taiwan Industry Co., Ltd., Tai Fu International Investment Corporation, Suzhou Kenarui Motor Technology Ltd., Shanghai Fugang Electronic Trading Co., Ltd., Shanghai Benchmarking Information Technology Co., Ltd., Jiangsu Cheng Uei New Energy Technology Ltd.,Fu Qiang Electronics (Yancheng) Ltd., Fugang Electronics (Yancheng) Ltd., Cheng Shin Digital Co., Ltd., Toptron Technology Co.,Ltd., Fujixiang (Kunshan) Ltd., Foxwell Certification Co., Ltd., Smart Power System Co., Ltd. and Ubilink.AI Co., Ltd.,and Legal Representative of Fugang Electronics (Dongguan) Ltd., Fushineng Electronics (Kunshan) Co.,Ltd., Fugang Electronics (Nanchang) Ltd. and Fugang Electronics (Xuzhou) Ltd., Accounting and Financial Manager of Cheng Uei Precision Industry Co., Ltd., and President of Fugang Electronics (Dongguan) Ltd..

Major shareholders of corporate shareholders

August 25, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders	Shareholding ratio
SHINFOX ENERGY CO., LTD.	POWER QUOTIENT INTERNATIONAL CO., LTD.	37.49%
	Fuwei International Investment Company	8.01%
	FOXLINK IMAGE TECHNOLOGY CO., LTD.	6.67%
	Hui-Sen Hu	0.62%
	Standard Chartered International Commercial Bank’s business unit acts as custodian for the investment account of the Advanced Total International Stock Index Fund, a series of funds managed by Advanced Starlight Fund Company.	0.52%
	Foxlink International Investment Ltd.	0.47%
	Standard Chartered International Commercial Bank's business unit is entrusted with the custody of the Vanguard Emerging Markets Stock Index Fund investment account managed by Vanguard Group.	0.47%
	Standard Chartered International Commercial Bank's business unit is entrusted with the custody of the Advanced Trust Co., Ltd.'s complete international stock market index trust II investment account.	0.37%
	Hung-Jung Yang	0.36%
	Chin-Chun Lu	0.35%

If a corporate shareholder’s major shareholder is itself a legal entity, then that entity shall be regarded as the corporate shareholder’s major shareholder.

Name of corporate shareholder	Major shareholders of corporate shareholders	Shareholding ratio
POWER QUOTIENT INTERNATIONAL CO., LTD.	FIT Holding Co., Ltd.	100.00%
Fuwei International Investment Company	Cheng Uei Precision Industry Co., Ltd.	100.00%
FOXLINK IMAGE TECHNOLOGY CO., LTD.	FIT Holding Co., Ltd.	100.00%
Foxlink International Investment Ltd.	Xinhong International Investment Co., Ltd.	83.38%
	Zheng Fa Investment Co., Ltd.	16.62%

(II) Directors' professional knowledge and independence

1. Disclosure of directors' professional qualifications and independence of independent directors:

Qualifications / Name	Professional qualifications and experience (Note 1)	Status of independence	Number of other public companies in which the individual is concurrently serving as an independent director
Shou-Fu Kuo (Representative of SHINFOX ENERGY CO., LTD.) (Note 2)	Mr. Shou-Fu Kuo has a marketing bachelor degree from the Seattle University, USA, and is the Chairman of SYNCROBOTIC CO., LTD., the Chairman of Ubilink.AI CO., Ltd., the Chairman of Luimnys System Corp., USA, the Chairman of Smart Power System Co., Ltd., the Chairman of Eastern Rainbow Green Energy Environmental Technology Co., Ltd., and a Special Assistant of Cheng Uei Precision Industry Co., Ltd.. He also serves as a director of several other companies, and has work experience in business and investment development or otherwise required by company business management, and is free from any of the circumstances referred to in Article 30 of the Company Act.	Not applicable, as he is not an independent director.	None
Kun-Huang Lin (Representative of SHINFOX ENERGY CO., LTD.)	Mr. Kun-Huang Lin received a degree in accounting from Fu Jen Catholic University and has served as director or president of several other companies. He has the work experience in the area of commerce, law, finance or accounting, or otherwise required by company business and is free from any circumstances referred to in Article 30 of the Company Act.	Not applicable, as he is not an independent director.	None
Ching-Fan Pu (Representative of SHINFOX ENERGY CO., LTD.)	Mr. Ching-Fan Pu has the management experience of Tamsui Industrial and Commercial Bank and serves as director and supervisor of several other companies. He has the work experience in the area of commerce, law, finance or accounting, or otherwise required by company business and is free from any circumstances referred to in Article 30 of the Company Act.	Not applicable, as he is not an independent director.	None
Hsia-Peng Hao	Mr. Hsia-Peng Hao holds a master's degree in law from School of Law, Soochow University. He serves as the Chairman of Foxwell Certification Co., Ltd., the Chairman of Hui Jie Energy Co., Ltd., the Representative of Juristic Person Director of Cheng Shin Digital CO., LTD., and the Representative of Juristic Person Director of Smart Power System Co., Ltd.. He has the work experience in the area of commerce, law, or otherwise required by company business management for many years and is free from any circumstances referred to in Article 30 of the Company Act.	Not applicable, as he is not an independent director.	None

Name \ Qualifications	Professional qualifications and experience (Note 1)	Status of independence	Number of other public companies in which the individual is concurrently serving as an independent director
Rui-Chu Chen	Ms. Rui-Chu Chen holds a Master's Degree in Law from Fu Jen Catholic University. She served as the Exclusive Mediator of Labor-Management Disputes of the Ministry of Labor, a Member of the Occupational Safety and Health Advisory Committee of the Ministry of Labor, a Member of the Labor-Management Relations Committee of the Industry and Commerce Promotion Association, and a part-time lecturer of Labor Standards Act & labor-Management relations at institutes of business administration of universities. She is currently the Chairman of ChuChu Labor Law Consultant Co., Ltd. and an independent director of I Chun Green Technology Co., Ltd.,an independent director of Iscom Online International Information Inc., and an remuneration committee member of INVENTEC BESTA CO., LTD. of Inventec Group, with the expertise in law and business management.	Comply with Article 14-2 of the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	2
Ming-Hui Hsieh	Ms. Ming-Hui Hsieh received a doctorate degree in marketing and strategic management from the Business School of the University of Warwick, UK. She was formerly a director of The Language Training and Testing Institute, a managing supervisor of Taiwan Institute of Marketing Science, Dean of NTU School of Professional Education and Continuing Studies, and CEO of the EMBA program of NTU. She currently is a professor in NTU Department of International Business, Associate Dean for Industry-Academia Development in NTU College of Management, National Taiwan University, an independent director of Cica-Huntek Chemical Technology Taiwan Co., Ltd. and EYECARE TECH INC., with the expertise in management and also professional knowledge.	Comply with Article 14-2 of the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	2
Tsun Cheng	Mr. Tsun Cheng holds a master's degree from the College of Management of National Taiwan University. He was an auditor of Deloitte Taiwan, manager of Listing Department 1 of Taiwan Stock Exchange, manager of Corporate Governance Department of Taiwan Stock Exchange. He is also a part-time independent director of Nan Juen International Co., Ltd., with the expertise in financial accounting and business management.	Comply with Article 14-2 of the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	1

Note 1: The above directors and independent directors are all free from any circumstances described in Article 30 of the Company Act.

Note 2: On November 27, 2025, Shou-Fu Kuo was re-appointed as the representative of the juristic person director, SHINFOX ENERGY CO., LTD., and elected as Chairman on the same date.

2. Board diversity and independence

(I) Diversity of directors:

The Company stipulates the diversity policy of the Board of Directors in the "Corporate Governance Best Practice Principles", which clearly stipulates that the Board of Directors should take diversity into consideration, and formulate an appropriate diversity policy based on its own operation, business model and development needs, including the basic conditions for diversity and professional knowledge and skill diversity.

Director Diversity Policy Management Objectives and Achievements:

(1) Diversity in basic conditions : The composition of the Board of Directors should be in line with gender and age diversity. Members of the Board of Directors should include different genders, reduce the gender gap, and include at least one female director. There are seven directors in the current Board of Directors, including two female directors, i.e., 28.6% of the Board members. In terms of age diversity in the composition of the current Board of Directors, 1 member of the Board of Directors attains the age of 31~40 years old, 2 members are 51~60 years old, and 4 members are over 61 years old.

(2) Diversity of professional knowledge and skills: The Board of Directors should include directors with different expertise. The relevant diversity items are detailed in the following table :

Diversification Items / Name of Director	Gender	Age	Term of office and seniority of independent director		Industry experience				Professional ability		
			Less than 3 years	More than 3 years	Operations and management	Investment and development	Industry experience	Professional knowledge	Financial Accounting	Legal Affairs	Leadership and decision-making ability
Representative of SHINFOX ENERGY CO., LTD.: Shou-Fu Kou (Note 1)	Male	31~40 years old	-	-	V	V	-	V	-	-	V
Representative of SHINFOX ENERGY CO., LTD.: Kung-Huang Lin	Male	Aged 61~70	-	-	V	V	V	-	V	V	V
Representative of SHINFOX ENERGY CO., LTD.: Ching-Fan Pu	Male	Aged 71~80	-	-	V	-	V	-	-	-	V
Hsia-Peng Hao	Male	Aged 51~60	-	-	V	-	V	V	-	V	V
Rui-Chu Chen	Female	Aged 61~70	V	-	V	-	-	V	-	V	-
Ming-Hui Hsieh	Female	Aged 51~60	V	-	V	-	-	V	-	-	-
Tsun Cheng	Male	Aged 61~70	V	-	-	V	-	V	V	-	-

Note 1: On November 27, 2025, Shou-Fu Kuo was re-appointed as the representative of the juristic person director, SHINFOX ENERGY CO., LTD., and elected as Chairman on the same date.

(II) Independence of the Board of Directors:

(1) Board of Directors structure:

The Company has established a director election system. The election process for all directors is open and fair, which complies with the Company's “Articles of Incorporation,” “Regulations Governing Election of Directors” and “Corporate Governance Best Practice Principles.” In accordance with Article 14-2 of the Securities and Exchange Act, the Board is currently composed of three independent directors (42.9%) and four non-independent directors (57.1%), of which one director is in the capacity of a manager, less than one third of the total number of directors, and none of the directors is a spouse or relative within the second degree of kinship of another. Therefore, the Company should be considered free from any circumstances referred to in Paragraph 3 and Paragraph 4, Article 26-3 of the Securities and Exchange Act.

(2) Independence of the Board of Directors:

The Board of Directors of the Company guides the Company’s strategies, supervises the management and is responsible to the Company and shareholders. For the operations and arrangements of the corporate governance system, the Board of Directors abides by laws and regulations, the Articles of Incorporation or the resolutions of shareholders' meetings to exercise its powers. The Company's Board of Directors emphasizes independence and transparency. Directors and independent directors are independent entities and exercise their powers independently. The three independent directors have also complied with relevant laws and regulations and with their powers granted by the Audit Committee review the Company's management and control over existing or potential risks, in order to supervise the effective implementation of the Company's internal control, selection (dismissal) and independence of external auditors, and appropriate preparation of financial statements. Meanwhile, the cumulative voting system and the candidate nomination system were established for the election of directors and independent directors in accordance with the "Regulations Governing Election of Directors" to encourage shareholders’ participation. Shareholders holding a certain number of shares or more may submit a list of candidates. The review on the candidates’ qualifications and violation of Article 30 of the Company Act is conducted and announced in accordance with the law, in order to protect shareholders' rights and interests, avoid monopolization or abuse of the right to nominate, and maintain independence.

(II) Information on the president, vice-presidents, assistant vice-presidents and heads of departments and branches

March 24 , 2026 Unit: share

Job Title	Nationality	Name	Gender	Date of inauguration	Number of shares held		Shares held by spouse and underage children		Shares held in someone else's name		Main experience/education	Concurrent positions in the other companies	Managers who are spouses or within the second degree of kinship			Remarks (Note 1)
					Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio			Job Title	Name	Relationship	
President	Republic of China	Hsia-Peng Hao	Male	January 12, 2021	1,115,000	1.5%	-	-	-	-	PhD, Civil and Commercial Law Section, Law School, Soochow University (Currently enrolled) Head of Sales, Taan Electric Co., Ltd., part of TECO Group Technical Manager, Jingye Co., Ltd. Head of Shanghai Branch, CHUANG YI INFORMATION TECHNOLOGY CO., LTD. Assistant Vice President, SHINLEE PRODUCT INC. Assistant Vice President, Project Center Department, SHINFOX ENERGY CO., LTD.	President of Foxwell Power Co., Ltd.; Chairman of Foxwell Certification Co., Ltd. And Hui Jie Energy Co., Ltd.; Representative of Juristic Person Director of Cheng Shin Digital CO., LTD. and Smart Power System Co., Ltd.	-	-	-	-
Manager of Energy Business Department	Republic of China	Tsung-Chun Lu	Male	January 1, 2024	154,250	0.21%					Master of Intellectual Property Rights Law, Shih Hsin University Legal Specialist, Shopnet Homeshopping Co., Ltd. Legal Specialist, Management Department, Foxwell Power Co., Ltd. Manager, Energy Business Department, Foxwell Power Co., Ltd.	-	-	-	-	-
Manager, Energy Storage Business Unit	Republic of China	Chia-Chin Yang	Male	January 3, 2023	121,000	0.16%	-	-	-	-	Master's Degree, Department of Electrical Engineering, National Taiwan University of Science and Technology Manager, Foxwell Power Co., Ltd.	-	-	-	-	-
Director, Planning and Development Office	Republic of China	Kuan-Hua Hsu	Male	January 1, 2024	226,500	0.31%	-	-	-	-	Master's Degree, Department of Electrical Engineering, National Taiwan University of Science and Technology Engineer, Foxwell Power Co., Ltd.	-	-	-	-	-
Information Business Unit	Republic of China	Yen-Hui Wu	Male	January 1, 2024	50,000	0.07%	-	-	-	-	MBA, Fu Jen Catholic University Personnel for Industry-Academia Collaboration Projects, Fu Jen Catholic University Hospital Engineer, Foxwell Power Co., Ltd.	-	-	-	-	-
Finance and accounting officers	Republic of China	Yi-Ju Lin	Female	July 25, 2023	143,000	0.19%	-	-	-	-	Department of Accounting and Statistics, Takming University of Science and Technology Chief Accounting Officer, SHINFOX ENERGY CO., LTD. Accounting Specialist, OTSUKA INFORMATION TECHNOLOGY CORP. Chief Accounting Officer, MEC IMEX INC.	-	-	-	-	-

Note 1: The Company's Chairman and President are not the same person.

II. Remuneration paid to directors, presidents and vice presidents in the most recent year

1. Remuneration paid to directors, presidents and vice-presidents in 2025

(1) Remuneration to the general directors and independent directors as of December 31, 2025 Unit: NTD Thousand

Job Title	Name	Remuneration to directors								The sum of A, B, C and D as a percentage of net income		Remuneration for concurrently serving as an employee								The sum of A, B, C, D, E, F and G and the percentage in net income		Remuneration from reinvested businesses other than subsidiaries or the parent company
		Remuneration (A)		erance pay and pension		Remuneration to directors (C)		Professional practice fees (D)				Salaries, bonuses and allowances (E)		Severance pay and pension (F)		Employee remuneration (G)						
																The Company		All companies included in the financial statements				
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	Cash amount	Amount of shares	Cash amount	Amount of shares	The Company	All companies included in the financial statements	
Chairman (Note 1)	Representative of SHINFOX ENERGY CO., LTD.: Shou-Fu Kou																					
Chairman (Note 1)	Representative of SHINFOX ENERGY CO., LTD.: Hui-Sen Hu																					
Director	Representative of SHINFOX ENERGY CO., LTD.: Kung-Huang Lin	170	170	0	0	3,722	3,722	320	320	4,212 0.92 %	4,212 0.92%	3,703	3,703	108	108	6,058	0	6,058	0	4,081 3.10%	4,081 3.10%	28,469 6.27%
Director	Representative of SHINFOX ENERGY CO., LTD.: Ching-Fan Pu																					
Director	Hsia-Peng Hao																					
Independent Director	Rui-Chu Chen																					
Independent Director	Ming-Hui Hsieh	360	360	0	0	3,000	3,000	330	330	3,690 0.81%	3,690 0.81%	0	0	0	0	0	0	0	0	3,690 0.81%	3,690 0.81%	0
Independent Director	Tsun Cheng																					

1. Please state the policies, systems, standards and structure of compensation to independent directors, and the relations between the compensation and the job responsibility, risk and engagement hours borne by the independent directors: The remuneration to independent directors of the Company includes the professional practice remuneration, transportation allowance, and the remuneration to directors distributed according to the Company's Articles of Incorporation. When independent directors perform their duties in the Company, regardless of the profit or loss sought or suffered by the Company, the Company shall pay a fixed amount of remuneration based on the pay level adopted by peer companies. If the Company retains earnings, the directors' remuneration shall be distributed according to the Articles of Incorporation separately.
2. Compensation received by directors for providing service to any company included in the Financial Statements (e.g. consultancy service without the title of an employee) in the most recent year except those disclosed in the above table: None.

Note 1: On November 27, 2025, Shou-Fu Kuo was re-appointed as the representative of the juristic person director, SHINFOX ENERGY CO., LTD., and elected as Chairman on the same date.

Compensation Scale Table

Compensation Scale Table for directors	Name of Director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	In the financial statements All companies	The Company	In the financial statements All companies
Less than NTD 1,000,000	Representative of SHINFOX ENERGY CO., LTD.: Hui-Sen Hu; Representative of SHINFOX ENERGY CO., LTD.: Shou-Fu Kuo; Representative of SHINFOX ENERGY CO., LTD.: Kun-Huang Lin; Representative of SHINFOX ENERGY CO., LTD.: Ching-Fan Pu and Hsia-Peng Hao	Representative of SHINFOX ENERGY CO., LTD.: Hui-Sen Hu; Representative of SHINFOX ENERGY CO., LTD.: Shou-Fu Kuo; Representative of SHINFOX ENERGY CO., LTD.: Kun-Huang Lin; Representative of SHINFOX ENERGY CO., LTD.: Ching-Fan Pu and Hsia-Peng Hao	Representative of SHINFOX ENERGY CO., LTD.: Hui-Sen Hu; Representative of SHINFOX ENERGY CO., LTD.: Shou-Fu Kuo; Representative of SHINFOX ENERGY CO., LTD.: Kun-Huang Lin; Representative of SHINFOX ENERGY CO., LTD.: Ching-Fan Pu	Representative of SHINFOX ENERGY CO., LTD.: Hui-Sen Hu; Representative of SHINFOX ENERGY CO., LTD.: Shou-Fu Kuo; Representative of SHINFOX ENERGY CO., LTD.: Kun-Huang Lin; Representative of SHINFOX ENERGY CO., LTD.: Ching-Fan Pu
NTD 1,000,000 (inclusive) - NTD 2,000,000 (non-inclusive)	Rui-Chu Chen, Ming-Hui Hsieh, Tsun Cheng	Rui-Chu Chen, Ming-Hui Hsieh, Tsun Cheng	Rui-Chu Chen, Ming-Hui Hsieh, Tsun Cheng	Rui-Chu Chen, Ming-Hui Hsieh, Tsun Cheng
NTD 2,000,000 (inclusive) - NTD 3,500,000 (non-inclusive)	-	-	-	-
NTD 3,500,000 (inclusive) - NTD 5,000,000 (non-inclusive)	-	-	-	-
NTD 5,000,000 (inclusive) - NTD 10,000,000 (non-inclusive)	-	-	-	-
NTD 10,000,000 (inclusive) - NTD 15,000,000 (non-inclusive)	-	-	Hsia-Peng Hao	Hsia-Peng Hao
NTD 15,000,000 (inclusive) - NTD 30,000,000 (non-inclusive)	-	-	-	-
NTD 30,000,000 (inclusive) - NTD 50,000,000 (non-inclusive)	-	-	-	-
NTD 50,000,000 (inclusive) - NTD 100,000,000 (non-inclusive)	-	-	-	-
More than NTD 100,000,000	-	-	-	-
Total	8 people	8 people	8 people	8 people

(2) Remuneration to President and Vice Presidents

As of December 31, 2025 Unit: NTD Thousand

<table>
<tr><th rowspan="3">Job Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Severance pay and pension (B)</th><th colspan="2">Bonuses and special allowances (C)</th><th colspan="4">Employees' remuneration (D)</th><th colspan="2">The sum of A, B, C and D as a percentage of net income (%)</th><th rowspan="3">Remuneration from reinvested businesses other than subsidiaries or the parent company E</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements</th><th colspan="2">The Company</th><th colspan="2">All companies included in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements</th></tr>
<tr><th>Cash amount</th><th>Amount of shares</th><th>Cash amount</th><th>Amount of shares</th></tr>
<tr><td>President</td><td>Hsia-Peng Hao</td><td>2,163</td><td>2,163</td><td>108</td><td>108</td><td>1,540</td><td>1,540</td><td>6,058</td><td>-</td><td>6,058</td><td>-</td><td>9,869</td><td>2.17%</td><td>-</td></tr>
</table>

Note: The Company’s Board of Directors approved the distribution of remuneration to employees, NTD40,333 thousand, in 2025. By the date of publication of the annual report, the details of this distribution have not yet been determined. Therefore, the actual distribution amount in the previous year was used to calculate and estimate the proposed amount.

(3) Top 5 executives of TWSE/TPEx companies with the highest remuneration: Not applicable.

(4) Names of employee remuneration to managers and the distribution status in the most recent year (2025)

As of December 31, 2025 Unit: NTD thousand

	Job Title	Name	Amount of shares	Cash amount (Note 2)	Total	Sum as a percentage of net income (%)
Manager	President	Hsia-Peng Hao	-	20,683	20,683	4.55%
	Supervisor of Energy Business Department	Tsung-Chun Lu				
	Manager of Energy Conservation Department (Note 1)	Chen-Fang Lin				
	Manager of Energy Storage Department	Chia-Chin Yang				
	Manager of Planning and Development Office	Kuan-Hua Hsu				
	Manager of Information Business Department	Yen-Hui Wu				
	Manager of Administrative Center	Tai-Cheng Wu				
	Finance and accounting officers	Yi-Ju Lin				

Note 1: Chen-Fang Lin was removed from the position as manager since March 4, 2025.

Note 2: The Company's Board of Directors approved the distribution of remuneration to employees, NTD40,333 thousand, in 2025. By the date of publication of the annual report, the details of this distribution have not yet been determined. Therefore, the actual distribution amount in the previous year was used to calculate and estimate the proposed amount.

2. Separately compare and explain the analysis of the proportion of the total remuneration paid to the Company's directors, general manager, and deputy general managers to the after-tax net profit of the individual or separate financial statements for the most recent two fiscal years. Additionally, explain the policy, standards, and composition of remuneration, the procedures for determining remuneration, and its correlation with operating performance and future risks for both the Company and all companies within the consolidated financial statements:

(1) Analysis of remuneration paid to Directors, President and Vice President by the Company in the recent two years as a percentage of net income

Item / Job Title	Total remuneration as a percentage of net income				Increase or decrease ratio	
	2025		2024			
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Director	1.73%	1.73%	1.43%	1.43%	0.30%	0.30%
President and Vice Presidents	2.17%	2.17%	7.70%	7.70%	-5.53%	-5.53%

(2) Remuneration policy, standards and composition, procedures and the correlation with operation performance and future risks

A. Director

The Company’s remuneration policy for directors is stipulated in the Articles of Incorporation. If there is a profit in the year, the Board of Directors may allocate no more than 3% of the net profit before tax as remuneration to directors and supervisors, which shall be resolved by the Board of Directors and reported to the shareholders’ meeting. The annual appropriation of directors' remuneration in accordance with the Articles of Incorporation is made with reference to the Company's overall operating performance, as well as individual contributions to the Company's performance, future risks, and industry standards.

B. President and Vice Presidents

The remuneration paid by the Company to the president includes base pay, allowances and bonuses,and more, subject to the scope of authority and responsibilities of the position, achievement rate of the Company's overall operating goals, personal performance and academic background and work experience, and more, in reference to the pay level of similar positions adopted by peer companies in the industry. Meanwhile, if there is profit in the year, the Board of Directors may allocate no less than 6% of the net profit before tax as employee remuneration in accordance with the Company's Articles of Incorporation.

In conclusion, the Company's remuneration policy is based on the pay level of the positions in the industry, scope of authority and responsibility in the Company and contribution to the Company's operating goals. The procedure for determining remuneration is subject to the level of participation and contribution to the Company's operations, and in reference to the pay level adopted by peer companies.

(3) Procedures for determining remuneration:

1. In order to regularly evaluate the remuneration to directors and managers, the evaluation results generated based on the Company’s Board of Directors Performance Evaluation Regulations and the performance management regulations for applicable managers and employees shall apply. The remuneration of the Chairman and General Manager are set based on the Company's performance indicators and submitted to the Board of Directors for approval. The performance indicators are subject to operational performance and corporate governance. The performance indicators for the president are based on annual business plan implementation, each department’s KPI achievement rate and relevant sustainable development goals.

2. The reasonableness of the performance evaluation and remuneration of the Company’s directors and managers are regularly evaluated and reviewed by the Remuneration Committee and the Board of Directors every year, in reference to the individual’s performance achievement rate and contribution to the Company, as well as the overall operating performance of the Company. Also, reasonable remuneration may be provided from time to time, depending on the actual operating conditions and relevant laws and regulations, under timely review of the remuneration system. The actual amount of remuneration to directors and managers paid in 2025 is reviewed by the Remuneration Committee and then submitted to the Board of Directors for approval.

(4) Correlation with operation performance and future risks:

1. The review on the payment standards and system related to the Company’s remuneration policy takes the overall operation of the Company into consideration. The payment standard is determined based on the performance achievement rate and contribution, in order to improve the overall organizational effectiveness of the Board of Directors and each department. Meanwhile, reference is made to the pay level adopted peer companies in the industry to ensure that the remuneration of the Company's management is competitive with the peer companies and retain excellent management talents.
2. The Company's managers’ performance targets are combined with “risk control” to ensure that possible risks within the scope of duties are managed and prevented. The results of rating based on actual performance are linked to related human resources and related remuneration policy. Important decisions by the Company's management are made after a balanced consideration of various risk factors. The performance of the relevant decisions is reflected in the Company's profitability, and related to the management's remuneration and risk control performance.

III. Corporate governance

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

In the most recent year (2025), the Board of Directors held 8 meetings (A), and the attendance of directors is as follows:

Job Title	Name	Actual attendance rate B	Frequency of attendance by proxy	Attendance rate in person (%) "B/A"	Remarks
Chairman (Note)	SHINFOX ENERGY CO., LTD. Representative: Hui-Sen Hu	6	–	100.00	Representative reappointed on November 27, 2025
Chairman (Note)	SHINFOX ENERGY CO., LTD. Representative: Shou-Fu Kuo	2	–	100.00	Representative reappointed on November 27, 2025
Director	SHINFOX ENERGY CO., LTD. Representative: Kun-Huang Lin	6	2	75.00	
Director	SHINFOX ENERGY CO., LTD. Representative: Ching-Fan Pu	8	–	100.00	
Director	Hsia-Peng Hao	8	–	100.00	
Independent Director	Rui-Chu Chen	8	–	100.00	

Independent Director	Ming-Hui Hsieh	8	—	100.00	
Independent Director	Tsun Cheng	8	—	100.00	

Other information to be disclosed:

I. For Board of Directors meetings that meet any of the following descriptions, state the date, session, the discussed agenda, opinions of independent directors and how the Company has responded to such opinions:
   (I) The matters listed in Article 14-3 of the Securities and Exchange Act: Please refer to Pages 50-51, 20-21 and 28~29 (Important resolutions of the Board of Directors, Audit Committee and Remuneration Committee)
   (II) Except for the preceding matters, any matter resolved by the Board of Directors with an independent director expressing an objection or reservation that has been included in records or stated in writing: none.

II. For the implementation and state of directors' recusal for conflicts of interest, the directors' name, topic discussed, reasons for the required recusal and participation in the voting process:
   1. At the Board of Directors meeting held on November 5, 2025, the resolution regarding the 2025 salary adjustment for the Company's management was passed without objection by all remaining directors, with the exception of Director Hsia-Peng Hao, who, being the party concerned, abstained from discussion and voting in accordance with the law on conflict of interest.

III. The TWSE/TPEx-listed company shall disclose the assessment cycle and period, scope of assessment, method and contents about the Board of Directors’ self (or peer) performance assessment:

Assessment cycle	Assessment period	Scope of assessment	Assessment method	Assessment contents
Once per year	January 1, 2025~December 31, 2025	Performance assessment on the Board of Directors, individual board members and functional committees (Remuneration and Audit Committee)	Self-assessment on the Board of Directors and self-assessment of directors	1. Performance assessment on the Board of Directors: Including participation in the Company's operations, the Board’s decision-making quality, composition and structure of the Board, election and continuing education of directors, and internal control. 2. Performance assessment on individual directors: Understanding of the Company’s goals and mission, awareness toward directors’ responsibilities, level of participation in the Company’s operations, internal relationship management and communication, directors’ expertise and continuing education, and

				internal control. 3. Performance assessment on the functional committees: Level of participation in the Company's operations, awareness toward the duties of the functional committees, functional committees' decision-making quality, composition functional committees and election of the committee members, and internal control.	

IV. Measures undertaken during the current year and in the most recent year in order to strengthen the functions of the Board of Directors (such as the establishment of an audit committee and improvement of information transparency, etc.) and assessment on their implementation: The Company has established the Remuneration Committee and an Audit Committee to assist the Board of Directors in fulfilling their supervisory responsibilities.

Note: On November 27, 2025, Shou-Fu Kuo was re-appointed as the representative of the juristic person director, SHINFOX ENERGY CO., LTD., and elected as Chairman on the same date.

(II) The operation of the Audit Committee or the participation of supervisors in the operation of the Board of Directors

1. Authority and annual work focus of the Audit Committee
   (1) Establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
   (2) Evaluation on the effectiveness of the internal control system.
   (3) Establishment or amendment of the procedures for the acquisition or disposal of assets, derivatives trading, loaning of funds to others, endorsements/guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
   (4) Matters involving the directors' personal interests.
   (5) Transactions of major assets or derivatives.
   (6) Materials lending, endorsement or guarantee.
   (7) Offering, issuance or private placement of equity-type securities.
   (8) Appointment, discharge or remuneration of external auditors.
   (9) Appointment and dismissal of financial, accounting or internal auditing officers.
   (10) Q1, Q2 and Q3 financial statements and annual financial statements signed or sealed by the Chairman, general manager and accounting officer.
   (11) Other important matters required by the Company or the competent authority.

2. The operation of the Audit Committee or the participation of supervisors in the operation of the Board of Directors
In the most recent year (2025), the Audit Committee convened seven meetings. The attendance of independent directors is as follows:

Job Title	Name	Actual attendance rate B	Frequency of attendance by proxy	Attendance rate in person (%) “B/A”	Remarks
Independent Director	Rui-Chu Chen	7	0	100.00	–
Independent Director	Ming-Hui Hsieh	7	0	100.00	–
Independent Director	Tsun Cheng	7	0	100.00	Convener

Other information to be disclosed:
I. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the content of the objections, reservations or material recommendations on independent directors, the Audit Committee's resolution and how the company has responded to Audit Committee's opinions.
(I) Conditions described in Article 14-5 of the Securities and Exchange Act :

Date of Audit Committee Meeting	Term	Proposal content and resolutions
March 4, 2025	11th meeting of the 1st term	Proposal 1: The Company’s 2024 business report and financial reports.
		Proposal 2: The Company’s 2024 earnings distribution proposal.
		Proposal 3: Approval of the Company's private placement of common shares.
		Proposal 4: Evaluation and appointment proposal regarding the independence and competence of the Company's certifying accountants.
		Proposal 5: The Company’s 2024 “Evaluation on Effectiveness of Internal Control System” and “Statement of Internal Control System.”
		Proposal 6: Amendments to the Company's Articles of Incorporation and Salary Cycles, and Definition of the Scope of Entry-Level Employees.
		Proposal 7: Additions to the Company’s "Sustainable Information Management" and "Internal Audit System for Sustainable Information Management.”
		Proposal 8: Renewal of credit facilities and financing with financial institutions of the Company.
		Resolution of the Audit Committee: No objection or qualified opinion. The Company's handling of the Audit Committee's opinion: Not applicable. Resolution: Unanimously approved by the whole attending directors upon the chair’s inquiry.
May 2, 2025	12th meeting of the 1st term	Proposal 1: The Company’s 2025 Q1 financial report.
		Proposal 2: Credit facilities and financing with financial institutions of the Company.
		Resolution of the Audit Committee: No objection or qualified opinion. The Company's handling of the Audit Committee's opinion: Not applicable. Resolution: Unanimously approved by the whole attending directors upon the chair’s inquiry.
May 15,	13th	Proposal 1: The Company's acquisition of shares of Smart

2025	meeting of the 1st term	Power System Co., Ltd.. (hereinafter referred to as "Smart Power").
		Proposal 2: In response to the share exchange proposed in the first proposal, a plan is proposed to issue new shares through a capital increase.
		Resolution of the Audit Committee: No objection or qualified opinion. The Company's handling of the Audit Committee's opinion: Not applicable. Resolution: Unanimously approved by the whole attending directors upon the chair’s inquiry.
August 11, 2025	14th meeting of the 1st term	Proposal 1: The Company’s 2025 Q2 consolidated financial report.
		Proposal 2: Proposal to establish an overseas subsidiary.
		Proposal 3: Cheng Shin Digital Co., Ltd. has significant accounts receivable overdue for over 90 days, which is determined not constituting a case of funding in nature.
		Proposal 4: New and renewed credit facilities with financial institutions of the Company.
		Resolution of the Audit Committee: No objection or qualified opinion. The Company's handling of the Audit Committee's opinion: Not applicable. Resolution: Unanimously approved by the whole attending directors upon the chair’s inquiry.
August 28, 2025	15th meeting of the 1st term	Proposal 1: The Company's subscription for the new shares issued through the capital increase of its subsidiary, Billion Sun Energy Storage Technologies Inc. (hereinafter referred to as "Billion Sun Energy").
		Resolution of the Audit Committee: No objection or qualified opinion. The Company's handling of the Audit Committee's opinion: Not applicable. Resolution: Unanimously approved by the whole attending directors upon the chair’s inquiry.
November 5, 2025	16th meeting of the 1st term	Proposal 1: The Company’s 2025 Q3 financial report.
		Proposal 2: Approved the Company’s 2026 internal audit plan.
		Proposal 3: Amendments to certain provisions of the Company’s “Sustainable Development Best Practice Principles.”
		Proposal 4: Amendments to certain provisions of the “Rules of Procedure for the Board of Directors Meetings.”
		Resolution of the Audit Committee: No objection or qualified opinion. The Company's handling of the Audit Committee's opinion: Not applicable. Resolution: Unanimously approved by the whole attending directors upon the chair’s inquiry.
December 23, 2025	17th meeting of the 1st term	Proposal 1: The Company’s 2026 business plan.
		Proposal 2: Contract renewal with the Company's correspondent banks.
		Resolution of the Audit Committee: No objection or qualified opinion. The Company's handling of the Audit Committee's opinion: Not applicable. Resolution: Unanimously approved by the whole attending directors upon the chair’s inquiry.

(II) Other than the aforementioned matters, any resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors: None.

II. For the implementation and state of directors' recusal for conflicts of interest, the independent directors' name, topic discussed, reasons for the required recusal and participation in the voting process: none. ◦

III. The communication between the independent directors and the chief internal auditor (materiality, means and result of communication on the financial position and operation of the company should be covered):

(I) Upon completion of the audit, the Company submits the audit report to the independent directors in accordance with laws, and none of the independent directors raised any objections.

(II) The Company's internal auditors attended each Audit Committee meeting and prepared the regular audit report at the regular Board of Directors meetings. None of the independent directors had any objections against the reported matters.

(III) The Company's independent directors and external auditors communicated and verified the contents of financial statements face-to-face or in writing.

3. Supervisors' participation in the operation of the Board of Directors: Not applicable.

(III) Status of corporate governance, and deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof:

Assessment items	Status of Operations			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
I. Has the Company established and disclosed its corporate governance best-practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	V		The Company's Board of Directors resolved on September 19, 2023 to establish the "Corporate Governance Best Practice Principles," and disclosed the same on the Market Observation Post System and the Company's website.	No significant difference.
II. The Company's shareholding structure and shareholders' equity (I) Does the Company establish internal operating procedures to handle shareholders' suggestions, doubts, disputes and litigation matters, and implement them in accordance with the procedures?	V		The Company has a spokesperson, deputy spokespersons, and an investor relations office to handle matters related to shareholders. If any legal issue is involved, it will be referred to the Company’s legal department or legal counsel.	No significant difference.
(II) Does the Company keep track of the list of major shareholders who actually control the Company and the ultimate controllers of such major shareholders?	V		The Company regularly maintains a list of major shareholders based on the roster of shareholders provided by the shareholder service agency at the time of book closure.	No significant difference.
(III) Has the Company established and implemented risk control and firewall mechanisms with its affiliates?	V		The Company has established relevant internal regulations, including the "Operating Management for Transactions with Related Parties," "Operating Procedures for Endorsements and Guarantees," "Operating Procedures for Loaning Funds to Others," and "Procedures for Acquisition or Disposal of Assets," to establish appropriate risk control mechanisms and firewalls.	No significant difference.
(IV) Does the Company establish internal regulations to prohibit insiders from trading securities using undisclosed information in the market?	V		The Company has established the "Operational Procedures for the Handling of Material Inside Information and Management for Prevention of Insider Trading" to strictly prohibit insiders from using undisclosed information in the market to trade securities. Meanwhile, the Company continues to conduct the education, training and promotion to strengthen insiders’ awareness toward and compliance with the provisions governing insider trading in the Securities and Exchange Act and related laws and regulations.	No significant difference.
III. Composition and duties of the Board of Directors (I) Does the Board of Directors formulate and implement diversified policies, specific management goals?	V		1. The Company's directors have different expertise in various fields, which are helpful to the Company's development and operations. Please refer to Page 10-12 for the implementation. 14% of the Company's directors are also employees, 43% of whom are independent directors and 29% of whom are female directors. All three independent directors have been in	No significant difference.

Assessment items	Status of Operations			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			office for less than three years. 1 member of the Board of Directors attains the age of 31~40 years old, 2 members are 51~60 years old, and 4 members are over 61 years old. 2. The Board member diversity policy is disclosed on the Company's website and MOPS.	
(II) Does the Company, in addition to setting up the Remuneration Committee and Audit Committee lawfully, have other functional committees set up voluntarily?	V		In addition to establishing the Remuneration Committee and the Audit Committee in accordance with the law, the Company has also established the Sustainable Development Committee on February 26, 2024.	No significant difference.
(III) Has the Company established a set of policies and assessment tools to evaluate the Board's performance, conducted the performance evaluation regularly at least on an annual basis, and submitted the performance evaluation result to the Board and applied the same as reference for remuneration to individual directors and nomination?	V		The Company has established the "Regulations Governing the Evaluation of the Board of Directors," which covers the performance assessment on the entire Board of Directors, individual directors, and functional committees. The assessment methods include the Board's internal self-assessment, Board members' self-assessment, external professional organization's assessment, and performance evaluation by experts or in any other adequate manners. The performance assessment on the Board of Directors consists of the following five major indicators: I. Degree of participation in the Company's operations. II. Improvement of the Board's decision-making quality. III. Composition and structure of the Board of Directors. IV. Election and continuing education of directors. V. Internal control.	No significant difference.
(IV) Does the Company regularly assess the independence of the external auditors?	V		The Audit Committee of the Company evaluates the independence and suitability of the external auditors every year and then submit the evaluation results to the Board of Directors. The Company's accounting unit conducts the evaluation with reference to the Act of Certified Public Accountant, the 13 Audit Quality Indicators (AQIs) and the "Integrity, Objectivity and Independence" assessment item of the Bulletin of Professional Regulations No. 10. Please refer to Notes 1 and 2 for details. On March 4, 2025, the Board of Directors resolved to approve the latest assessment on the independence and suitability of CPAs. The Company also requires the external auditors to provide the "Declaration of Independence" to the Company every year.	No significant difference.
IV. Whether or not the listed company appoints competent and appropriate corporate governance personnel and appoints a corporate governance officer to be responsible for	V		1. On February 26, 2024, the Board of Directors of the Company resolved to appoint Mr. Kun-Huang Lin as the chief corporate governance officer of the Company (he has served as the chief corporate governance officer of the parent company, SHINFOX	No significant difference.

Assessment items	Status of Operations			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
corporate governance-related affairs (including but not limited to providing directors and supervisors with the information needed to perform their duties, assisting directors and supervisors in compliance with laws, handling matters related to the Board of Directors and Shareholders' Meetings in accordance with the law, and preparing minutes of the Board of Directors and Shareholders' meetings)?			ENERGY CO., LTD., since May 4, 2022). He has at least three years' qualification as the head of governance-related affairs units, and his main responsibilities include handling matters related to the Board of Directors' Meetings and Shareholders' Meetings pursuant to laws, preparing the minutes of Board of Directors' and Shareholders' Meetings, assisting the Directors in inauguration and continuing education and providing the Directors with the information needed to perform their duties, and assisting directors in complying with laws and regulations, etc.. For the information about the continuing education implementation status in 2025, please refer to Note 3. 2. The focus of business execution is as follows: Responsible for matters related to the Board of Directors and Shareholders' Meetings (1) Assist directors in complying with laws and regulations, and organize training courses for board members. (2) Convene communication meetings regularly with CPAs, independent directors, finance and accounting officers and chief internal auditor to implement the internal audit and internal control system. (3) Consult the directors for their opinions before planning and formulate the agenda, and notify all directors to attend the meeting at least 7 days prior to the meeting, and provide sufficient meeting materials, so that the directors can understand the contents of the relevant topics; if there is any relationship between the contents of the topics and stakeholders, the stakeholders shall be reminded in advance, and the Board meeting minutes shall be prepared at the end of the Board of Directors meeting. (4) Register the date of the shareholders' meeting every year by the deadline according to laws and regulations, prepare and report the meeting notice, the agenda handbook and the minutes of the meeting before the deadline, and change the registration after the amendment of the articles of incorporation or re-election of directors. (5) Studying and planning an appropriate company system and organizational structure to promote the Company's transparency, compliance with laws and regulations and implementation of internal audit and internal controls. Evaluate the enrollment to suitable any "directors and key	

Assessment items	Status of Operations			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			officers liability insurance program.”	
V. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a stakeholder section on the company website and proper response to stakeholders’ concerns of corporate social responsibility?	V		The Company has appointed a spokesperson and an acting spokesperson to communicate with stakeholders. There is also a contact section on the Company's website where opinions can be exchanged at any time.	No significant difference.
VI. Does the Company appoint a professional shareholder service agency to handle shareholders' meeting affairs?	V		The Company appoints Grand Fortune Securities Co., Ltd., a professional shareholder service agent, to handle all of the Company's shareholder services.	No significant difference.
VII. Information Disclosure (I) Does the Company set up a website to disclose financial, business and corporate governance information?	V		The Company has set up a website to disclose various financial, business and corporate governance-related information.	No significant difference.
(II) Has the Company adopted other means of information disclosure (e.g., setting up an English website, appointing dedicated personnel to collect and disclose information on the Company, implementing a spokesperson system, posting the proceedings of investor conferences on the Company's website)?	V		The Company has designated a person to be responsible for the collection and disclosure of the Company's information and has implemented a spokesperson system.	No significant difference.
(III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the financial statements for the first, second, and third quarters and the operating status of each month before the prescribed deadline?		V	The Company has completed the relevant financial reports and monthly operations within the prescribed deadlines.	It is still under planning, and the rest remains unchanged.
VIII. Does the Company have other important information that is helpful to understand the implementation of corporate governance (including but not limited to employees' rights and interests, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education status, risk management policies and risk measurement standards, implementation of customer policies and purchase of liability insurance for directors	V		1. Employee rights: the Company has formulated a number of employee benefit policies and management procedures, which comply with local laws and regulations on labor-management relations, labor conditions and social responsibility, and protect the rights and interests of employees. 2. Employee care: In order to increase the choice of leisure activities for employees, the Company has subsidized employees' club activities and signed contracts with many leisure and sports centers for employees to keep in shape. Meanwhile, the Company also regularly conducts employees’	No significant difference.

Assessment items	Status of Operations			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
and supervisors)			health checkup and provides medical consultations to maintain the physical and mental health of employees, and continues to improve the working environment and related alternate measures to upgrade the entire workplace safety and well-being. Therefore, all employees are able to perform the work agreed upon by the Company according to their wishes without physical or psychological coercion, and they are not discriminated against based on any race, gender, age, religion or political affiliation. 3. Investor relations: The Office has an Investor Relations Office and a spokesperson to be responsible for handling relevant shareholder services and shareholders' suggestions and disputes with care. 4. Supplier relations: the Company has signed purchase contracts with suppliers and has been able to maintain a good relationship. 5. Rights of stakeholders: the Company has appointed a spokesperson. Stakeholders can communicate with him through the Company's website, telephone and fax. At the same time, the spokesperson may also communicate with stakeholders directly if he considers it necessary. 6. Continuing education of directors and supervisors: The directors of the Company have professional industry backgrounds and practical experience in business management. The Company arranges directors to participate in seminars on corporate governance topics from time to time. 7. Implementation of risk management policies and risk measurement standards: The Company focuses on its core business operations, promotes various management policies in accordance with relevant laws and regulations, and establishes clear operating procedures and internal control mechanisms to reduce and prevent potential risks. 8. Implementation of customer relations policy: The Company continues to enhance its service quality and communication efficiency, and strives to increase customer satisfaction through effective customer relationship management, thereby driving stable business growth. 9. The purchase of liability insurance for directors: The Company has purchased liability insurance for directors.	

<table>
<tr><th rowspan="2">Assessment items</th><th colspan="3">Status of Operations</th><th rowspan="2">Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td colspan="5">IX. Please describe the improvements made based on the corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year, and propose enhancement measures and priority measures for the matters that have not yet been improved: Not applicable.</td></tr>
</table>

Note 1: Standards for assessment on the CPAs' independence

Assessment items	Evaluation results	Compliance with independence requirements or not
1. Do the CPAs have direct or material indirect financial interest in the Company?	No	Yes
2. Do the CPAs have any financing or guarantee arrangements with the Company or its directors?	No	Yes
3. Do the CPAs have a close business relationship or potential employment relationship with the Company?	No	Yes
4. Do the CPAs and their audit team members serve as directors, managers, or positions that have significant influence on the audit work of the Company currently or in the past two years?	No	Yes
5. Are there any non-audit services provided by the CPAs to the Company that may directly affect the audit work?	No	Yes
6. Do the CPAs act as brokers for the shares or other securities issued by the Company?	No	Yes
7. Do the CPAs act as the advocate of the Company or coordinate with other third parties conflict on behalf of the Company?	No	Yes
8. Do the CPAs have a relative relationship with the Company's directors, managers or personnel who have a significant impact on the audit?	No	Yes

Note 2: The evaluation on the CPA's suitability is as follows:

Professionalism		Quality control		Independence		Supervision		Innovation	
Item	Evaluation results	Item	Evaluation results	Item	Evaluation results	Item	Evaluation results	Item	Evaluation results
1. Audit experience	Better than the industry average	1. CPA workload	In line with industry average	1. Non-audit service fees	Normal level	1. Deficiencies in external inspections and penalties	Good	1. Innovative plans or initiatives	Already applied various digital audit tools.
2. Training hours	In line with industry average	2. Audit Input	In line with industry average	2. Customer familiarity	Quite well.	2. The competent authority issues letters for improvement	Good		
3. Liquidity	Lower than the industry average	3. EQCR review status	In line with industry average						
3. Professional support	In line with industry average	4. Quality control support capability	In line with industry average						

Note 3: Details of the chief corporate governance officer's continuing education are as follows:

Date of continuing education		Organizer	Name of course	Course hours	Total continuing education hours for the year
From	to				
October 3, 2025	October 3, 2025	Accounting Research and Development Foundation	Analysis on the Practice and Application of Sustainability Policy and Sustainability Disclosure Standards	6	12
December 2, 2025	December 2, 2025	Taiwan Investor Relations Institute	Strategic Layout for Taiwanese Businessmen Global Operations: Precautions for Taiwanese Companies When Exiting China or Downsizing.	3	
December 16, 2025	December 16, 2025	Taiwan Investor Relations Institute	Deconstructing the Risks of Capital Outflows from China and Potential Response Strategies	3	

(IV) The composition and operation of the Remuneration Committee:

1. Information on the members of the Remuneration Committee

Type of identity	Qualifications / Name	Professional qualifications and experience	Status of independence	Number of other public companies in which the individual is concurrently serving as a remuneration committee member	Remarks
Independent Director	Rui-Chu Chen (Convener)	Ms. Rui-Chu Chen holds a Master's Degree in Law from Fu Jen Catholic University. She served as the Exclusive Mediator of Labor-Management Disputes of the Ministry of Labor, a Member of the Occupational Safety and Health Advisory Committee of the Ministry of Labor, a Member of the Labor-Management Relations Committee of the Industry and Commerce Promotion Association, and a part-time lecturer of Labor Standards Act & labor-Management relations at institutes of business administration of universities. She is currently the Chairman of ChuChu Labor Law Consultant Co., Ltd. and an independent director of I Chun Green Technology Co., Ltd.,an independent director of Iscom Online International Information Inc., and an remuneration committee member of INVENTEC BESTA CO., LTD. of Inventec Group, and held free from the circumstances referred to in Article 30 of the Company Act.	None of the spouse or relative within 2nd degree kinship of her holds the position as director of the Company. Neither she nor her spouse hold shares issued by the Company in another person’s name. She doesn’t provide the Company with any audit, commercial, legal, financial and accounting services or receive related remuneration, but she is held satisfying Article 6 of the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.”	2	-

Type of identity	Qualifications / Name	Professional qualifications and experience	Status of independence	Number of other public companies in which the individual is concurrently serving as a remuneration committee member	Remarks
Independent Director	Ming-Hui Hsieh	Ms. Ming-Hui Hsieh received a doctorate degree in marketing and strategic management from the Business School of the University of Warwick, UK. She was formerly a director of The Language Training and Testing Institute, a managing supervisor of Taiwan Institute of Marketing Science, Dean of NTU School of Professional Education and Continuing Studies, and CEO of the EMBA program of NTU. She currently is a professor in NTU Department of International Business, Associate Dean for Industry-Academia Development in NTU College of Management, National Taiwan University, an independent director of Cica-Huntek Chemical Technology Taiwan Co., Ltd. and EYECARE TECH INC., and held free from the circumstances referred to in Article 30 of the Company Act.	None of the spouse or relative within 2nd degree kinship of her holds the position as director of the Company. Neither she nor her spouse hold shares issued by the Company in another person's name. She doesn't provide the Company with any audit, commercial, legal, financial and accounting services or receive related remuneration, but she is held satisfying Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange."	2	-
Independent Director	Tsun Cheng	Mr. Tsun Cheng holds a master's degree from the College of Management of National Taiwan University. He was an auditor of Deloitte Taiwan, manager of Listing Department 1 of Taiwan Stock Exchange, manager of Corporate Governance Department of Taiwan Stock Exchange. He is also a part-time independent director of Independent director of Nan Juen International Co., Ltd. and held free from the circumstances referred to in Article 30 of the Company Act.	None of the spouse or relative within 2nd degree kinship of him holds the position as director of the Company. Neither he nor his spouse hold shares issued by the Company in another person's name. He doesn't provide the Company with any audit, commercial, legal, financial and accounting services or receive related remuneration, but he is held satisfying Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange."	1	-

2. Operations of the Remuneration Committee

(1) The Company's Remuneration Committee consists of three members.

(2) The term of office of the current members: from November 2 , 2023 to November 1, 2026 . In 2025, the Remuneration Committee held 3 meetings (A). The committee members' qualifications and attendance are as follows:

Job Title	Name	Actual attendance rate (B)	Frequency of attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Rui-Chu Chen	3	0	100%	
Committee members	Ming-Hui Hsieh	3	0	100%	
Committee members	Tsun Cheng	3	0	100%	

Other information to be disclosed:

I. If the Board of Directors does not adopt or amend the remuneration committee’s suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and the Company’s handling of the remuneration committee’s opinions (if the remuneration approved by the Board of Directors is superior than that suggested by the remuneration committee, please specify the deviation and reason): None.

II. Should any resolution(s) by the Remuneration Committee be passed but with member voicing opposing or qualified opinions on the record or in writing, please describe the date and session of the meeting, contents of the motion, the entire members' opinions, and how their opinions are addressed: none.

III. Meeting dates, sessions, contents of proposals, resolutions, and results of the Remuneration Committee meetings in the most recent year, as well as the Company’s handling of the Remuneration Committee's opinions.

Remuneration Committee	Contents of proposal	Resolution	The Company's resolution of the opinions of the Remuneration Committee
8th meeting of the 1st term March 4, 2025	1. The Company’s 2026 Remuneration Committee work plan. 2. The Company’s 2025 distribution of remuneration to employees and directors. 3. Changes in the Company's managers.	Unanimously approved by the whole attending members upon the chair’s inquiry.	Submitted to the Board of Directors Unanimously approved by the attending directors.
9th meeting of the first term August 11, 2025	Approved proposal of the amount of employee bonuses for managers.	Unanimously approved by the whole attending members upon the chair’s inquiry.	Submitted to the Board of Directors Unanimously approved by the attending directors.
10th meeting of the 1st term November 5, 2025	1. Proposal for the Company's 2025 managers’ salary adjustment. 2. The Company’s 2023 and 2024 distribution of remuneration to directors.	Unanimously approved by the whole attending members upon the chair’s inquiry.	Submitted to the Board of Directors Unanimously approved by the attending directors.

IV. Responsibilities of the Remuneration Committee:

The Committee shall perform the following duties with the due diligence as a good administrator, and submit the recommendations to the Board of Directors for discussion.

I. Establish and regularly review the policies, systems, standards and structures for the performance evaluation and remuneration of directors and managers.

II. Assess and determine the salaries and remunerations of directors and managers on a regular basis.

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

<table>
<tr><th rowspan="2">Items to be promoted</th><th colspan="3">Status of implementation</th><th rowspan="2">Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>I. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (or part-time) unit to promote sustainable development, with senior management authorized by the Board of Directors to handle, and how is the supervision of the board of directors? (Listed companies should report implementation status, not compliance or interpretation.)</td><td>V</td><td></td><td>In accordance with the vision and mission of the Company's ESG policy, the "Sustainable Development Committee" was established on February 26, 2024. It is the highest sustainable development decision-making center of the Company. Independent Director Ming-Huei Hsieh serves as the convener, who review the Company’s core operating capabilities together with multiple members specialized in various fields to formulate mid-term and long-term sustainable development plans.
The "Sustainable Development Committee" reports to the Board of Directors on the implementation results of sustainable development and future work plans once per six months, including (1) identifying sustainability issues that require attention and formulating response plans (2) goals and policies for sustainability-related issues (3) supervising the implementation of sustainable operation matters.
When listening to the reports ~~annually~~, the directors offer constructive feedback based on their professional expertise. The Board of Directors also uses this feedback to review the feasibility of strategies and provides timely recommendations on operations and management to improve decision-making quality.</td><td>No significant difference.</td></tr>
<tr><td>II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and establish relevant risk management policies or strategies? (Listed companies should report implementation status, not compliance or interpretation.)</td><td>V</td><td></td><td>The disclosed information covers the sustainability performance at the main bases from January to December 2025. The risk assessment boundary is determined by the Company. The Sustainable Development Committee analyzes issues based on the materiality principles outlined in the ESG report, integrating evaluation data from various departments to assess material risks. This informs the development of risk management policies with appropriate controls and oversight, and the implementation of specific action plans to mitigate the impact of these risks.
Based on the risk assessment, the following risk management policies or strategies are established as follows:
<table>
<tr><th>Risk classification</th><th>Risk item</th><th>Action plan</th></tr>
<tr><td>Financial risks</td><td>Backup power supply capacity cost</td><td>Such costs are treated as direct sales costs and are reflected in electricity prices in a timely manner.</td></tr>
<tr><td>Market risk</td><td>Power supply from generation side</td><td>1. Salespersons were instructed to stay on top of market trends as much as possible.
2. Expedite the consolidation of power generation sites.</td></tr>
<tr><td>Market risk</td><td>The price of renewable energy (green electricity) fluctuates greatly.</td><td>1. Calculate the purchase cost based on the large pool.
2. Substantially reduce electricity procurement costs and seek competitive pricing in the market.</td></tr>
</table></td><td>No significant difference.</td></tr>
</table>

<table>
<tr><th rowspan="2">Items to be promoted</th><th colspan="3">Status of implementation</th><th rowspan="2">Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>III. Environmental Issues
(I) Has the Company established an appropriate environmental management system based on the characteristics of its industry?</td><td>V</td><td></td><td>The Company takes " activation of a sustainable future " as its core value and " one-stop energy sustainability solutions to achieve corporate energy sustainability goals " as its vision.
In the context of global sustainable development and Taiwan's energy transformation policy, the Company is committed to providing full services, such as green electricity trading, energy storage and energy conservation, and also proactively develop innovative technologies, such as energy-saving ESCO and energy storage.</td><td>No significant difference.</td></tr>
<tr><td>(II) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?</td><td>V</td><td></td><td>The Company continues to promote environmental protection measures such as energy management, electronic energy saving, waste reduction and recycling, and through environmental protection education and training, energy saving, etc., to urge all employees to participate in the Company’s energy saving plan and form environmental protection habits in daily life.</td><td>No significant difference.</td></tr>
<tr><td>(III) Does the Company evaluate the potential risks and opportunities posed by climate change to the Company at present and in the future and take relevant countermeasures?</td><td>V</td><td></td><td>To address global warming and effectively mitigate the impact of climate change, our company actively promotes energy-saving strategies and supports the reduction of single-use tableware.</td><td>No significant difference.</td></tr>
<tr><td>(IV) Has the Company kept statistics on the amount of greenhouse gas emission, water consumption and total weight of waste in the past two years and formulated policies for greenhouse gas reduction, reduction of water consumption or management of other wastes?</td><td>V</td><td></td><td>1. Greenhouse gas emissions in the last two years:
<table><tr><th>Greenhouse gas emissions</th><th>2024</th><th>2025</th></tr><tr><td>Carbon emissions (tons/year)</td><td>6,632.971</td><td>5873.396</td></tr><tr><td>Carbon Emission Per Capita (tons/year)</td><td>110.5495</td><td>98.8289</td></tr></table>Note 1: The scope of the greenhouse gas emission report in the table above includes Scopes 1 & 2 and part of Scope 3. The emissions for 2024 have been verified by a third party. The emissions for 2025 are currently based on the self-inventory result and are also undergoing third-party verification.
Note 2: At the end of 2024, the Company had 60 employees. At the end of 2025, the Company had 69 employees.
Management policies and progress:
In response to global development trends, ESG initiatives have become imperative for our company. We have established a Sustainability Committee (founded on February 26, 2024) to plan for net-zero carbon emissions. We aim to achieve 100% renewable energy usage by 2030 and reach net-zero carbon emissions by 2040.
The Company's greenhouse gas emissions mainly come from Scope 2 and Scope 3. For Scope 2, the "green electricity consumption" and "energy saving measures" have been planned. With regards to green power consumption, green power was used in June 2024 through the wheeling of renewable energy, achieving green electricity use, energy-saving measures.
In addition to the procurement of raw materials, wastewater treatment, employee commuting, and business travel, Scope 3 also includes the carbon inventory of</td><td>No significant difference.</td></tr>
</table>

Items to be promoted	Status of implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			our invested subsidiaries, the Company has referenced the sustainable development roadmap issued by the Financial Supervisory Commission to incorporate carbon inventory and related verification into our plans, and the implementation progress of these plans is reported to the Board of Directors on a quarterly basis. In 2025, Scope 2 emissions (4,677.5378 metric tons) were the largest component of carbon emissions, of which the electricity consumption of the Yilan Su'ao energy storage farm was the main source of carbon emissions. 2. Water Consumption: Tap water consumption / 2024 / 2025 Annual consumption (tons/year) / 1,538.0550 / 4,681.3131 Average Amount Consumed Per Person / 25.6343 / 69.8703 Note 1: Foxwell Power's Dingpu Headquarters had no separate water meter. Therefore, the water consumption data for Foxwell Power's Dingpu Headquarters office was calculated by proportionally allocating the water consumption of the entire Dingpu building based on floor area. Note 2: At the end of 2024, the Company had 60 employees. At the end of 2025, the Company had 69 employees. Management policies and progress: The average water consumption per person in 2025 increased by 172.56% compared to 2024. The main reason for the increase was a leak in a water pipe at the Yilan Su'ao energy storage site in December 2025, which caused the water consumption to rise. The incident was immediately discovered and repaired. Apart from the above incident, the per capita water consumption at the office was maintained at the same level as in 2024. By observing the same water consumption pattern companies in the industry and within the Group, the target is to reduce 1% every year from 2024 onwards, except for special events. In response to the global sustainable development trend, the extraction of water resources constitutes an important part of the Company. In addition to the use of water-saving faucets, the water-saving slogans are also produced to remind employees to save water. 3. Waste: Waste / 2024 / 2025 Domestic garbage (tons/year) / 17.772 / 18.3767 Average MSW generated per employee (tons/year) / 0.345 / 0.3391 Note 1: The Company is an energy service provider, not a manufacturer, so it is not classified into hazardous and non-hazardous. Furthermore, the data in the table above only includes the Company's Dingpu office. Note 2: This data is derived from the average daily general waste generation per person as announced by the Ministry of Environment, and is consistent with the results obtained from the Company's monthly employee headcount statistics.	

Water consumption table:

Tap water consumption	2024	2025
Annual consumption (tons/year)	1,538.0550	4,681.3131
Average Amount Consumed Per Person	25.6343	69.8703

Waste table:

Waste	2024	2025
Domestic garbage (tons/year)	17.772	18.3767
Average MSW generated per employee (tons/year)	0.345	0.3391

Items to be promoted	Status of implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			Management policies and progress: The Company continues to promote environmental protection education and training, and trains employees to implement garbage classification and resource recycling and reuse. Further, the Company's staff canteen adopt reusable tableware, in order to reduce the generation of waste.	
IV. Social Issues (I) Has the Company established relevant management policies and procedures in accordance with applicable laws and International Human Rights Conventions?	V		The Company has formulated relevant personnel management regulations and operating procedures in accordance with the Labor Standards Act and related labor laws and regulations to be followed by the management and employees, in order to protect the employees' interests and rights.	No significant difference.
(II) Does the Company formulate and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.), and appropriately reflect the operating performance or results in the employee remuneration?	V		1. Employee benefits and status of their implementation In addition to health insurance and labor insurance in accordance with the Labor Standards Act of the Republic of China and the systems stipulated by the governments at home and abroad, the Company and its subsidiaries also provide employee group insurance and benefits. The measures and implementation status thereof are stated as follows: A. Employees enjoy statutory annual leave and retirement fund contributions in accordance with the law, safeguarding employee rights. B. In addition to legally mandated Labor Insurance and National Health Insurance, all employees are provided with group accident insurance to enhance life protection for employees. C. Regular employee activities are held, including monthly birthday parties, occasional afternoon tea sessions, and departmental dinners twice a year. Gift certificates or gifts are also distributed during various holidays to promote colleague interaction and improve job satisfaction. D. Holiday bonuses are provided for the Dragon Boat Festival and Mid-Autumn Festival, along with birthday bonuses. Subsidies are also provided for marriage, childbirth, and bereavement to demonstrate employee care. E. A hygienic and quality employee cafeteria environment and facilities are provided to enhance the dining quality for colleagues, with partial meal subsidies. F. Regular employee health checks are provided (once every two years) to help employees monitor their health status and promote workplace wellness. 2. Training and Development To enhance employees' professional technical skills, improve work efficiency, and emphasize product quality, educational training is carried out according to the annual training plan, involving both internal and external training	No significant difference.

Items to be promoted	Status of implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			simultaneously to strengthen the professional capabilities of employees in various functional areas. The Company's various training programs are listed below: A. Pre-service Training for New Employees: Pre-service training is conducted for new employees, covering corporate culture, operational items, work rules, employee benefits, and reward and punishment systems to help them quickly integrate into the organization. B. On-the-Job Training: Internal and external courses are planned based on the needs of each position to continuously enhance employee work efficiency and professional capabilities. C. Professional Skills Training: Employees are assigned to participate in external professional training or certification courses based on business needs, helping employees obtain relevant professional licenses to strengthen the Company's overall competitiveness. 3. The Company's overall goal is to "improve profitability and operating revenue" and "reduce operating expenses" to ensure that the operational performance of each department is achieved. In order to share the operational performance with employees, the Company conducts the performance appraisal for 1H and 2H of each year, using KPI as the rating result, and pay the bonus based on the KPI in order to encourage the employees. Meanwhile, the Company's Articles of Incorporation also provides the following: Article 23: if the Company retains profit at the end of year (the so-called profit refers to the pre-tax profit before the distribution of employees' and directors' remuneration), no less than 6% thereof shall be allocated as employees' remuneration and no more than 3% as directors' remuneration. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses. The employees’ remuneration referred to in the preceding paragraph may be distributed in the form of shares or in cash. The recipients of the remuneration include the employees of the Company's controlling or subordinate companies who met certain requirements. The terms and conditions and method of distribution shall be determined per resolution rendered by the Board of Directors. 4. The Company gives equal pay to men and women for equal work and equal promotion opportunities. In 2025, female employees accounted for 36.23% and female managers accounted for 31.82%. In consideration of the Company’s	

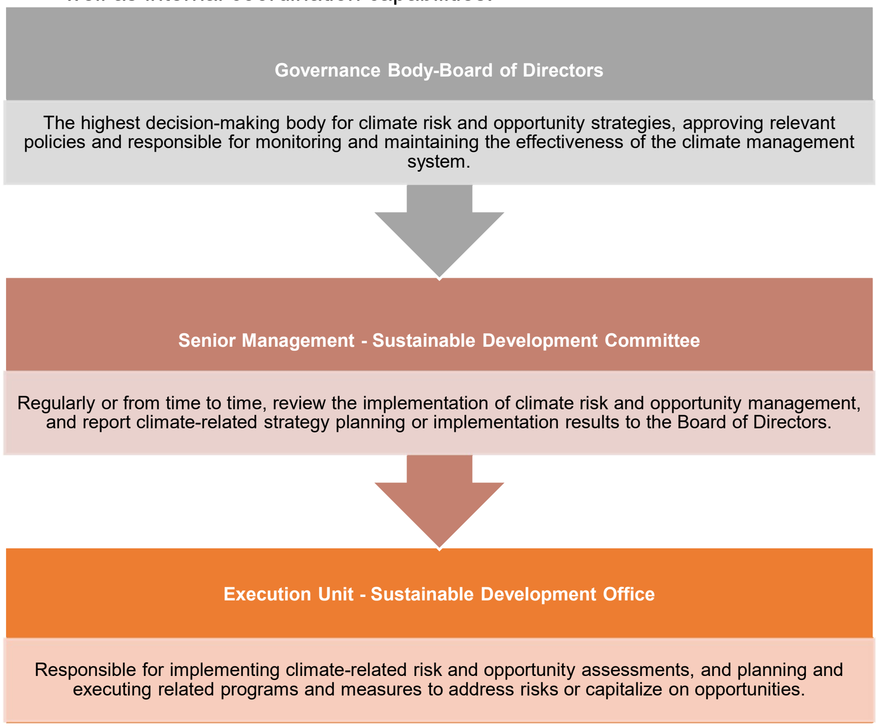
Items to be promoted	Status of implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			special industrial characteristics, the staff with more experience are most male and female managers account for a lower proportion. Notwithstanding, in the future, when promoting supervisors, the Company will consider it from the perspective of gender equality.	
(III) Does the Company provide employees with a safe and healthy work environment, and provide employees with safety and health education on a regular basis?	V		The Company is primarily engaged in system engineering turnkey projects and maintenance and operation services. It only requires on-site supervision or maintenance operations. The level of risk is considered to be low to medium. The Company has formulated its safety and health policies in accordance with the Occupational Safety and Health Act and related regulations, and implemented them precisely to build a healthy and happy workplace. Based on the core concept of compliance with legal requirements, popularization of safety awareness, prevention of injury and illness and continuous improvement of performance, the Company aims to create a vision zero workplace. In order to protect the employees from the possibility of hazards in the workplace and provide employees with a healthy and comfortable working environment, a hazard notice is issued to notify the on-site staff before they enter the site, in order to ensure the safety and health of employees. Labor safety seminars and education and training will also be provided to new employees, subject to the nature of their work. The Company organizes the employee health checkup every two years, and also organizes the labor safety seminars and fire drills for the purpose of education and training. The Company didn’t suffer any employee occupational accident in 2025.	No significant difference.
(IV) Does the Company establish an effective career ability development training program for employees?	V		In order to improve the professional and technical ability of employees, the Company strengthens work efficiency and focus on product quality, education and training are carried out in accordance with the annual education and training plan. Internal training and external training are conducted at the same time to strengthen the professional skills of employees in various functional categories. The Company's various training programs are listed as follows: A. New Employee Training: To help new employees quickly integrate into the organization and become familiar with job responsibilities, the company plans comprehensive new employee training courses. Content includes a company introduction, organizational structure, corporate culture and core values, rules and regulations explanation, and departmental professional skills training. Furthermore, through On-the-Job Training (OJT), unit supervisors or senior colleagues provide work guidance and coaching to enhance new employees' adaptability and work efficiency. B. Internal General Training: Content covers improving work efficiency, promoting	No significant difference.

<table>
<tr><th rowspan="2">Items to be promoted</th><th colspan="3">Status of implementation</th><th rowspan="2">Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>the prevention of illegal workplace harassment, information security awareness education, regulatory compliance promotion, communication and coordination skills, teamwork, and mental and physical health promotion (such as stress management and workplace health issues). Simultaneously, management skills training is planned for supervisors to strengthen leadership, performance management, and subordinate development capabilities.
C. External Professional Training: To enhance employees' professional knowledge and skills, the company encourages and supports colleagues to participate in external professional training courses, seminars, certification exams, and relevant continuing education activities based on business needs and employee career development. Relevant training topics include professional technical skills, industry trends, regulatory updates, and management knowledge. Partial or full subsidies are provided depending on the nature of the course. The training results are applied to work to promote the enhancement of the organization's overall competitiveness.</td><td></td></tr>
<tr><td>(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services and establish relevant policies and complaint procedures to protect consumers' or customers' rights and interests?</td><td>V</td><td></td><td>The Company's products and services are marketed and labeled in accordance with relevant laws and international standards. The Company also has dedicated personnel and email addresses to process any problems related to complaints and settle the consumer complaints in a timely manner.</td><td>No significant difference.</td></tr>
<tr><td>(VI) Does the Company have a supplier management policy defined to require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights, and the implementation status thereof?</td><td>V</td><td></td><td>The Company values the protection of the environment and society. Therefore, before dealing with suppliers, the Company will consider whether the suppliers have complied with relevant regulations on environmental protection, occupational safety and health or labor rights issues.</td><td>No significant difference.</td></tr>
<tr><td>V. Does the Company prepare reports disclosing the Company's non-financial information, such as the Sustainability Report, with reference to international reporting standards or guidelines? Has the said reports been certified or guaranteed by a third-party verification unit?</td><td>V</td><td></td><td>The Company has prepared a CSR report.</td><td>No significant difference.</td></tr>
<tr><td colspan="5">VI. If the Company has established its own sustainable development best practice principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe the current practices and any deviations from the Principles: None.</td></tr>
</table>

Items to be promoted	Status of implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
VII. Other important information helpful to understand the status of implementation of sustainable development: None.				

Climate-related information of Foxwell Power Co., Ltd.

1. Climate-related information implementation status

Item	Status of implementation
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and management.	■ In order to effectively respond to business risks and transformation challenges brought about by climate change, Foxwell Power Co., Ltd. established a Sustainable Development Committee in February 2024. The Committee serves as a cross-departmental decision-making platform for coordinating climate strategies and sustainable actions. It is responsible for coordinating carbon management strategies, supervising implementation progress, and regularly reporting important issues to the Board of Directors for review. ■ The Sustainable Development Committee is chaired by the General Manager, and the Sustainable Development Office serves as the executive unit. It regularly calls representatives from various departments to discuss climate-related action plans, carbon inventory procedures, and progress toward mid- and long-term carbon reduction goals. The Company also follows the TCFD framework to establish relevant operating procedures and develop response strategies and management measures for climate change. ■ TCFD-structured work is currently being conducted by the Sustainable Development Office at Foxwell Power Co., Ltd, which is also leveraging the governance experience of its parent company, SHINFOX ENERGY CO., LTD., to continue promoting climate risk identification, opportunity analysis, response strategy, and information integration processes. These efforts will gradually strengthen the link between climate issues and operational decision-making as well as internal coordination capabilities. 

2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	■ Foxwell Power Co., Ltd. draws on the TCFD practical experience of its parent company, SHINFOX ENERGY CO., LTD., to progressively build a logic for identifying climate-related risks and opportunities. The Company shall prioritize identified physical and transitional risks associated with its operations, ranking them by likelihood and impact to inform subsequent management decisions.

■ Climate-related risk identification list for 2024:

Risk prioritization	Types of risk	Risk	Associated party	Time point	Likelihood	Impact
1	Physical risk	Global average temperature rising	• Foxwell Power Co., Ltd. • Customer • Supplier	Long term	High	Ordinary
2	Transformation risks	Dispute or legal action caused by product and service projects.	Foxwell Power Co., Ltd.	Short Term	Extremely high	Low
3	Transformation risks	Carbon pricing mechanism	Foxwell Power Co., Ltd.	Long term	High	Low
4	Transformation risks	The implementation of renewable energy projects is falling short of stakeholder expectations.	• Foxwell Power Co., Ltd. • Customer	Short Term	Ordinary	Low
5	Transformation risks	Increase in the cost of raw materials and supplies	• Foxwell Power Co., Ltd. • Supplier	Mid-term	Ordinary	Low
6	Transformation risks	Uncertainties in the market and laws & regulations	• Foxwell Power Co., Ltd. • Supplier	Short Term	Ordinary	Low
7	Physical risk	Increased frequency or severity of extreme weather events	• Foxwell Power Co., Ltd. • Customer	Short Term	Ordinary	Low

■ Climate-related Opportunities Identification List for 2024:

Opportunity prioritization	Type of opportunity	Opportunity	Associated party	Time point	Likelihood	Impact
1	Energy	Low-carbon energy demand increasing	• Foxwell Power Co., Ltd. • Customer	Mid-term	High	Extremely high
2	Resilience	Participation in renewable energy projects and energy efficiency improvements.	• Foxwell Power Co., Ltd. • Customer	Short Term	High	Ordinary
3	Resource efficiency	Technology for reduction of water consumption and water waste	Foxwell Power Co., Ltd.	Mid-term	Ordinary	Ordinary
4	Resource efficiency	More efficient low-carbon energy equipment	Foxwell Power Co., Ltd.	Mid-term	Ordinary	Ordinary
5	Market	Participate in public sector climate-related policy incentives/cooperation.	Foxwell Power Co., Ltd.	Mid-term	Ordinary	Ordinary
6	Market	Attracting investors' long-term interest	Foxwell Power Co., Ltd.	Long term	Ordinary	Ordinary

Item	Status of implementation
3. **Describe the financial impact of extreme climate events and transition actions.**	■ **Financial impacts of extreme climate events**:

Code No.	Risk	Scenario	Description of impact
1	Physical risks - increased frequency or severity of extreme weather events	Extreme weather events cause renewable energy generation to fall short of expectations, thereby affecting trading volume and revenue.	● Operating revenue declined ● Liquidated damages

■ **Impacts of transition actions on finance**:

Code No.	Risk/Opportunity	Scenario	Description of impact
1	Transformation risk - market and regulatory uncertainty	The renewable energy power (green power) market is closely linked to government policies and regulations. Relaxations or tightening of these policies could impact the development of renewable energy projects, the supply and timing of renewable energy power, and consequently, the Company's green power sales and fulfillment of electricity supply contracts.	● Operating revenue declined ● Liquidated damages
2	Transformation risk - Dispute or legal action caused by product and service projects.	The development of energy storage systems is a new and growing industry in Taiwan, and disparities remain between urban and rural development. Residents in rural areas need more time to understand these new ventures, leading to occasional protests.	● Operating revenue declined ● Liquidated damages
3	Opportunity - Low-carbon energy demand increasing	Due to increasingly strict requirements for greenhouse gas emission reductions from international supply chains and sustainability initiatives, demand for renewable energy is high in Taiwan, boosting profitability in the renewable energy trading market.	● Market demand increasing ● Operating revenue increasing
4	Opportunities - Participation in renewable energy projects and energy efficiency enhancements.	The government and enterprises have launched many renewable energy projects and energy efficiency improvement initiatives. The Company can expand the source of its operating revenue by participating in these projects.	● Operating revenue increasing

4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	■ Foxwell Power Co., Ltd. has established a process for integrating climate risks into its company-wide risk management framework. As the ultimate supervision body, the Board of Directors ensures the effectiveness of climate risk management in this process. ■ The Sustainable Development Office follows the TCFD framework to plan and implement climate risk identification and assessment annually. By analyzing physical and transformation risks, evaluation results such as a "Climate-related Risk Identification Summary Table" are produced. Identified climate-related risks and opportunities will be included as follow-up items in the Sustainable Development Committee's meetings. The results of the Committee's assessment and recommendations will be reported to the General Manager's Office and the Board of Directors. The Board of Directors is responsible for overseeing overall risk management and strategy execution performance. The General Manager's Office makes business decisions and strategic adjustments based on risk assessments. Various responsible departments (such as procurement, finance and administration) implement specific strategies according to their functions. At last, the Audit Office independently assesses how well each department implements climate-related risk management practices and reports its findings to the Board of Directors, establishing a complete closed-loop management system encompassing identification, evaluation, management, supervision, and improvement. ■ Climate-related Risk Management Responsibilities and Duties

Responsible Unit	Risk management responsibilities
Board of Directors	With the goal of implementing comprehensive company-wide risk management, the Company clearly understands the climate-related risks associated with its operations, ensures risk management effectiveness, and oversees the performance of risk management execution.
Audit Office	1. To assist the Board of Directors and management in examining and reviewing deficiencies in the internal control system, assessing the effectiveness and efficiency of operations, and providing timely improvement recommendations. 2. Assess whether each department is implementing risk management operations (including those related to climate risk), and ensure that the system is being advanced and put into practice.
President's Office	Conduct decision-making risk assessments and implement response strategies.
Management Department Human Resources Office Information Business Unit	1. Assessment of internet information security and operational risks, and implementation of response strategies. 2. Maintenance of employees' personal safety and the work environment. 3. Human resource deployment and contingency planning.
Procurement Department	Supplier management and raw material procurement contingency strategies.
Finance Department	1. Assessment on financial and tax risks. 2. Assessment on the Company's legal risks and implementation of response strategies.
Sustainable Development Office	1. Plan to establish a climate risk identification process based on the TCFD framework, to serve as the foundation for subsequent system development. 2. Assess the impact of climate change on the Company's operations.

■ Climate risk identification and assessment process

Risk Definition	• Collect climate challenges potentially encountered by the renewable energy industry and identify climate-related risks to be included into the risk list.
Risk Identification	• A risk list is compiled annually, and the significance of each risk is assessed based on internal and external factors to identify the year's key risk factors.
Risk Evaluation	• Qualitative risk assessments are conducted by the Sustainable Development Office. The analysis focuses on the Company's financial standing and future development strategies.
Risk Response	• Risk management strategies are formulated based on climate risks and assessment results. Relevant departments shall establish corresponding tasks and projects to mitigate risks.
Monitoring Improvement	• Regularly track management effectiveness and grant the authority for adjustment and optimization to the dedicated unit.
Communication	• Collect information from various meetings, ESG report, and official websites, among other sources.

Item	Status of implementation
5. If a scenario analysis is used to assess resilience to climate change risks, the scenarios used, parameters, assumptions, analysis factors, and key financial impacts should be disclosed.	■ In terms of climate scenario simulation selection, Foxwell Power Co., Ltd.'s headquarters is located in the same building as its parent company, SHINFOX ENERGY CO., LTD., within the Cheng Uei Group's Dingpu Building. This location has been included in physical risk scenario analysis simulations of the parent company, SHINFOX ENERGY CO., LTD., for 2023 and 2024, covering the number of days of high temperature, urban flooding and drought risks. Based on the operational stability assessment conducted by its parent company, SHINFOX ENERGY CO., LTD., Foxwell Power Co., Ltd. has performed a preliminary assessment and will gradually implement a more detailed simulation framework as its operations expand and services are extended. The parent company, SHINFOX ENERGY CO., LTD., takes into consideration the combinations of Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs) as outlined in the IPCC-AR6 climate change assessment report, using different socioeconomic assumptions and radiative forcing as the basis for assessing the severity of warming. The greenhouse gas emission "medium emission scenario (SSP 2-4.5, referred to as scenario 4.5)" and "extreme scenario (SSP 5-8.5, referred to as scenario 8.5)" were selected for greenhouse gas emission and are used as the analysis scenarios for physical risks. ■ The financial impact primarily comes from operating costs and revenue, and secondarily from default fines, lost income due to construction disruptions, and revenue from new business models.
6. If there is a transformation plan in place to manage climate-related risks, please describe the contents of the plan, as well as the indicators and targets used to identify and manage physical and transition risks.	■ Indicators and targets used to identify and manage physical and transition risks. Due to its length, detailed information can be found in Chapter 4 of Foxwell Power Co., Ltd. 2024 Sustainability Report.
7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	■ The Company has yet to implement an internal carbon pricing plan.
8. If climate-related goals have been set, details should be provided regarding the activities covered, the scope of greenhouse gas emissions, the planned timeline, and annual progress. If carbon offsets or renewable energy certificates (RECs) are used to meet these goals, the source and amount of the offsets or the number of RECs should be disclosed.	■ Foxwell Power Co., Ltd. has responded to the international initiative RE10x10 and plans to transition to 100% renewable energy in its offices by 2030. We officially implemented green power through via the wheeling mechanism starting in 2024, further reducing the Scope 2 carbon emissions and aligning with the domestic T-REC certificate system for green power matching and inventory. In 2024, Foxwell Power Co., Ltd. obtained a total of 21 Taiwan Renewable Energy Certificates (T-REC). In the future, it will continue to leverage the experience of its parent company, SHINFOX ENERGY CO., LTD., in green power procurement and contract management. It will also gradually explore the feasibility of adopting green power solutions for each site, considering its specific power consumption characteristics and the actual needs of customers, to steadily increase the overall proportion of green power used.
9. GHG inventory and assurance (see section 1-1).	■ In order to comply with the government's "Sustainable Development Roadmap for TWSE/TPEx Listed Companies," the Company began conducting its own greenhouse gas inventory in 2024 and has engaged an external third-party organization to provide guidance. In June 2025, third-party verification will be conducted, and the 2024 GHG verification statement will be obtained in the same year. The Company's GHG inventory work is mainly based on the ISO 14064-1:2018 standard. ■ Please refer to the 2024 ESG Report for the relevant GHG inventory results. ■ Meanwhile, the Company has started the 2025 greenhouse gas inventory and will conduct third-party verification in May-June 2026.

1-1 GHG inventory and assurance of the Company for the most recent two years

1-1-1 Greenhouse gas inventory information

Specify greenhouse gas emissions (metric tons of CO2e), intensity (metric tons of CO2e per NTD1 million), and data coverage for the last two years.

Remarks:

1. The Company's subsidiary, Foxwell Certification Co., Ltd., was established in 2024; therefore, it was not covered in the full reporting period. Meanwhile, Smart Power System Co., Ltd. and all subsidiaries included in the consolidated financial statements were not included in the scope of consolidation until July 2025 and, therefore, were not covered in the full reporting period. In consideration of the organizational boundary and data availability, the relevant companies were not included in the scope of the GHG inventory for the reporting period, and therefore their carbon emission data were not disclosed.
2. The 2025 greenhouse gas inventory verification has been commissioned to DNV Business Assurance Co., Ltd..

		2024		2025	
		Emissions (Metric tons of CO2e)	Intensity (Metric tons of CO2e/NTD million)	Emissions (Metric tons of CO2e)	Intensity (Metric tons of CO2e/NTD million)
The Company and all subsidiaries included in the consolidated financial statements	Scope 1	174.2054		436.94	
	Scope 2	5,342.3129		4,677.5378	
	Subtotal	5,516.5183		5,114.4778	
Total		5,516.5183	2.9313	5,114.4778	1.0996

1-1-2 Greenhouse gas assurance information

Describe the assurance status for the most recent two fiscal years up to the date of publication of the annual report, including the scope of assurance, the assurance provider, the assurance standards applied, and the assurance opinion.
■ Description of verification for 2024 Verification scope: Foxwell Power Co., Ltd. (including the headquarters office, Su'ao Branch Office, the 7MW site, and Foxwell Certification Co., Ltd.) Verification agency: AFNOR Verification standard: ISO 14064-1:2018 Verification opinion: No reservations. ■ Regarding the 2025 verification status, the verification is still in progress. Verification scope: Foxwell Power Co., Ltd. (including the headquarters office, Su'ao Branch Office, the 7MW site, and Foxwell Certification Co., Ltd.) Verification agency: DNV Business Assurance Co., Ltd. Verification standard: ISO 14064-1:2018 Verification opinion: The verification is still in progress.

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

Describe the base year and data for greenhouse gas reduction, reduction targets, strategies, and specific action plans, as well as progress towards achieving those targets.
As a member of the green energy industry, the Company supports Greenpeace's environmental principles and is an early adopter of the RE10x10 climate declaration, committing to concrete goals for green energy adoption and carbon reduction. The Company will take action to promote low-carbon operations, set a goal of achieving carbon neutrality by 2040, and move towards powering 20% of its offices with green energy in 2025, 40% in 2026, and 100% in 2030.

(VI) Status of ethical corporate management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof:

Assessment items	Status of Operations			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
I. Establishment of ethical corporate management policies and plans (I) Has the Company established an ethical corporate management policy approved by the Board of Directors, and stated in its Articles of Incorporation or external documents the Company's policies and practices on ethical management, and the commitment of the Board of Directors and senior management to actively implement business policies?	V		The Company has established the "Ethical Management Best Practice Principles" and the "Operating Procedures for Ethical Management and Guidelines for Conduct.” The Company's corporate core values reside in the mission to activate a sustainable future. Under the management of corporate integrity and ethical standards, directors, managers and all employees are committed to maintaining a high level of professional ethics. The Company has formulated various internal regulations to ensure the implementation of ethical management and legal compliance, and has announced the relevant regulations on the Company's website available to employees for inquiry at any time.	No significant difference.
(II) Whether the Company establishes an assessment mechanism for the risk of unethical conduct, analyzes and assesses the business activities with higher risk of unethical conduct within the business scope on a regular basis, and establishes prevention programs accordingly and at least covers the preventive programs against the conduct referred to in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?”	V		The Company's management attaches great importance to ethical corporate management, and focuses on fraud prevention in the design of internal management systems, in order to prevent and reduce the risk of unethical behaviors through system planning. No director, manager, employee, appointee or party with substantial control of the Company shall engage in any unethical conduct, such as breach of good faith, unlawful or breach of fiduciary duty, in order to obtain or maintain benefits. If there is a conflict of interest involving their own, the directors and managers are prohibited from participating in the voting due to conflict of interest.	No significant difference.

Assessment items	Status of Operations			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
(III) Does the Company have the operational procedures, behavioral guidelines, punishment and complaint systems specified in the prevention program for unethical conducts, and implemented, and the programs disclosed above are regularly reviewed and amended?	V		The Company has established the "Operating Procedures for Ethical Management and Guidelines for Conduct." All directors, managers and employees involved in violation of the Company's "Ethical Corporate Management Best Practice Principles" can be reported.	No significant difference.
II. Implementing ethical management (I) Does the Company evaluate the ethical records of its trading counterparts, and specify the ethical conduct clauses in the contracts signed with its trading counterparts?	V		The Company and its suppliers have signed the "Letter of Undertaking of Integrity." When entering into a contract, the rights and obligations of both parties are specified therein in detail, and all suppliers shall comply with it.	No significant difference.
(II) Has the Company set up a dedicated unit under the Board of Directors to promote corporate ethical management, and has it reported its ethical management policies and programs to prevent unethical behaviors and supervision to the Board of Directors on a regular basis (at least once a year)?	V		The Company has established an ethical management promotion unit, with the Administrative Management Center concurrently responsible for formulating and overseeing the implementation of the corporate ethical management policy and preventive measures. The Company reported the implementation status of its ethical management to the Board of Directors on November 5, 2025.	No significant difference.
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate channels for communication and implement such policies?	V		The Company's management emphasizes that the internal audit unit and personnel, and given them sufficient authority to urge them to inspect and evaluate the deficiencies of the internal control system and measure the efficiency of operations and to provide a channel of expression for employees or suppliers. The Company will also provide the directors and managers with the laws and regulations on insiders' recusal due to conflict of interest to be noted by them from time to time.	No significant difference.
(IV) Whether or not the Company has established an effective accounting system and internal control system to implement ethical management, and has the internal audit unit draw up	V		The Company has established an effective accounting system and internal control system. The Company also sets forth the internal audit	No significant difference.

Assessment items	Status of Operations			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
relevant audit plans based on the assessment results of the risk of unethical behavior, and audit the compliance with the program to prevent unethical behaviors or appoint a CPA to perform the audit?			plan each year. The internal audit unit conducts various audits in accordance with the audit plan. Special audits will be arranged in case of special events.	
(V) Does the Company organize internal and external training on ethical management on a regular basis?	V		The Company promotes and educates employees on the philosophy and attitude of integrity, fairness, transparency, self-discipline and responsibility at various occasions.	No significant difference.
III. The operation of the Company's whistle-blowing system (I) Does the Company establish a specific whistle-blowing and reward system, and establish a convenient channel for whistle-blowing, and assign appropriate dedicated personnel to handle the reported subjects?	V		The Company has a grievance hotline and mailbox, and has dedicated personnel to handle related matters.	No significant difference.
(II) Does the Company establish standard operating procedures for the investigation of whistle-blowing matters, the follow-up measures to be taken after the investigation is completed, and the related confidentiality mechanism?	V		The Company has established operating procedures and related confidentiality mechanisms for accepting whistleblowing.	No significant difference.
(III) Has the Company taken measures to protect the whistleblower from improper treatment due to their whistleblowing?	V		The Company protects the identity of whistle-blowers and avoids improper treatment and threats due to whistle-blowing.	No significant difference.
IV. Strengthening information disclosure (I) Does the Company disclose the content of the ethical management best practice principles established by the Company on its website and Market Observation Post System and the progress of its implementation?	V		The Company has established a website to disclose the "Ethical Management Best Practice Principles" and "Operating Procedures for Ethical Management and Guidelines for Conduct" and makes real-time announcements and updates on the Market Observation Post System pursuant to laws.	No significant difference.
V. If the Company has established its own ethical management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies," please describe the current practices and any deviations from the Principles: The Company has established its “Ethical Management Best Practice Principles” and “Operating Procedures for Ethical Management and Guidelines for Conduct” in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies" and subject to the Company’s practical operations and duly implemented ethical management in accordance with relevant laws and regulations, in order to regulate the matters that the Company's personnel should pay attention to when conducting business.				
VI. Other important information helpful to understand the operation of the Company's ethical corporate management (e.g., the Company's review and amendment of the Company's Ethical Corporate Management Best Practice Principles): The Company complies with relevant laws and regulations and internal control system, and is strictly prohibited from unethical conduct or violation of laws and regulations.				

(VII) Other important information that is sufficient to enhance the understanding of the Company's corporate governance may be disclosed together:

(1) The Company established the Sustainable Development Committee in February 2024. This committee, comprising five directors (including three independent directors), was formed to realize our Company's business vision of creating a sustainable future. To this end, the Committee plans and implements sustainability initiatives across three key dimensions: environmental, social, and corporate governance, and reports the execution progress to the Board of Directors on a regular basis.

(2) The duties of the Committee are as follows :

1. Formulate the direction and goals of corporate responsibility and sustainable development (environmental, social and governance), and formulate relevant management guidelines and concrete promotion plans.
2. Tracking, reviewing and revising the implementation and effectiveness of corporate sustainable development.
3. Other matters assigned to the Committee as resolved by the Board of Directors.

(3) The composition, expertise, and operation of the Committee are as follows:

Term of office of the current Committee member: February 26, 2024 to November 1, 2026. The Committee consists of 2 directors and 3 independent directors.

As of 2025, a total of 6 meetings have been held.

Names of the Committee members	Independent Director	Professional knowledge and competence	Frequency of actual attendance	Frequency of attendance by proxy	Actual attendance rate (%)
Ming-Hui Hsieh (Chairperson)	V	Business management, professional knowledge	6	0	100%
Rui-Chu Chen	V	Business management, professional knowledge, legal affairs	6	0	100%
Tsun Cheng	V	Investment development, professional knowledge, financial accounting	6	0	100%
Hui-Sen Hu (Note 1)		Business management, investment development, industry experience, professional knowledge, leadership and decision-making ability	6	0	100%
Hsia-Peng Hao		Business management, industry experience, professional knowledge, legal affairs, leadership and decision-making ability	6	0	100%

Note 1: Member Hui-Sen Hu resigned on November 27, 2025.

(VIII) Implementation of the internal control system:

1. Declaration of Internal Control
   Please refer to the MOPS/Corporate Governance/Internal Control Area/Declaration of Internal Control, website: https://mopsov.twse.com.tw.
2. If a CPA is commissioned to review the internal control system, the CPA's review report should be disclosed: None.

(IX) Important resolutions of the shareholders' meeting and Board of Directors meeting from the most recent year until the date of publication of the annual report:

1. Important resolutions of the Board of Directors meetings

Date	Important resolutions
March 4, 2025	1. Approved the Company's 2024 business report and financial reports. 2. Approved the greenhouse gas inventory and verification schedule for the Company and its subsidiaries, as well as quarterly follow-up reports. 3. Approved the proposal of the Company's 2025 Remuneration Committee work plan. 4. Approved the Company's 2024 remuneration distribution to employees and directors. 5. Approved the transfer of the Company's managers. 6. Approved the Company's private placement of common shares for increasing in cash capitals. 7. Approved the replacement of CPAs and evaluation and appointment proposal regarding the independence and competence of the Company's independent auditors. 8. Approved the Company's 2024 "Evaluation on Effectiveness of Internal Control System" and "Statement of Internal Control System." 9. Approved Amendments to the Company's Articles of Incorporation and Salary Cycles, and Definition of the Scope of Entry-Level Employees. 10. Approved the Additions to the Company's "Sustainable Information Management" and "Internal Audit System for Sustainable Information Management." 11. Approved renewal of credit facilities and financing with financial institutions of the Company. 12. Approved the determination of the time, place and subject of convening of the 2025 annual general meeting.
May 2, 2025	1. Approved the Company's 2025 Q1 financial report. 2. Approved credit facilities and financing with financial institutions of the Company.
May 15, 2025	1. Approved the proposal for the Company's acquisition of shares of Smart Power System Co., Ltd.. (hereinafter referred to as "Smart Power"). 2. Approved that in response to the share exchange proposed in the first proposal, a plan is proposed to issue new shares through a capital increase.
August 11, 2025	1. Approved the Company's 2024 ESG report. 2. Approved the Company's 2025 Q2 financial report. 3. Approved the proposal to establish an overseas subsidiary. 4. Approved that Cheng Shin Digital Co., Ltd. has significant accounts receivable overdue for over 90 days, which is determined not constituting a case of funding in nature. 5. Approved new and renewed credit facilities with financial institutions of the Company.
August 28, 2025	1. Approved the Company's subscription for the new shares issued through the capital increase of its subsidiary, Billion Sun Energy Storage Technologies Inc.
November 5, 2025	1. Approved the Company's 2025 Q3 financial report. 2. Approved the Company's 2026 internal audit plan. 3. Approved the proposal for the Company's 2025 managers' salary adjustment. 4. Approved the Company's 2023 and 2024 distribution of remuneration to directors. 5. Approved the amendments to certain provisions of the Company's "Sustainable Development Best Practice Principles." 6. Approved the amendments to certain provisions of the "Rules of Procedure for the Board of Directors Meetings."
November 27, 2025	1. Approved the election of the Company's Chairman.
December 23, 2025	1. Approved the motion of the Company's 2026 business plan. 2. Approved the proposal of the renewal and of credit lines with existing banking institutions.
January 21, 2026	1. Approved the equity investment in Chengdu Xin Fuwei Energy Co., Ltd. (hereinafter referred to as Chengdu Xin Fuwei Company).

Date	Important resolutions
March 3, 2026	1. Approved the Company's 2025 Annual Business Report and Financial Statements. 2. Approved the Company's 2025 Earnings Distribution Plan. 3. Approved the Company's proposed 2026 Compensation Committee Work Plan. 4. Approved the distribution of the Company's 2025 Employee Compensation and Directors' Remuneration. 5. Approved the change in the Company's Spokesperson and Acting Spokesperson. 6. Approved the evaluation and appointment of the Company's Certified Public Accountant for independence and competence. 7. Approved the proposal to set the base date for the capital increase through new share issuance for the conversion of the Company's first employee stock options into common shares in Q1 2026. 8. Approved the Company's proposed private placement of common shares for cash capital increase. 9. Approved the Company's plan to acquire Right-of-Use Assets from a related party. 10. Approved the plan to establish an overseas subsidiary in China. 11. Approved the Company's financial institution financing renewal plan. 12. Approved the proposal to set the time, location, and calling agenda for the Company's 2026 Annual General Meeting of Shareholders.
March 30, 2026	1. Approved the complete re-election of directors and the nomination of director (including independent director) candidates. 2. Approved the lifting of the non-compete restriction on the newly appointed directors and their corporate representatives. 3. Approved the discontinuation of the private placement of common shares for cash capital increase, which was approved by the 2025 Annual General Meeting of Shareholders. 4. Approved the change in the Company's Chief Internal Auditor. 5. Approved the Company's 2025 "Assessment of the Effectiveness of Internal Control System" and the "Statement of Internal Control System."

2. Review of important resolutions of shareholders' meetings and their implementation:

Meeting date	Important resolutions	Status of implementation
May 21, 2025	1. Proposal of the Company’s 2024 business report and financial reports.	1. The relevant forms and schedules have been filed with the competent authority for record-keeping and publicly announced as required by the Company Act and other relevant laws and regulations.
	2. Proposal for the distribution of earnings in 2024.	2. The Board of Directors resolved on March 4, 2025, to authorize the Chairman to determine the ex-dividend date and payment date. The Chairman subsequently approved August 22, 2025, as the ex-dividend date and September 11, 2025, as the payment date. A cash dividend of NTD70,500,000 will be distributed proportionally based on the shareholdings of the shareholders listed in the shareholder registry on the ex-dividend date, with a dividend of NTD0.95491486 per share.
	3. Proposal for partial amendments to the “Articles of Incorporation.”	3. Resolved to approve it.
	4. Approved the Company's private placement of common shares for increasing in cash capitals.	4. Resolved to approve it.

(X) In the most recent year and up to the date of publication of the annual report, if a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written statement, the main contents thereof: None.

IV. Information on external auditor’s fees

Information on external auditor’s fees

Unit: NTD thousand

Name of CPA Firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Remark
PwC Taiwan	Hsia-Tzu Chou Chi-Tung Chen	January 1, 2025 ~ December 31, 2025	3,875	2,440	6,315	Note

Note: Non-audit fees include: Business Income Tax Audit and Certification (including subsidiaries) NTD560; Other Non-Financial Information Review NTD450, English Translation of Reports NTD500, Transfer Pricing Report NTD250 and Official Fee for Investigation on Net Worth of Subsidiary to be Acquired NTD680.

(I) If a change of CPA firm resulted in a lower audit fee for that year compared to the previous year, the amount, proportion, and reasons of the reduction before and after the change must be disclosed: None.

(II) If the audit fee was reduced by more than 15% from the previous year, the amount, proportion and reasons of the reduction must be disclosed: None.

V. Replacement of CPAs:

(I) Former CPAs

<table>
<tr><td>Date of replacement</td><td colspan="3">July 25, 2023</td><td colspan="3">March 4, 2025</td></tr>
<tr><td>Reason for replacement and description</td><td colspan="3">Internal organizational adjustment of the CPA firm</td><td colspan="3">Internal organizational adjustment of the CPA firm</td></tr>
<tr><td rowspan="3">To specify whether or not the client or CPA terminates or rejects the appointment</td><td>Condition of the party concerned</td><td>CPA</td><td>Principal</td><td>Condition of the party concerned</td><td>CPA</td><td>Principal</td></tr>
<tr><td>Voluntary termination of appointment</td><td colspan="2" rowspan="2">Not applicable</td><td>Voluntary termination of appointment</td><td colspan="2" rowspan="2">Not applicable</td></tr>
<tr><td>No longer accepting (continuing) appointment</td><td>No longer accepting (continuing) appointment</td></tr>
<tr><td>Opinions other than qualified opinions issued in the last 2 years and the reasons thereof</td><td colspan="3">None</td><td colspan="3">None</td></tr>
<tr><td rowspan="7">Any disagreement with the issuer</td><td rowspan="5">Yes</td><td></td><td>Accounting principles or practices</td><td rowspan="5">Yes</td><td></td><td>Accounting principles or practices</td></tr>
<tr><td></td><td>Disclosure of financial statements</td><td></td><td>Disclosure of financial statements</td></tr>
<tr><td></td><td>Audit Scope or Procedure</td><td></td><td>Audit Scope or Procedure</td></tr>
<tr><td></td><td>Others</td><td></td><td>Others</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>None</td><td colspan="2">V</td><td>None</td><td colspan="2">V</td></tr>
<tr><td colspan="3">Description</td><td colspan="3">Description</td></tr>
<tr><td>Other disclosures (Matters to be disclosed according to Items 1-4~1-7, the subparagraph 6, Article 10 of the Regulations)</td><td colspan="3">None</td><td colspan="3">None</td></tr>
</table>

(II) Information on the succeeding CPA

Name of Firm	PwC Taiwan	PwC Taiwan
Name of CPA	Hsiao-Tzu Chou, I-Chang Liang, CPA	Hsiao-Tzu Chou, Chi-Tung Chen, CPA
Date of appointment	Approved by the Board of Directors on July 25, 2023	Approved by the Board of Directors on March 4, 2025
Consultation about the accounting treatment of or application of accounting principles to a specific transaction or the type of audit opinion that might be rendered prior to the formal engagement and the consultation result.	None	None
Written disagreements from the succeeding CPA against opinions of the former CPA	None	None

(III) The Company shall notify the former CPAs in writing of the items referred to in the subparagraphs 6(1) and (2)3 of Article 10 of the Regulations: none.

VI. Disclosure of any of the Company's Chairman, President, or managers responsible for financial or accounting affairs being employed by the external auditor's firm or any of its affiliated company in the most recent year: none.

VII. Transfer of equity interests and changes in pledge of equity interests by directors, managerial officers, and shareholders holding more than 10% of shares

(I) Changes in shareholdings of directors, supervisors, managers and major shareholders
Please refer to the MOPS/Basic Information/Director and Supervisor Shareholding, Pledge and Transfer.
Website: https://mopsov.twse.com.tw

(II) The counterpart of the equity transfer and equity pledge is a related party: none.

VIII. Information on the top ten largest shareholders who are related parties or have a spousal or familial relationship within the second degree of kinship

March 24, 2026 Unit: share

NAME	NUMBER OF SHARES HELD BY THE OWNER		SHARES HELD BY SPOUSE AND UNDERAGE CHILDREN		TOTAL SHARES HELD IN SOMEONE ELSE'S NAME		IN THE CASE OF THE TOP TEN LARGEST SHAREHOLDERS WHO ARE RELATED PARTIES OR HAVE A SPOUSAL OR FAMILIAR RELATIONSHIP WITHIN THE SECOND DEGREE OF KINSHIP, PLEASE DISCLOSE THE NAME OR DESIGNATION AND RELATIONSHIP.		REMARKS
	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Designation (or name)	Relationship	
SHINFOX ENERGY CO., LTD.	30,244,000	40.78%	–	–	–	–	–	–	–
GOLDSHARE INVESTMENT CORPORATION	2,280,000	3.07%	–	–	–	–	–	–	–
FULLTIME INVESTMENT CORPORATION	2,120,000	2,86%	–	–	–	–	–	–	–
Chia-Hung Qin	2,000,000	2.70%	–	–	–	–	–	–	–
Smart Power System Co., Ltd.	1,802,857	2.43%	–	–	–	–	Zhi Kai Investment Co., Ltd	Related party	–
President Securities Corporation - Derivatives Hedging Account	1,596,000	2.03%	–	–	–	–	–	–	–
Zhi Kai Investment Co., Ltd	1,225,714	1.65%	–	–	–	–	Smart Power System Co., Ltd.	Related party	–
Hsia-Peng Hao	1,115,000	1.50%	–	–	–	–	–	–	–
Hsin Kuang Steel Company Limited	1,000,000	1.35%	–	–	–	–	–	–	–
Jiadeng Venture Capital Co., Ltd.	1,000,000	1.35%	–	–	–	–	–	–	–

IX. The total number of shares held by the Company, its directors, managers, and enterprises directly or indirectly controlled by the Company in the same investee and the consolidated shareholding ratio.

March 31 , 2026 Unit: share; %

Invested business	The Company's investment		Directors, Supervisors, Managers and Directly or Indirectly Controlling Businesses		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Foxwell Certification Co., Ltd.	2,865,000	95.50%	21,000	0.70%	2,886,000	96.20%
Hui Jie Energy Co., Ltd.	50,000	100.00%	0	0	50,000	100.00%
Smart Power System Co., Ltd.	8,160,000	51.00%	0	0	8,160,000	51.00%
Cheng Shin Digital CO., LTD.	4,843,666	49.00%	0	0	4,843,666	49.00%
Billion Sun Energy Storage Technologies Inc.	39,240,000	30%	0	0	39,240,000	30.00%

Three. Fundraising

I. Capital and shares

(I) Sources of share capital

1. Source of share capital

Unit: thousand shares; NTD thousand

Year/ month	Issue price (NTD)	Authorized share capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital increased by assets other than cash	Others
June 2019	10	60,000	600,000	1,000	10,000	Share capital for establishment	None	Note 1
April 2020	10	60,000	600,000	2,000	20,000	Cash capital increase by NT$10,000 thousand	None	Note 2
December 2020	10	60,000	600,000	10,000	100,000	Cash capital increase by NT$80,000 thousand	None	Note 3
June 2022	15	60,000	600,000	60,000	600,000	Cash capital increase by NT$500,000 thousand	None	Note 4
November 2023	-	200,000	2,000,000	60,000	600,000	-	-	Note 5
February 2025	81	200,000	2,000,000	70,500	705,000	Cash capital increase by NT$105,000 thousand	None	Note 6
July 2025		200,000	2,000,000	3,328	738,286	New shares valuing NT$33,286 thousand were issued for share swapping.	None	Note 7
March 2026	14.9	200,000	2,000,000	334	741,620	Exercise of employee stock warrants valuing NT$344 thousand	None	Note 8

Note 1: Approved via the letter of New Taipei City Government under Xin-Bei-Fu-Jing-Si-Zi No. 1088043194 dated June 28, 2019.

Note 2: Approved via the letter of New Taipei City Government under Xin-Bei-Fu-Jing-Si-Zi No. 1098029253 dated April 28, 2020.

Note 3: Approved via the letter of New Taipei City Government under Xin-Bei-Fu-Jing-Si-Zi No. 1098089318 dated December 9, 2020.

Note 4: Approved via the letter of the Ministry of Economic Affairs under Jing-Shou-Shang-Zi No. 11101103840 dated June 27, 2022.

Note 5: Approved via the letter of the Ministry of Economic Affairs under Jing-Shou-Shang-Zi No. 11230213160 dated November 9, 2023.

Note 6: Approved via the letter of the Ministry of Economic Affairs under Jing-Shou-Shang-Zi No. 11430010720 dated February 7, 2025.

Note 7: Approved via the letter of the Ministry of Economic Affairs under Jing-Shou-Shang-Zi No. 11430113840 dated September 22, 2025.

Note 8: Approved via the letter of the Ministry of Economic Affairs under Jing-Shou-Shang-Zi No. 11530036680 dated March 24, 2026.

2. Types of issued shares

March 31 , 2026 Unit: share

Types of shares	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Listed company registered common stock	74,162,071	125,837,929	200,000,000	

3. Information relevant to the shelf registration system: N/A.

(II) List of major shareholders

March 24, 2026 Unit: share

Name of major shareholder \ Shareholding	Shareholding	Shareholdings ratio (%)
SHINFOX ENERGY CO., LTD.	30,244,000	40.78%
GOLDSHARE INVESTMENT CORPORATION	2,280,000	3.07%
FULLTIME INVESTMENT CORPORATION	2,120,000	2.86%
Chia-Hung Qin	2,000,000	2.70%
Smart Power System Co., Ltd.	1,802,857	2.43%
President Securities Corporation - Derivatives Hedging Account	1,506,000	2.03%
Zhi Kai Investment Co., Ltd	1,225,714	1.65%
Hsia-Peng Hao	1,115,000	1.50%
Hsin Kuang Steel Company Limited	1,000,000	1.35%
Jiadeng Venture Capital Co., Ltd.	1,000,000	1.35%

(III) The Company’s dividend policy, and implementation thereof

1. Dividend policy:

   If the Company has earnings in the annual final accounting, it shall pay tax and make up losses in accordance with the law, and then set aside 10% of the earnings as a legal reserve, unless the legal reserve has reached the Company's paid-in capital. Meanwhile, after the special reserve is set aside or reversed in accordance with the relevant laws and regulations, and the undistributed earnings at the beginning of the same period are the accumulated distributable earnings of the shareholders, and the Board of Directors will formulate an earnings appropriation proposal and submit it to the shareholders' meeting for resolution.

   The Company’s dividend policy is determined based on the Company’s profitability, future business development and the protection of shareholders' rights and interests. The method by which the dividend is distributed is determined by the Board of Directors in accordance with the Articles of Incorporation, and no less than 10% of the earnings after tax for the current year shall be allocated as the shareholders’ dividends, subject to the Company’s share capital, financial structure, business overview and earnings at that moment. Meanwhile, capitalization of earnings or cash dividends shall be adopted per the resolution of the shareholders' meeting, in order to achieve a balanced and stable dividend policy. However, cash dividends shall be no less than 10% of the total dividends.

2. Implementation status

   For the 2025 earnings distribution proposal, the Board of Directors resolved on March 3, 2026 to distribute the cash dividends amounting to NT$221,485,713 (NT$3 per share). The dividends will be distributed upon approval per the resolution of the annual general meeting on May 22, 2026, and shall be handled in accordance with the relevant regulations.

3. Expected significant changes in the dividend policy: None.

(IV) The effects of bonus shares proposed at this shareholders’ meeting on business performance and earnings per share of the Company:

Not applicable, as the Company did not propose any bonus shares this year.

(V) Remuneration to employees and directors

1. The percentages or ranges with respect to remuneration to employees, and directors, as set forth in the Company's Articles of Incorporation

   If the Company makes a profit in the year, it shall allocate no less than 6% of the net profit before tax as employee's remuneration, which shall be distributed in cash or share per the resolution of the Board of Directors. The recipients of the distribution may include employees of controlling or subordinate companies who meet certain criteria. Based on said profits, the Board of Directors shall resolve to appropriate no more than 3% of the net profit before tax as directors' remuneration.

   The proposal for the distribution of employees' and directors' remuneration shall be submitted to the shareholders' meeting for reporting. However, if the Company still has accumulated losses, it shall first reserve an amount to offset the losses and then provide the remuneration to employees and directors at the proportion referred to in the preceding paragraph.

2. The basis for estimating the amount of remuneration to employees and directors, the basis for calculating the number of shares to be distributed as remuneration to employees and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figures for the current period.

   The Company's estimate of the remuneration to employees and directors is based on the current period pre-tax net profit and the percentage specified in the Articles of Incorporation, and the estimated amount is recognized as salary expenses. If there is a discrepancy between the actual distribution amount resolved by the shareholders' meeting and the estimated figures subsequently, it will be treated as a change in accounting estimate.

3. Distribution of remuneration approved by the Board of Directors

   (1) The remuneration to employees and directors distributed in cash or in share. If there is any discrepancy between the amount and the estimated amount of the expense recognized, the discrepancy, cause and treatment shall be disclosed:

   The distribution plan for the 2025 (Year 114) employee and director compensation, as resolved by the Board of Directors on March 3, 2026 (Year 115), allocates employee compensation of NT$40,333 thousand and director compensation of NT$6,722 thousand. The difference between these amounts and the amounts recognized in the 2025 financial reports (NT$40,360 thousand for employee compensation and NT$6,730 thousand for director compensation) is NT$27 thousand and NT$8 thousand, respectively. This difference is primarily due to an estimation variance and has been adjusted to the profit and loss for the year 2025 (Year 114). The aforementioned employee compensation will be distributed in cash.

   (2) The amount of remuneration to employees paid in share as a percentage of net income and total remuneration to employees:

   Not applicable, as the Company didn't propose to distribute the remuneration to employees in share.

4. The actual distribution of employee, director and supervisor remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount and stock price of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor remuneration, additionally the discrepancy,

cause, and how it is treated:
The Company's Board of Directors resolved on March 4, 2025, to distribute NT$7,280 thousand in cash as employee compensation for 2023 and NT$1,210 thousand in cash as director compensation for 2023. There was no difference between the actual distribution amounts and the amounts recognized in the accounts.

(VI) Shares repurchased by the Company: None.

II. Issuance of corporate bonds: None.

III. Preferred shares: None.

IV. Overseas depository receipts: None.

V. Employee stock warrants:

(I) Status of employee stock warrants unexpired as of the date of publication of the annual report and the effect on shareholders' equity

Types of employee stock warrants	2023 employee stock warrants
Effective date of filing and total number of units	2,000,000 Units on December 1, 2023
Date of issue	December 6, 2023
Duration	5 years
Number of issued units	2,000,000 units (1 share/unit)
Number of outstanding units	-
Number of subscribable shares as a percentage of total issued shares (Note 2)	2.84%
Duration of subscription for shares	A subscriber's stock option shall be exercised in accordance with the specific contents of the stock option contract, and shall be exercised prior to expiration of the employee stock option warrant.
Contract performance method	Issuance of new ordinary shares
Restricted subscription period and percentage (%)	25% upon expiration of two years 35% upon expiration of three years 40% upon expiration of four years
Number of shares acquired upon exercise of the stock option	0 share
Subscription amount upon exercise of the stock option	NT$0
Number of shares without exercising the stock option	2,000,000 Units
Subscription price per share without exercising the stock option	NT$16
Number of shares without exercising the stock option as a percentage of total issued shares (%) (Note 2)	2.84%
Effect on shareholders' equity	No significant impact was posed on the dilution of ordinary shareholders' equity.

Note 1: The Company plans to discontinue the employee stock warrants issued in 2023, upon expiration of their duration.

Note 2: Calculated based on the total of the issued shares, 70,500,000 shares.

(II) Name and subscription status of managerial officers who have obtained employee stock warrants and employees ranked in the top 10 employees with the highest number of shares to which they have subscription rights through employee stock warrants acquired, up to the date of publication of the annual report:

March 31, 2025; Unit: Thousand shares; NTD thousand

<table>
<tr><th rowspan="2"></th><th rowspan="2">Job Title</th><th rowspan="2">Name</th><th rowspan="2">Number of shares acquired</th><th rowspan="2">Number of acquired shares as a percentage of total issued shares</th><th colspan="4">Exercised</th><th colspan="4">Not exercised</th></tr>
<tr><th>Quantity of subscription</th><th>Subscription price</th><th>Subscription amount</th><th>Quantity of subscription as a percentage of total issued shares</th><th>Quantity of subscription</th><th>Subscription price</th><th>Subscription amount</th><th>Quantity of subscription as a percentage of total issued shares</th></tr>
<tr><td rowspan="8">Manager</td><td>President</td><td>Hsia-Peng Hao</td><td rowspan="8">345</td><td rowspan="8">17.25%</td><td rowspan="8">-</td><td rowspan="8">-</td><td rowspan="8">-</td><td rowspan="8">-</td><td rowspan="8">345</td><td rowspan="8">16</td><td rowspan="8">5,520</td><td rowspan="8">17.25%</td></tr>
<tr><td>Manager of Energy Business Department (Note 2)</td><td>Tsung-Chun Lu</td></tr>
<tr><td>Manager of Energy Storage Business Department (Note 2)</td><td>Chia-Chin Yang</td></tr>
<tr><td>Senior Manager of Energy Conservation Business Department (Note 3)</td><td>Chen-Fang Lin</td></tr>
<tr><td>Director of Planning and Development Office (Note 2)</td><td>Kuan-Hua Hsu</td></tr>
<tr><td>Manager of IT Division (Note 2)</td><td>Yen-Hui Wu</td></tr>
<tr><td>Manager of Administration Center (Note 2)</td><td>Tai-Cheng Wu</td></tr>
<tr><td>Finance and Accounting Officer</td><td>Yi-Ju Lin</td></tr>
<tr><td rowspan="4">Employee (Note 1)</td><td>Deputy Manager of Energy Storage Business Department</td><td>Yan-Lin Tseng</td><td rowspan="5">210</td><td rowspan="5">10.50%</td><td rowspan="5">-</td><td rowspan="5">-</td><td rowspan="5">-</td><td rowspan="5">-</td><td rowspan="5">210</td><td rowspan="5">16</td><td rowspan="5">3,360</td><td rowspan="5">10.5%</td></tr>
<tr><td>Director of Sustainable Development Office</td><td>Yun-Jen Yang</td></tr>
<tr><td>Director, Legal Affairs Office, Administration Center</td><td>Hsiao-Chieh Pan</td></tr>
<tr><td>Section Manager of Energy Storage Business Department</td><td>Chin-Tong Tsai</td></tr>
<tr><td></td><td>Engineer of Energy Storage Business Department</td><td>Chao-Yuan Cheng</td></tr>
</table>

Note 1: The top ten employees are sorted by surname.

Note 2: Reported as a manager since October 1, 2024.

Note 3: Appointed as a manager starting from October 1, 2024, and removed from the position of manager on March 4, 2025.

(III) Status of restricted employee stock issuance in the most recent year and up to the date of printing of the annual report: None.

VI. Status of restricted stock awards (RSAs): None.

VII. Issuance of new shares for mergers and acquisitions or acceptance of shares of other companies: None

VIII. Execution of the Fund Utilization Plan: Not applicable.

Four. Business overview

I. Business activities

(I) Scope of business

1. The Company's main business activities

Primarily, the Company engages in green electricity trading, energy-saving services, energy storage services, and energy storage frequency regulation ancillary services (Automatic Frequency Control, AFC), which include dynamic regulation reserve (dReg) and enhanced dynamic regulation reserve (E-dReg), alongside various energy integration management services. In the realm of green electricity trading, the focus is on procuring power from renewable energy suppliers and subsequently reselling it to entities requiring renewable electricity. Energy-saving services involve providing clients with comprehensive energy audits. These assessments cover the operational status of diverse equipment, such as electrical systems, lighting, air conditioning, compressed air units, and industrial furnaces, leading to the proposal of improvement plans and the execution of energy-saving projects like equipment upgrades. Energy storage services mainly encompass turnkey solutions for building and maintaining energy storage systems. This includes site evaluations, equipment selection and system design, financial modeling, application for grid connection capacity, and the provision of expert operational services for Taiwan Power Company’s electricity trading platform. The energy storage frequency regulation ancillary services utilize the rapid charging and discharging capabilities of grid-connected storage to assist Taiwan’s power grid in quickly responding to temporary frequency variations, thereby enhancing the stability and reliability of the nation’s power supply. Other energy integration management services feature a green electricity trading platform, energy management systems, and energy monitoring systems, all designed to offer corporate users more precise oversight and control of their energy consumption, peak demand, and green electricity utilization. The Company’s subsidiary, Foxwell Certification Co., Ltd. (hereinafter referred to as Foxwell Certification), mainly provides corporate energy management, greenhouse gas inventory, inspection, carbon neutrality, corporate ESG sustainable report preparation services and software services.

2. Weight of business

Unit: NTD thousand; %

Year / By product	2024		2025	
	Operating revenue, net	Weight (%)	Operating revenue, net	Weight (%)
Electricity sales revenue	1,016,375	53.87	1,306,105	26.17
Construction revenue	516,058	27.35	3,296,064	66.05
Service revenue	354,152	18.78	387,889	7.78
Total	1,886,585	100.00	4,990,058	100.00

3. The Company's current products (services)

A. Sale of electricity

Primarily, the Company purchases electricity from renewable energy suppliers and resells it to those who demand renewable power.

B. Engineering business

Energy Saving Project includes the update and replacement projects for air-conditioning systems, cooling circulation systems, heat pump hot water systems, air compressor heat recovery systems and industrial furnace combustion energy-saving systems; the Energy Storage System project includes site development and turnkey engineering, ranging from site survey and assessment, planning and design, document application, installation and construction and grid capacity application to system testing.

C. Technical services business

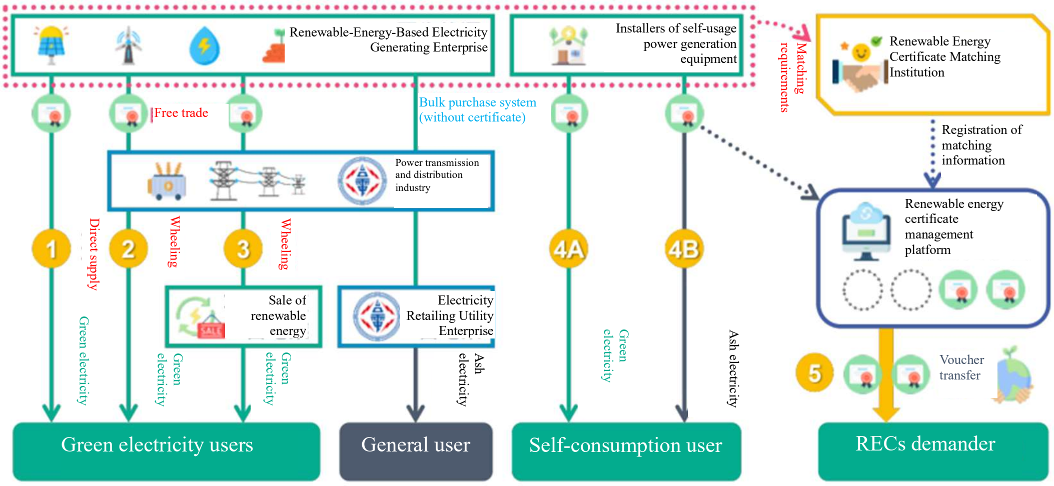
Provide a complete energy-saving health diagnosis service, and provide specific improvement suggestions on the operation of electricity, lighting, air conditioning, air compressor and industrial furnace equipment; and participate in the tender for Taipower's electricity auxiliary service with the self-built energy storage system, with the service fee charged based on the bid price and power quality .

4. New products (services) planned to be developed:

A. Optimization technology for power wheeling to overcome mismatches caused by deviations in expected power generation and consumption between renewable energy generators and end-users.

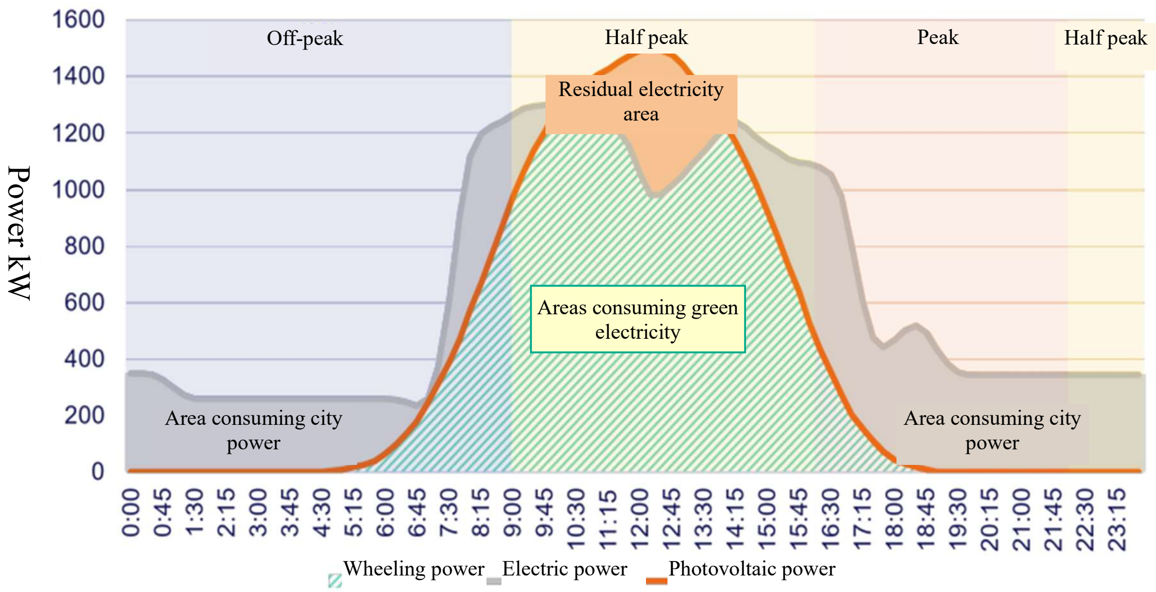
According to Taiwan's renewable energy power and certificate market structure, as shown in Figure 1, renewable energy retailers must wheel renewable energy power to renewable energy users through the transmission and distribution utility (Taipower). The regulations governing power wheeling are stipulated in the renewable energy settlement rules under the "Taiwan Power Company Energy Wheeling and Grid-Connected Direct Supply Operating Regulations." The fundamental principle of these rules is that "Only when the power generated by the generation facility equals the power consumed by the user within the same time interval can the wheeled electricity volume be accumulated." For the time being, Taipower's energy wheeling is carried out in two matching steps. For the first matching step, please refer to Figure 2, a simplified diagram of energy wheeling. For the second matching step, please refer to Figure 3, a diagram of the redistribution of surplus power in each time frame. Notwithstanding, intermittency and instability exist in renewable energy and, therefore, customers' power consumption would vary depending on the power actually consumed. Besides, Taipower's various supply wheeling parameters need to be pre-set (1 month) and it is impossible to adjust the same dynamically. Therefore, it is easy that the power wheeling result might deviate from the expectation. The Company already has leading experience in power wheeling, leading the industry in the domestic market. So far, it has transferred power to more than hundreds of locations, serving customers spanning the financial industry, service industry, telecommunications, software, technology, and manufacturing industries and retail. The types of renewable energy include onshore wind power and photovoltaics. Plentiful power consumption habits of households and the characteristics of renewable energy generation have been accumulated. With the energy integration platform established by the Company, big data and machine learning are used to forecast power generation, analyze power consumption, and optimize power wheeling parameters to reduce deviation in power wheeling.

Fig. 1. Renewable energy power and certificate market architecture



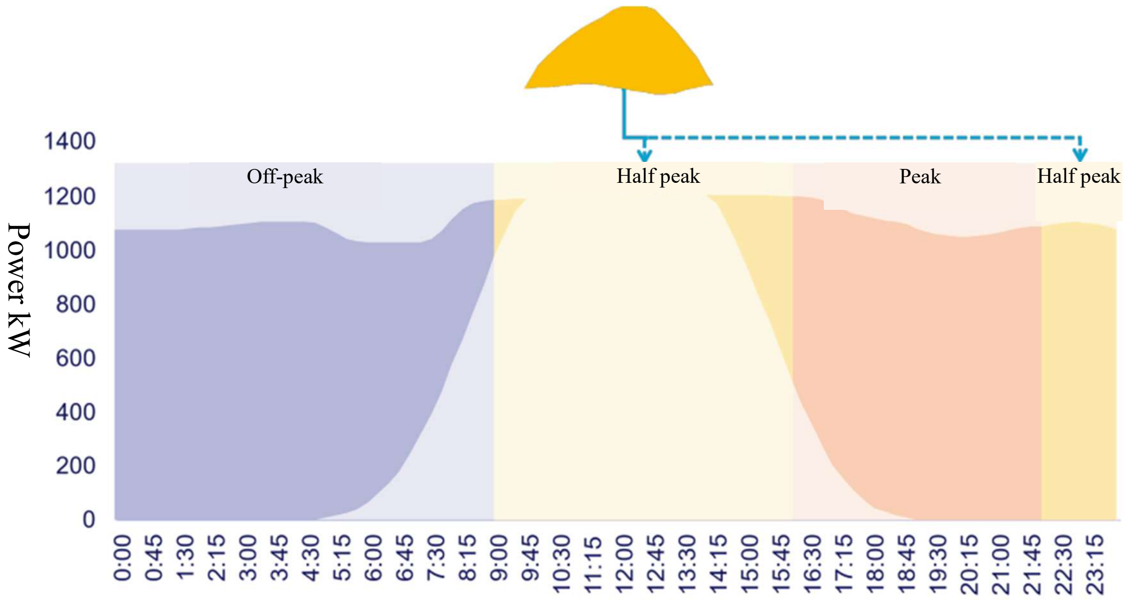
Source of data: Official website of Taiwan Power Company

Fig. 2. 1st matching schematic diagram of power wheeling by Taipower



Source: The Company's self-made simulations based on the project

Fig. 3. 2nd matching schematic diagram of power wheeling by Taipower



Source: The Company's self-made simulations based on the project

B. Assist the owners in the development of industrial furnace combustion efficiency and waste heat recovery.

The Company develops industrial furnace combustion efficiency enhancement technology and reduces greenhouse gas emission, and plans to expand the oxygen-enriched combustion energy-saving system, as oxygen-enriched combustion can effectively improve the combustion efficiency of boilers and reduce fuel consumption, significantly reduce the heat loss during combustion, save energy, reduce flue gas volume, reduce smoke pollution emissions, and more, have obvious benefits, and then enhance the capture of carbon dioxide through the catalytic technology. The Company also plans to introduce a waste heat recovery device to treat waste heat. The waste heat gas or waste hot water after passing through the heat exchanger can be directly supplied to the required process, or the heat source can be introduced directly and the heat exchanger will be used to transfer the heat into the hot water or steam type, provide power generation (ORC-Organic Rankine power generation system) or refrigeration (lithium bromide chiller), reduce thermal pollution, increase resource utilization efficiency, enhance the Company's technology differentiation in the energy service industry, and create long-term profit.

C. Expand the energy storage system with renewable energy service grid technology

With renewable energy targeted to reach 20% of the energy mix by 2025, its proportion in Taiwan's power grid is likely to increase further post-2025. Concurrently, energy storage systems, which can support renewable energy integration, will become increasingly important. In the future, large-scale photovoltaic and offshore wind power projects may be required to install specific energy storage systems to face the drastic changes in renewable energy. In the face of such changes, the Company will further expand the system control technology combining renewable energy and energy storage system to upgrade the corporate value.

(II) Industry overview

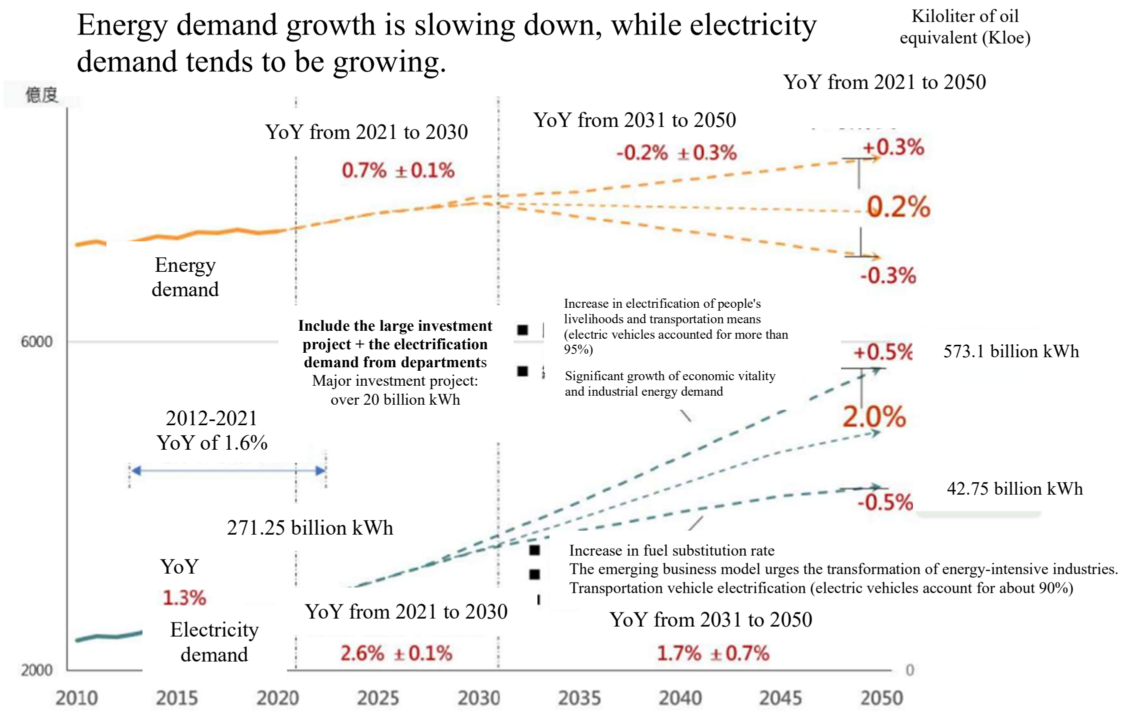
(1) Current status and development of the industry

A. Renewable-Energy-Based Industry

According to the “2050 Net Zero Emission” dedicated website of the Ministry of Economic Affairs, 150 countries have announced their participation in the net zero initiative, accounting for 85.50% of the total emissions. In response to the cross-generational, interdisciplinary, and multi-national transformation project towards net-zero emissions in 2050, Taiwan’s government will build a basic environment in two major aspects, including technology research and development and climate legal system and promote four major transformation strategies, namely energy, industry, life, and society, and propose “12 key strategies” to implement the long-term vision for net zero transformation. Most countries have set net zero emission goals in response to the global net-zero emission trend. The European Union has even proposed the "Carbon Border Adjustment Mechanism (CBAM)" to require imported products to submit CBAM certificates based on the carbon content, in order to accelerate the carbon reduction process in various countries. Meanwhile, major international manufacturers have also joined the RE100 initiative to announce the schedule for corporate net zero emission goals, and require their supply chain suppliers to adopt green electricity and strengthen carbon reduction. As an export-oriented economy, Taiwan is bound to face the challenge from tightening of international carbon controls in the future. It needs to plan for net zero transformation in advance, in order to comply with the carbon reduction trend in international trading, continue to expand exports and control orders.

In the context of the net zero emission, the electricity consumption trend from 2023 to 2050 is expected to be in line with the international trend. Due to the factors, such as overall economic growth and industrial development, people's livelihood and intellectualization of industrial process equipment, in addition to the electrification of energy usage by the departments including the electric transportation vehicles development department, the average annual growth rate of power consumption is expected to grow by 2.0±0.5% year over year (maximum 573.1 billion KwH in 2050); however, due to the negative growth of non-electricity consumption such as petroleum products, natural gas, and coal, the growth rate of Taiwan's overall energy consumption (electricity + non-electricity) becomes sluggish, showing a slight growth trend.

Fig. 4. Electricity demand analysis table



Note: The demand planning shall take into account the economic growth (including the continued increase in major investment projects, and increase in industrial automated production and electrification), popularization of working from home and smart business models, increase in the penetration rate of electric transportation vehicles to 90%, and increase in smart homes. Further, the Company shall also incorporate energy-saving policies, including electricity growth management (e.g., implementation of the smart energy management system), implementation of industrial low-carbon manufacturing processes and changes in lifestyle and behaviors to suppress the demand.

Source of data: National Development Council <<Taiwan 2050 Net Zero Emission Roadmap and Strategy Overview>

In conclusion, it is expected that Taiwan will inevitably need to accelerate energy transformation. It will continue to expand the capacity of green energy installations, including 20GW solar PV, 5.6GW offshore wind power, 2.08GW hydropower in 2025, etc.. Meanwhile, in terms of the energy storage and smart system integration, it will implement the policy for the continued deployment of energy storage equipment in response to the setup of renewable energy, in order to dispatch and stabilize the generation and demand of renewable energy, provide the flexibility and backup capacity of the power grid system, and stabilize the energy supply required domestically. Meanwhile, through the deployment of smart grids and smart meters, the Company can promote more effective hourly electricity pricing, and guide all sectors to reduce energy consumption during peak hours through the pricing mechanism. This will also help increase the incentives for the use of low-carbon energy, which in turn stimulates the demand for installation of renewable energy units.

According to information disclosed by the National Renewable Energy Certificate Center website, cumulative electricity generation reached 13,728,368 MWh as of March 31, 2026. Of this total, wind power generation amounted to 5,672,057 MWh; solar power generation was 7,149,120 MWh; and other energy sources accounted for 907,192 MWh. The cumulative number of approved project sites was 7,839; the total transaction volume was 12,430,756 MWh.

This volume includes 12,021,166.738 MWh transferred through Direct Supply (Renewable Energy Electricity Trading) and 409,589.449 MWh transferred through self-generation/self-use. Taiwan Semiconductor Manufacturing Company, Ltd. (hereinafter referred to as TSMC) acquired 6,753,933.971 MWh of renewable energy generation through Direct Supply, accounting for 56.18% of the total Renewable Energy Electricity Trading volume.

The transaction volume through the Company was 665,626.029 MWh, accounting for 5.54% of the total Renewable Energy Electricity Trading volume, and 12.64% of the total Renewable Energy Electricity Trading volume excluding TSMC, positioning the Company as the leader among renewable energy retailers (excluding TSMC).

Statistics on certificate recipients show a total of 739 recipients (corporations and natural persons), with customers serviced by the Company accounting for 11.37% of the total transaction volume, establishing the Company as a pioneer in this market.

At the beginning of establishment of the Company's Energy Conservation Business Unit, the Unit was dedicated to the development and implementation of professional ESCO air-conditioning and lighting system engineering projects. The so-called ESCO is the Energy Engineering Service Company (Energy Engineering Service Company), aiming to help owners reduce the energy charges and mitigate the GHG emission to achieve the purposes of energy conservation and environmental protection. This industry service should not only be the purchase and sale of equipment construction projects. It is necessary to combine Industry 4.0 technology and ESG practices with the implementation of ICT information communication technology, so that the energy technology services provide not only energy-saving improvements and technical support, but also diversified information services and comprehensive solutions for the energy supply and demand sides. The cloud-based ESCO energy management uses the ISO 50001 procedure file guidance to collect equipment and system operation data and information through scientific instruments such as smart meters and digital meters. The data are then aggregated through the network gateway and stored in the cloud hard drives or servers, and analyze application capabilities through Big Data, in order to propose better countermeasures and technical supports.

In recent years, global energy conservation has moved from replacement of equipment to "digital energy management" and "system integration.” As CBAM has entered the implementation phase, energy conservation becomes an indicator for enterprises’ survival and supply chain competitiveness. The development focuses on digitalization of the use of AI to predict peak demand and adjust HVAC and lighting to save the energy by 15% to 30%, and the performance of digital twins is optimized before production to reduce heat loss. For industrial green transformation, the Company is accelerating and upgrading to IE5 high-efficiency motors and making breakthroughs in low-temperature waste heat recovery technology. Meanwhile, the "cloud-based energy management system" integrates the decisions made by IoT and AI experts to realize a digital closed loop ranging from data collection and precise inventory to trend analysis, to derive the innovative models such as preventive diagnosis and dynamic adjustment. The technological advancement not only refined the improvement and equipment fine-tuning for energy-consuming systems, but also derived innovative business models including "preventive energy consumption diagnosis," "dynamic energy dispatch" and "predictive maintenance." According to the 20-year promotion schedule for the "Smart Grid Overall Planning Program," the government is expected to invest NT$139.9 billion to strengthen the industrial foundation. Given the technological integration and market expansion, the output value of the smart grid industry is expected to reach NT$700 billion in 2030, reflecting the strong economic momentum and carbon reduction capabilities.

The Energy Storage Business Unit was established because Taipower invited private sectors to work together for the grid stability and focus on the application of grid energy storage. For the time being, the batteries are primarily supplied by foreign countries, and local construction contractors already have sufficient capacity to support them. Notwithstanding, each integrated system has its own merits. According to the “Taiwan's 2050 Net-Zero Transition “Power System and Energy Storage” Key Strategic Action Plan” authorized by Ministry of Economic Affairs, the market demand for energy storage systems is expected to reach 1GW in 2025, aiming to reach 3GW by 2030. As of March 2026, the total installed capacity of such systems for which the registration has been completed is approximately 1.8GW.

B. Engineering Business Industry

The Company’s engineering business mainly provides services for owner’s energy-saving engineering and energy storage engineering construction. The following is an overview of the energy-saving and energy storage industry:

(A) Energy Conservation Industry

Taiwan has published the “Energy Management Act” in 1980, and has also joined the central and local governments to promote energy conservation activities, and continues to promote equipment efficiency management and energy consumption behavior management. Based on the social and economic situation, the government leads the industry and the public to foster a nationwide energy-saving environment. Through the joint efforts of the government and the public in promoting energy-saving policies, a collective consensus on energy conservation has gradually formed, and significant transformations in energy efficiency continue to unfold:

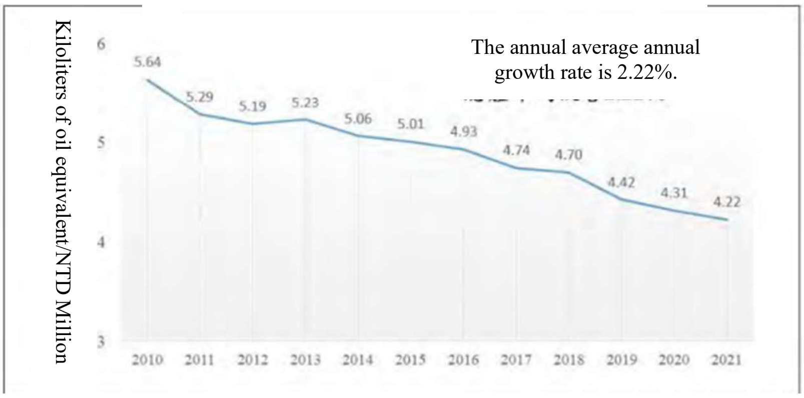
a. Energy-saving marks and labels now cover all energy-consuming equipment: The energy efficiency labeling system was launched in 2010. The accuracy of labels on shopping mall was only 72%, and now it is 99.9%.
b. Significant improvement in air conditioner leakage from businesses: Before 2010, over 70% of businesses experienced air conditioner leakage. Currently, 99% of commercial premises have installed devices to prevent air conditioner leakage.
c. Energy-saving knowledge integrated into daily life: From a lack of understanding about household appliance energy consumption

to creating energy-saving lifestyle guides, subsequently leading family members to modify their electricity usage habits.

d. Taiwan's Lighting Revolution: A National Success Story - Progressing from the comprehensive replacement of traffic signal lights with LEDs in 2003, to substituting mercury vapor streetlights with LED streetlights in 2013, followed by the promotion of LED flat panel indoor lighting starting in 2016, and culminating in the introduction of LED smart lighting in 2021.
e. Mobilizing resources across sectors for comprehensive energy conservation: 22 cities and counties have established dedicated energy-saving units; 15 universities and colleges possess the capacity to train students in energy-saving technical guidance; 366 Energy Service Companies (ESCOs) are engaged, providing energy efficiency improvement technical services and financial planning; 6,794 energy management personnel have been trained to promote energy conservation within enterprises; and, in collaboration with Non-Governmental Organizations (NGOs), 13,000 local energy-saving volunteers have been trained and guided to promote energy conservation in urban and rural areas, as well as within households.

Through a decade of dedicated energy conservation efforts, Taiwan's energy efficiency has shown significant improvement year after year, with a continuous decline in energy intensity. This metric has decreased from 5.64 liters of oil equivalent per thousand NTD in 2010 to 4.22 liters of oil equivalent per thousand NTD in 2021, representing an average annual improvement of 2.22%.

Fig. 5. Energy Intensity Improvement Status in Taiwan



Source of data: Bureau of Energy Statistics, Directorate General of Budget, Accounting and Statistics (DGBAS) Gross Domestic Product (GDP); Ministry of Economic Affairs, Taiwan's 2050 Net-Zero Transition "Energy Saving" Key Strategic Action Plan (April 2023)

According to the "Taiwan 2050 Net Zero Emission Roadmap and Strategy Overview" published by the National Development Council, Executive Yuan, energy conservation is the highest guiding principle for the promotion of energy conservation policy. This energy conservation program covers industrial, commercial, residential, and transportation segments, while integrating emerging energy-saving technology applications to achieve the goal of "maximize energy efficiency." Implementation roadmaps of each department:

a. Industrial energy saving: Implementing measures such as process improvement, industrial energy conservation guidance, aligning equipment efficiency with international standards, and doubling corporate energy-saving targets.

b. Commercial energy saving: Advancing equipment efficiency improvements, providing on-site energy conservation guidance, reinforcing energy efficiency management systems, conducting hotspot analysis and implementing intelligent operation and maintenance management, and promoting green buildings.

c. Residential energy saving: Promoting energy efficiency enhancement in new and existing buildings, improving the efficiency of household appliances, and public awareness and communication.

d. Transportation energy saving: Undertaking initiatives including broadening the scope and depth of vehicle energy efficiency management, changing fleet driving practices, and implementing mandatory tire energy efficiency verification.

e. R&D of technology: R&D of innovative manufacturing process, R&D of equipment technology, and energy management system integration, and more.

The economic benefits of the aforementioned energy-saving strategic plan stem from subsidies for energy-efficient equipment, which will drive industrial development and enhance employment opportunities. The plan's implementation will directly boost sales growth in industries such as lighting, HVAC (heating, ventilation, and air conditioning), general machinery, and household appliances, as well as create market demand for the energy service company sector. This can drive industries to collectively invest NTD 395.6 billion in energy conservation initiatives, stimulate NTD 230.5 billion in output for related industries, and create 144,000 job opportunities.

[Fig. 6. Energy-saving strategic plan in Taiwan]

Source of data: Ministry of Economic Affairs, Taiwan's 2050 Net-Zero Transition "Energy Saving" Key Strategic Action Plan (April 2023)

2025 years	2030 years
Manufacturers gradually replace production equipment	Manufacturers introduce high-efficiency and low-carbon manufacturing process equipment

50% of the energy consumption of major energy users is managed under ISO 50001	60% of the energy consumption of major energy users is managed under ISO 50001
700 new green buildings each year	800 new green buildings each year
Grade 1 air-conditioning and refrigeration equipment are used to introduce the best air conditioning operating system, and replace lighting fixtures with LED lights	30% of commercial major energy users utilize Grade 1 energy-efficient air conditioning and refrigeration equipment, 60% have implemented optimized air conditioning operation systems, and 100% have adopted LED lighting
Residential building envelope standards improved by 5%	Residential building envelope standards improved to 10%
100% of light bulbs sold in the market are LED lights	Air conditioners and refrigerators will have their MEPS raised to Level 3
2.5 tons or more of the small trucks are included in the vehicle energy efficiency management	Overall new car efficiency increased by 30%

(B) Energy Storage Industry

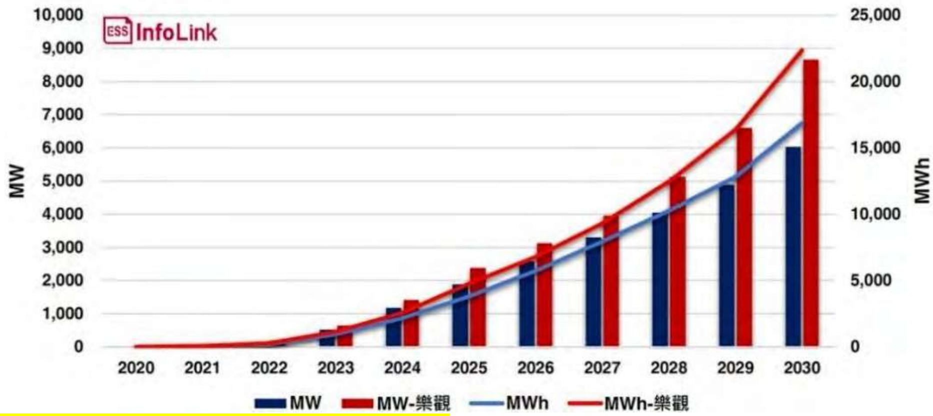
Given the global focus on carbon neutrality, renewable energy has become an irreversible trend. However, due to its intermittent nature and higher instability - for instance, solar power generation can be significantly reduced on cloudy or rainy days with insufficient sunlight, or even by a passing cloud blocking the sun; similarly, insufficient wind can prevent wind turbines from generating electricity - the resulting unstable power generation can impact the quality of electricity supply. To address this fundamental issue, energy storage systems have become an indispensable “relay station.” For example, they can store the green electricity generated during the day for use at night or release it during power shortages. Therefore, the future energy trend emphasizes smart grid models, making the energy storage industry a crucial component.

In order to achieve the net zero carbon emissions by 2050, the government plans that the solar PV power generation will reach 40-80GW by 2050, and the offshore wind power generation will reach 40-55GW by 2050. If the new renewable energy is required to be accompanied by energy storage, the business opportunities will be substantial. According to the estimation of InfoLink, a research institution, this type of energy storage will grow rapidly after 2026 and become the main force of the market.

Given Taiwan’s potential future power shortages and the inability to immediately generate a large amount of energy, the quickest solution is energy conservation. Beyond conservation, it’s also essential to understand how to store electricity. Considering Taiwan's current situation, embarking on the path of energy storage is inevitable. As the proportion of green energy gradually increases in the future, the demand for energy storage will inevitably continue to grow.

According to the current Taipower auxiliary service capacity planning, electricity heavy user clauses, and other corresponding development policies, the energy storage market in Taiwan has reached 1GW/3GWh in 2025, and the global chemical energy storage market also exceeded 1%. According to the forecast by InfoLink, from 2026 to 2030, with the increase in the proportion of renewable energy generation and the decrease in the price of energy storage equipment, the energy storage market will enter a period of rapid growth. It is expected that the cumulative scale of energy storage will rapidly expand from 3GWh to 20GWh by 2030. In terms of the economy of scale, the energy storage market in 2026 will exceed NT$20 billion. Meanwhile, it will maintain a rapid growth horizontally to the total energy storage scale by 2030, which will be NT$200 billion. For related industries or enterprises with transformation needs, it is a promising development path.

[Fig. 7. Scale of Taiwan's energy storage market]

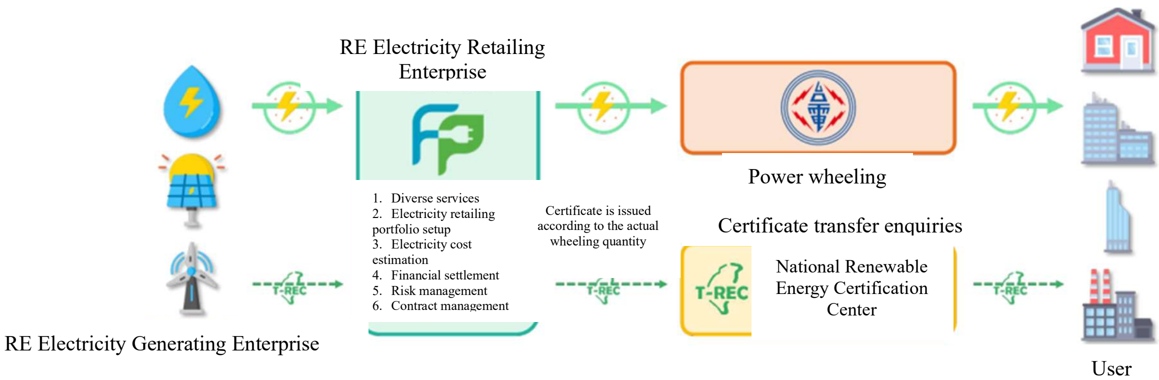


Source of data: InfoLink (June 2022)

(2) Correlation among the up-stream, mid-stream, and down-stream segments in the industry

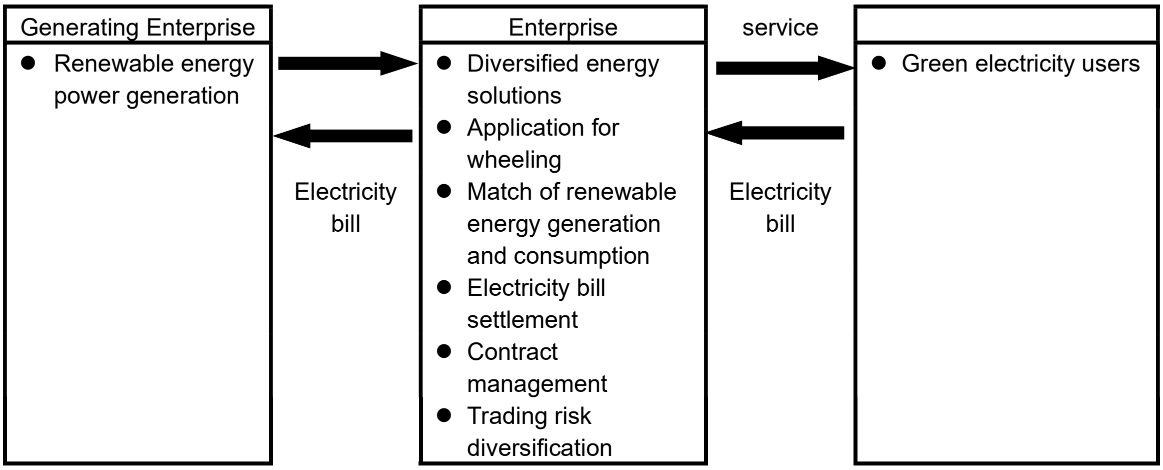
A. The trading model of renewable energy and electricity of a Renewable-Energy-Based Electricity Retailing Enterprise shall be governed by the "Electricity Act," "Renewable Energy Development Act," and "Taiwan Power Company Energy Wheeling and Grid-Connected Direct Supply Regulations." For the trading model, please refer to Fig. 8.

Fig. 8. Schematic diagram of green electricity trading



Source of data: Official website of Taiwan Power

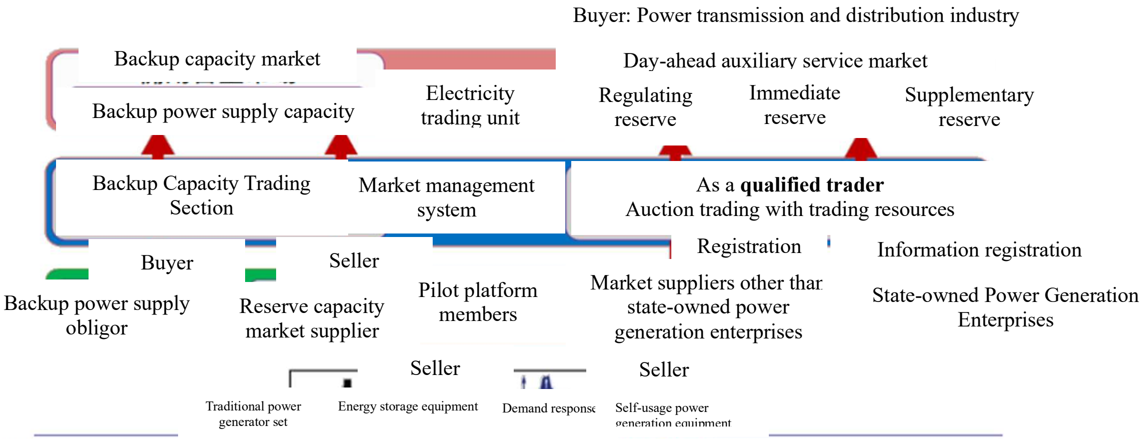
Up-stream		Mid-stream		Down-stream
Renewable-Energy-Based Electricity	Power supply	Renewable Energy Electricity Retailing	Electricity supply	Renewable energy users



B. Electricity auxiliary services

Follows the government's renewable energy policy, and it is expected that the proportion of renewable energy will reach 20% by 2025. Taipower's dispatching strategy shall be based on the principle emphasizing the green power first, primarily gas and secondarily coal, in order to reduce the quantity of traditional thermal power unit connection in parallel. The intermittency of renewable energy has degraded the security and stability of the system power supply. Diverse and abundant non-traditional generating sets provide diverse auxiliary services. Therefore, the target of this business service is Taipower, and the holder of the energy storage system participates in the tender for Taipower's auxiliary service. The service fee shall be charged according to the bid price and quality of the power.

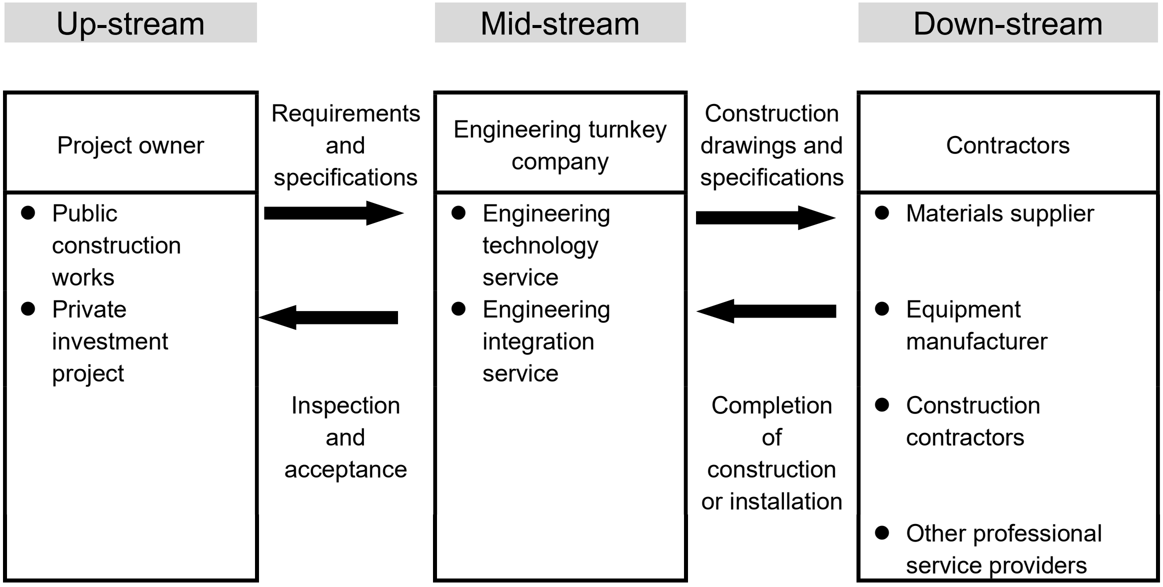
Fig. 9. Schematic diagram of green electricity trading



Source of data: Electricity trading platform website of Taiwan Power Company

C. Engineering Business Industry

The mechanical and electrical engineering integration service business is between the customers (demand end), materials suppliers, equipment vendors, labor sub-contractors and their surrounding industries (supply end), in order to integrate technical services in different related professional fields, provide owners and customers with the best construction performance and progress, ensure project quality and an operating environment that meets the production needs of the owners and customers. The Company primarily provides customers with the feasibility analysis, planning, design, procurement services, equipment supply, manufacturing supervision, and maintenance operations for engineering work, as a mid-stream dealer in the industry. The up-stream segment in the industry refers to the owners with construction needs and the turnkey companies rank in the mid-stream sector in the industry. The down-stream sector in the industry refers to the third-party vendors, such as materials and equipment suppliers and construction companies, who are the partners of the contracting companies in mid-stream sector in the industry. The chart of correlation among the up-stream, mid-stream, and down-stream segments in the industry is shown as following:



(3) Development trends and competition of products

A. Various development trends of products

(A) Renewable Energy Electricity Retailing Enterprise

In response to Taiwan’s energy transformation policy and international governments’ and brands’ focus on GHG emissions, based on RE100 “Taiwan Energy Market Briefing: Net-Zero Plans and Aggregated PPAs" that Taiwan had announced its "2050 Net-Zero Carbon Emission Goal" and demonstrated its commitment to carbon reduction. This shows the Company’s important step in the right direction. As the demand for green electricity in the industry continues to increase, Taiwan must at least maintain the development trend of green electricity in line with the net zero emission goal. For enterprises that have the ability to procure green electricity, as the supply of green electricity increases, it is critical that the market can maintain affordable purchase price in order to cope with the pressure from legal compliance and supply chain. The participation in RE100 by more and more Taiwan-based enterprises and the green electricity demand from other international enterprises will pass on the momentum of this wave of green electricity procurement to the entire market. Taiwan's RE100 enterprise members are all the leaders in promoting the reform of the green electricity market and seeking policies and other market solutions, who have also gradually exerted their green influence in the local and global markets.

There are more than 100 active RE100 members in Taiwan, of which 25 are headquartered in Taiwan, including TCI, Tridle, Har O’Right, Grape King, TSMC, Kingwhale, Delta Electronics, Jola Lab, Acer, UMC, KYF, ASUS, Merry, Taiwan Mobile, AUO, E Ink, Cathay Financial Holdings, Primax, E.SUN Financial Holdings, Flexium, Fubon Financial Holdings, GWC, Qisda, VIS and FET, which joined it in order.

Meanwhile, in 2021, Taiwan officially implemented the "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity ," commonly known as the Heavy Industrial Consumers Regulations. There were more than 500 customers put under control at first. As a result, 300 juristic persons were affected, thus creating the demand for renewable energy exceeding 1GW.

(B) Energy storage system engineering business

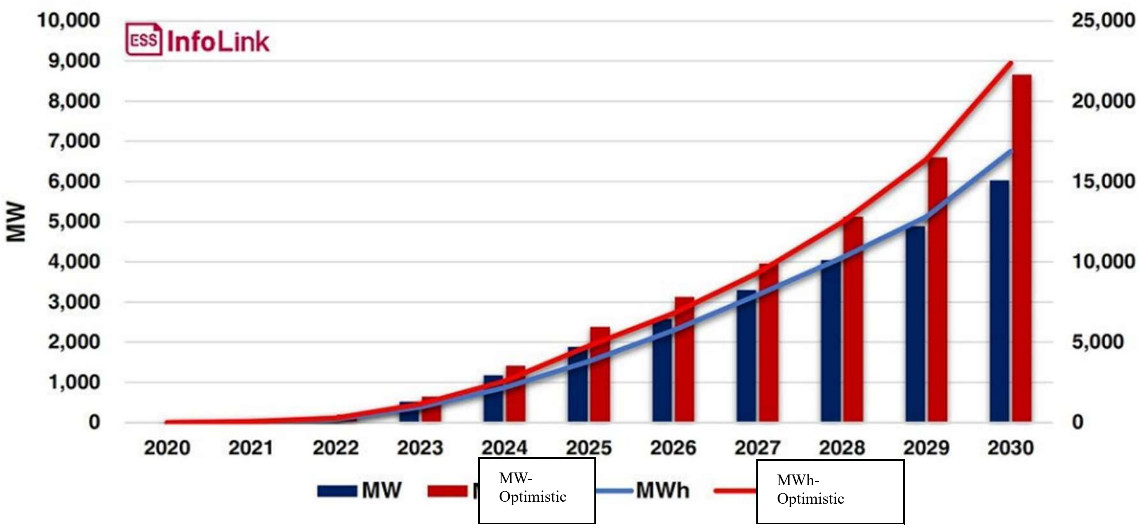
At present, the most common energy storage applications are widely found in all aspects of power generation, transmission and distribution, and power consumption. In the middle of the period, there will be more energy transfer services available, which also involve the energy regulation due to the introduction of renewable energy and the regulation during the off-peak and peak power consumption.

For the time being, the Company focuses on the smart grid system with local autonomous power generation and power storage. It can be applied to renewable energy equipment, such as solar photovoltaic or wind power projects to store the excess electricity generated by the energy storage equipment. The electricity will be released when there is demand in the power system and flexible dispatching as an important source of grid stability. It can also be combined with local governments to form a distributed smart grid. The transformation from the centralized energy generation unit to the smart decentralized power grid layout has become an inevitable trend to establish a smart city in the future.

According to the latest analysis and forecast released by the international market research institution, Bloomberg NEF in the second half of 2025, the global demand is expected to reach 2TW/7.3TWh in 2035. Meanwhile, the renewable energy market research company, InfoLink, analyzes and forecasts (as shown in Fig. 10) that the cumulative scale of Taiwan's energy storage market will reach 7~8 GW in 2030, with the capacity reaching 20GWh. The cumulative market scale will reach NT$200 billion. Apparently, the development of energy storage is promising.

Fig. 10. Forecast of cumulative scale of Taiwan's energy storage market

Forecast of cumulative scale of Taiwan's energy storage market



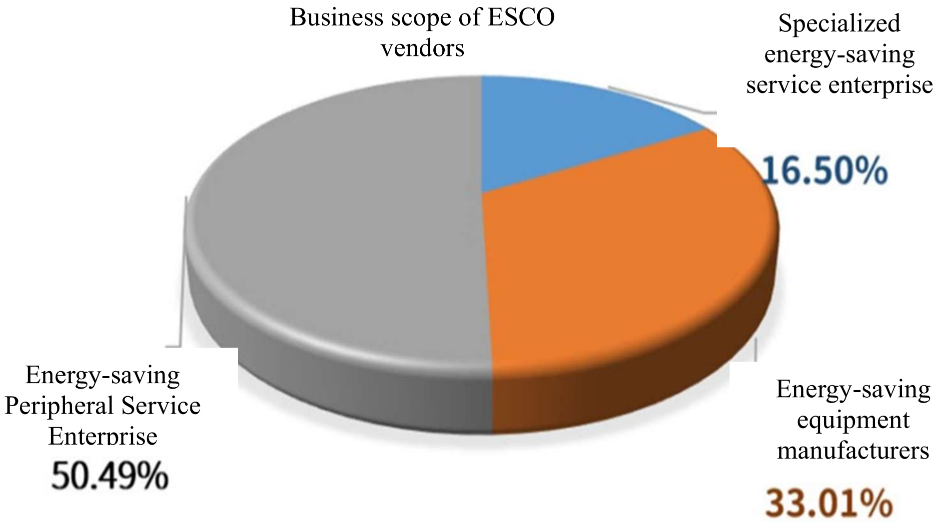
Source of data: Info Link

(C) Energy Conservation Engineering Business Statistics

In terms of the business scope of ESCO vendors (Fig. 11), 50.49% of the ESCO companies are engaged in business scope where energy-saving projects are only a subsidiary business line but not the main operating revenue source of them (e.g., Chunghwa Telecom, FuSheng, or Chailease). Among the other things, 33.01% of them are energy-saving equipment companies, and the energy-saving project business is a secondary business line of the Company (e.g., Everlight or FuSheng), 16.5% of them have implemented the energy-saving projects, i.e. promotion of energy service business and focus on energy-saving engineering and energy-saving projects (e.g., CHENG LONG ENERGY or J. Power). In recent years, the business model of energy-saving projects is primarily based on the Energy Saving Performance Contracts (ESPC), which is more common than energy-saving benefit sharing and energy-saving benefit guarantee. The reason is that ESCO companies wish to make one-time payment for energy-saving projects in order to make the use of funds more flexible, resulting in low-price competition for energy-saving projects.

The output value of the ESCO industry has grown from NT$370 million in 2005 to NT$21 billion in 2022, by nearly 75 times. Meanwhile, in order to assist the ESCO industry's development, the Energy Administration has promoted ESCO to the public sector, public hospitals, public schools, chain stores, service industry and low-carbon communities through the Energy Saving Performance Contract (ESPC) project since 2006, totaling 1,130 cases. The improvement projects covered air-conditioning, lighting, heat pump, energy management, and other energy-saving measures. The average energy-saving benefits were about 24,300 kiloliters oil equivalent/year, and the carbon reduction was about 60,600 mt CO2e/year, thereby saving the amount about $345 million/year, with an average energy-saving rate of 54.52%. Meanwhile, in order to assist the ESCO industry in implementing the energy-saving performance assurance project, the Energy Administration also proposed a total of 26 measurement and verification (M&V) methods and ESPC reference documents for different energy-saving technologies, such as air conditioning, lighting, heat pump, and air compressor. Apparently, the ESCO companies' management strength are gradually improving to help them move towards the enterprise upsizing trend.

Fig. 11. Business Scope of ESCO vendors



Source of data: Scope of business of ECO manufacturers in the machinery industry (2021)

B. Competition Status

Due to factors, such as the increase in competitors and the decrease in wholesale purchase rates, the Company has to maintain a certain margin of profit while maintaining a certain amount of system quality, in order to find its niche in the red sea and ensure sustainable operation of the Company. The Company adopts a diversified customer orientation and prides itself as the service industry in the energy industry to provide customers with more effective and satisfactory services.

The Company's independent R&D team has developed an algorithm for "optimization of wheeling." The power data of the generation sites are combined with database data and power control system for automatic judgment and analysis to help the personnel control the power status more quickly and start the wheeling and deployment operations immediately. Meanwhile, the Company works with CTBC Bank to develop the blockchain cash flow connection service to improve the user experience. Meanwhile, as the parent company, SHINFOX ENERGY CO., LTD., has been cultivating Taiwan's renewable energy market for a long time, with the engineering development experience in solar photovoltaic, onshore wind power, offshore wind power and other large-scale power plants, the Company is familiar with the pain points and needs of the renewable energy power generation industry and can provide more comprehensive energy services and experience accordingly. By developing the services, including energy-saving and energy storage systems, the Company can improve the overall efficiency and maintain a competitive advantage in the fiercely competitive market, with the market share and profitability among the best.

(III) Technology and R&D overview

(1) Technical level and R&D of the business

The Company's main technology is based on the experience in the early market, and more than 10 years of professional energy engineering technology, integrated services, and other things. It provides one-stop integrated services for the green power sales platform system, energy technology energy-saving services, and energy storage technology.

As the main business of the Company is to provide integrated services of renewable energy, the Company does not have a dedicated research team or department. The most recent research of technology is to engage dedicated personnel to conduct project technology research, and integrate and develop self-owned technology by integrating the products or technologies of other industries. R&D and evaluation of energy technology, collection of energy-related technology information and regulations, energy technology consulting and planning, and management and control of service quality, and more. Proprietary research and development and integration of energy-related service products sales business.

(2) The Company's R&D expenses in the most recent year and up to the publication date of the annual report

Item	2025	Q1 of 2026
R&D expenses	NTD 20,005 thousand	Note
As a percentage of the operating revenue for the year	0.40%	Note

Note: The Company has not yet obtained consolidated financial information before the date of publication of the annual report.

(3) Successfully developed technologies or products:

The Company has obtained a subsidy from the Ministry of Digital Affairs, and worked with the Administration for Digital Industries to develop a digital innovation subsidy platform project and execute Foxwell Cloud's green electricity sharing cloud service. The subsidiary, Foxwell Certification, has also obtained a subsidy plan from the Ministry of Digital Affairs. In response to Taiwan's 2050 net zero transformation goal, the Company develops the verification software streamlining verification procedures by combining the public cloud with the existing large-size cloud service providers' platforms, through the API framework and functional modules, in order to provide the inspection services.

The Company has been focusing on domestic renewable energy services as its core business in recent years. There is no R&D unit. The business department of the Company is responsible for rolling adjustments and refinements of each service. The Company's future R&D plans will respond to the concept of sustainable operation and environmental development. The Company also continues to work with international technical teams, and learn and keep up with the latest international technology by leveraging their international consulting experience and professional backgrounds.

A. Obtain an electricity sales license: Jing-Shou-Neng-Zi No. 10803011920 issued by MOEA on December 3, 2019.

B. Assist power generation companies in obtaining a power generation license: Jing-Shou-Neng-Zi No. 10800251110 issued by MOEA on December 12, 2019.

C. Taiwan’s first wave of renewable energy wheeling: Ministry of Economic Affairs press release, May 6, 2020, “Energy Transition Milestone! Launch of the First 100 Million kWh of Domestic Green Electricity Transactions”

D. The second wave of renewable energy in Taiwan has been transferred to the economy. On November 23, 2020, the Ministry of Economic Affairs announced the “Bureau of Standards, Metrology and Inspection Further Promotes Renewable Energy Power and Certificate Wheeling! Facilitates Over 700 Million kWh in Annual Green Electricity Transactions by 18 Companies.”

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

(1) Short-term development plan

A. Integrate the focuses into the solar photovoltaic projects, and target integration of power generation resources to reach 370MW, totaling 297 million kWh.

B. Complete the construction of 50MW transmission grade energy storage project and continue the development planning to achieve the goal of self-owned 100MW.

C. Act as the agency of the key equipment of the energy storage project - battery system, and integrate software and hardware with its own technical momentum.

D. Assist the owners to produce hot water, chilled water, or power generation with intelligent afterheat or waste heat recovery devices, thereby improving the owners' energy autonomy and resource utilization efficiency.

E. Plan and train employees to obtain relevant certificates for ESG, SBTi, greenhouse gas inventory, and air-conditioning technology to strengthen their skills, so as to benefit the subsequent long-term maintenance and operation service momentum.

(2) Long-term development plan

A. Integrate the green energy generation platforms: Allow green energy suppliers and demanders to conduct green electricity transactions to ensure that the supply and consumption of green energy comply with market rules and standards. Further, in response to the launch of Carbon Border Adjustment Mechanism (CBAM) in Taiwan officially in October 2023, the transition period is set from October 2023 to the end of 2025. It is expected that the CBAM certificate and offset will be paid from 2026, to develop and match green electricity platforms to meet the business needs.

B. Expansion of overseas markets: As an important part of the international supply chain, Taiwanese businessmen have continued to expand their production bases in Southeast Asia to the rest of the world in recent years. The Company will further deploy the global green energy market with the experience of domestic renewable energy services, and the initial overseas deployment strategy. At the very beginning, the Company will focus on the solar energy charging plan and continue to develop overseas markets in three major directions.

Aspect 1: International market research and survey

Conduct in-depth international market research and survey to assess the renewable energy development potential and market demand in various countries and regions, and focus on regions with a higher willingness to invest in renewable energy technology and promising market prospects.

Aspect 2: Partnership

The Company proactively seeks to establish partnership with overseas partners, including local energy companies, builders and system integrators. Through cooperation with local partners, the Company can better understand the local market needs and regulations and introduce the Company's products and technologies to the region.

Aspect 3: Establish the brand image

Proactively publicize and promote the Company's brand image and increase brand awareness and market share.

II. Overview of the market, production and sales

(I) Market analysis

1. Territories where main products are marketed

Unit: NTD thousand; %

Item \ Year	2024		2025	
	Amount	%	Amount	%
Domestic sales	1,886,585	100.00	4,990,058	100.00
Export sales	-	-	-	-
Total	1,886,585	100.00	4,990,058	100.00

2. Market share

A. Renewable Energy Electricity Retailing Enterprise

The Company’s renewable energy transactions in 2025 were 245,276 thousand kWh. According to the statistics of TPC, the total renewable energy power generation in Taiwan in 2025 was 37,813,736 thousand kWh, and the Company’s market share was 0.65%.

B. Engineering Business Industry

Currently, all of the Company’s engineering operations are for domestic sales. The Company’s construction revenue in 2023 was NTD 225,962 thousand. According to the statistics of the Taiwan Institute of Economic Research, the construction and engineering consulting services sector generated NTD 38,443,000 thousand in sales in the first half of 2023, and the annual sales amount was NTD 76,886,000 thousand. The Company’s market share was about 0.29%, indicating that there is a huge growth space in the engineering business market.

C. Energy storage auxiliary services

The Company has completed the construction, testing and qualified trading of 7MW dReg and 50MW E-dReg energy storage site. After inquiring the grid energy storage application status on the TPC website for the time period at May, 2024, the qualified trading capacity of dReg and E-dReg is 772.4 MW and 276.6 MW respectively. The market share of the Company’s energy storage auxiliary services in Taiwan is 0.91% and 18.07% respectively.

3. Future market demand and supply, and market's growth potential:

A. Renewable energy service

At present, there are many electricity companies engaged in trading renewable energy. However, the renewable energy service accumulates long-term technology and experience. Meanwhile, given the entry barrier in a specific market limited by the personnel professionalism, company goodwill and project performance, the Company becomes one of a few professional energy integration service providers. The Company's customer service is extended to various fields.

In this wave of green revolution, Taiwan has set the net zero emission and energy transition goals to be achieved by 2050:

(A) In the short term (~2030), priority will be given to the integration and construction of solar PV and onshore wind power with mature technologies. So far, the Company has achieve a solar PV cumulative integration of 222.72 MW (approximately 280 million kWh salable per year) and the onshore wind power cumulative integration of 22.8 MW (approximately 50 million kWh salable per year) in 2025. The team also aims to grow the integration by 30% each year as of 2026.

(B) In the long-term (~2050), in addition to the integration of green electricity from solar photovoltaic and onshore wind power, the team is also aiming at the integration of offshore wind power. If offshore wind power is measured in the unit of 100 MW, the electricity salable per unit will reach 400 million kWh. It is a goal that the green electricity sales team needs to fight for. Further, it is necessary to observe the integration of the forward-looking energy with local advantages. For example, the Company may develop the ocean energy technologies. Such as non-traditional geothermal power generation, biomass power generation, wave power generation and ocean current power generation from shallow to deep layers. If there is a likelihood of launching these technologies in the market, the Company may consider including them into the team's integration goals.

B. Energy-saving and energy storage engineering service market

In response to global climate anomalies, the world has launched a wave of green energy revolution, hoping to decouple energy from carbon emissions and move towards the sustainable development roadmap. In response to the government's policy initiatives, in addition to the long-term goal for 20GW of renewable energy, promotion of related green energy industries will drive the growth of the energy storage market. According to the latest data statistics from Bloomberg NEF, the global energy storage capacity will grow by 23% in 2025, primarily from China and the United States, etc.. It is expected that the global energy storage capacity will reach 2TW in 2035, 8 times that in 2025.

4. Competitive niche

A. Advantages of one-stop integrated service

By virtue of the Group's synergy management, the Company may obtain the parent company's abundant engineering experience in construction and maintenance of power plants, for the all-round one-stop integrated service from certification, project control, utility parallel connection hookup, to post-completion warranty, maintenance, operations and management, which may benefit the application to the energy-saving engineering and energy storage engineering business.

B. Advantages of renewable energy service

The Company has a professional team accumulating abundant technology and rich experience in the renewable energy trading market in Taiwan and continues to improve its professional technology. The Company's management consists of all senior professionals in the industry, all of whom can master the key technologies of products. The rest engineering personnel are also graduates taking the major required by the Company. They are specialized personnel going through complete training and on-site practices to form a high-quality service team. Therefore, they can fully respond to the overall market changes and maintain a good competitive advantage. Meanwhile, the Company's current customers are many well-known domestic manufacturers who are well recognized. Therefore, the Company has laid a good foundation.

C. Advantages of Power auxiliary service

According to Taipower's statistics, the "electric auxiliary service market" is growing rapidly. It is expected that by the end of 2022, there will be 43 companies with 300KW capacity, which will reach 1GW by the end of 2023. 3GW is expected to join the market by 2024. With the rich experience of participating in the first wave of qualified traders, the Company is gradually planning to build a 100MW energy storage system to provide stable power supply services, and also expanding other customers to participate in auxiliary bidding operations services or project construction services.

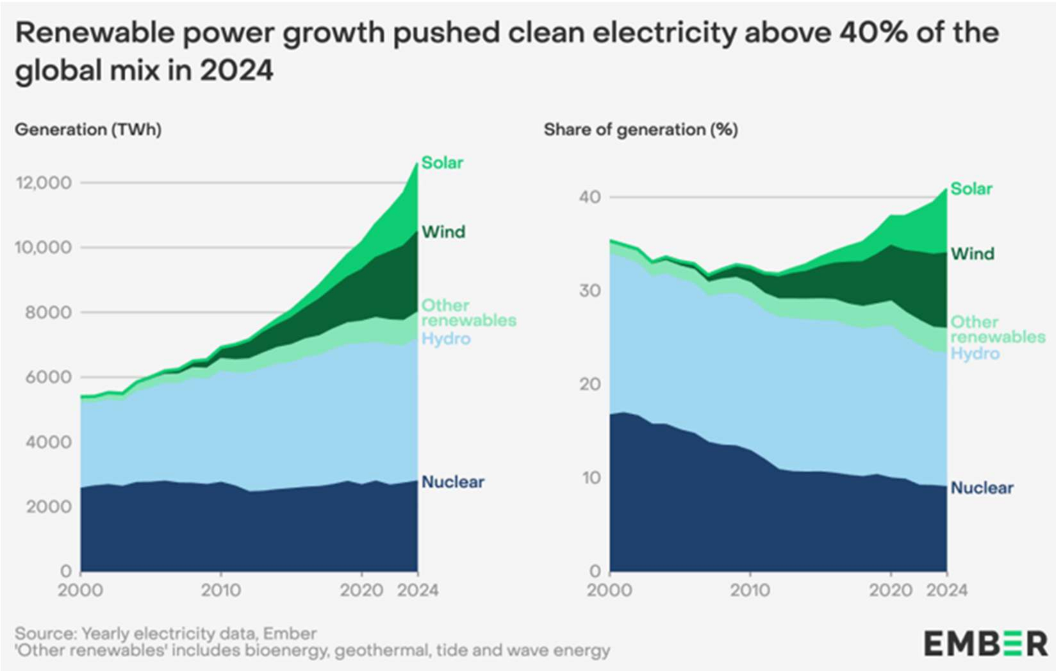
5. Analysis on positive and negative factors for future development and responsive measures

A. Positive factors

(A) Industries with development potential

In response to the government's policy requirements, the Company officially announced the "Taiwan 2050 Net Zero Emission Roadmap and Strategy Overview" in March 2022, which provides the trajectory and action roadmap for 2050 Net Zero to promote technology, research, and innovation in key areas and guide the green industry to transform and also drive a new wave of economic growth. Meanwhile, the Company looks forward to promoting green financing and increasing investment under different key milestones. The Company has already generated good achievement and experience in this field, which may benefit the company's future operations. Further, under various countries' consensus of promoting green energy with the goal for slowing down the global warming, solar power generation has become a long-term industry growing stably. According to the data of various research reports, the proportion of solar power in the global total power sources will increase year by year. Therefore, the long-term demand for the solar energy industry can be promising and the solar energy industry may derive the value of sustainable operations and long-term development.

According to the analysis report of Ember, in 2024, the power generated by clean energy accounted for more than 40% for the first time since the 1940. Among the other things, solar power became the largest source of new power generation globally for the third consecutive year (+474 TWh), while wind power also grew by 182 TWh at the same time. The report predicts that even if the electricity demand grows by 4.1% each year by 2030, the growth rate of power generated by clean energy will afford to keep up with the demand. The trend discloses the industry's development potential.



Source of data: EMBER 2025 Global Electricity Review

(B) Technical strength accumulated over the years

The Company's management team has extensive experience in relevant industries, and is familiar with the decision making for the operations and management of the renewable energy trading industry, and market demand. Meanwhile, with the engineering and technical experience accumulated by the parent company for many years, the product quality has successfully won the trust and recognition from the customers.

B. Negative factors and countermeasures

(A) Increasingly fierce price competition

Due to fierce competition in the industry, the Company strives for orders through price competition.

Countermeasures

Improve service quality and stability; stay on top of existing customers' status and market trends; respond to and resolve customers' problems as quickly as possible; provide good service and gain customers' trust and dependency.

(B) Considering that the engineering production process requires more technical manpower, and it is necessary to take time in training talents in order to root the technology. Besides, currently, the fluctuation of raw materials and supplies and amendments to the Labor Standards Act result in the increase in costs, and the manufacturing costs increase relatively.

Countermeasures

The Company currently has the advantage in integrating up-stream, mid-stream and down-stream sectors in the industry. Through outsourcing experienced manufacturers, the Company may expand the supply channels and establish a database of raw materials procurement, expected to control the production costs effectively. The Company will pay attention to the development of engineering-related technologies and collection of government regulations at all times, and flexibly adjust the business execution method to comply with the requirements of policies, and laws and regulations.

(C) Battery shortage and price increase

Due to the environmental protection trend, the demand for batteries required by the energy storage system exceeds the supply, which causes the price to rise. Therefore, it is necessary to pay cash in advance, in order to purchase materials.

Countermeasures

Increase the battery cell suppliers, and maintain cooperative relations with each supplier to ensure a stable supply; seek strategic alliances with battery cell suppliers and use the Company's rich market experience to provide the brand with the best sales and marketing services in Asia region.

(II) Important uses and production processes of major products

1. Important uses of the main products

Main products	Purpose
Sale of electricity	Renewable energy power is supplied through the Taipower grid to meet various electricity demands.
Engineering business	We provide turnkey services for energy-saving and energy storage projects, encompassing a range of professional technical services such as feasibility studies and planning, engineering design, equipment supply, equipment manufacturing, construction, construction supervision, testing and commissioning, and grid connection.
Technical services business	1. Provide energy storage ancillary services to help stabilize the Taiwan power grid. 2. Energy-saving services are a comprehensive energy-saving inspection service provided to customers, including the operation of various equipment such as electricity, lighting, air conditioning, air compressors and industrial furnace, and proposing improvement plans. 3. Corporate energy management, greenhouse gas inventory, verification, carbon neutrality, corporate ESG sustainability report preparation services, and software services.

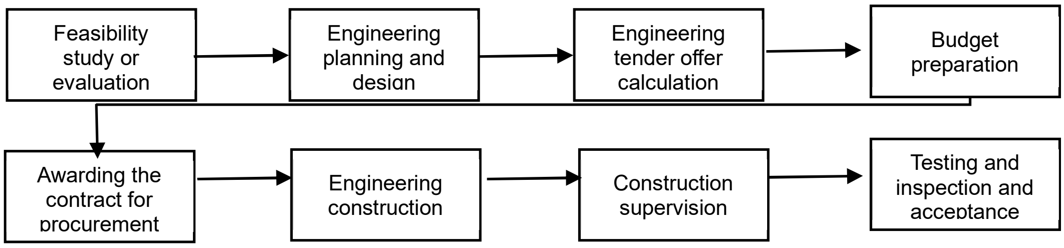
2. Production process of the product

A. Sale of electricity

The electricity generated by renewable energy power plants is wheeled to customers with demand.

B. Engineering business

After winning the turnkey contract for the project, the Company will proceed to award the contracts for purchase of materials and equipment, water and electricity, air conditioning and fire protection, and then clarify the integration interfaces of each system. Upon completion of the construction work, the Company will report the completion of the project upon the owner's inspection and acceptance and then the whole project is protected under the warranty.



C. Technical services business

Provide energy storage ancillary services to help stabilize the Taiwan power grid; evaluate and plan the use of energy-saving lamps, inverter technology, nodes monitoring and contracted power consumption to provide technical services for energy-saving and emission-reduction for large shopping malls and department stores.

(III) Supply of main raw materials

Main raw materials	Supplier name	Status of supply
Power generating enterprise	P-01	Good
	P-02	Good
	Foxwell Energy Corporation Ltd.	Good
	P-03	Good
	P-04	Good
	P-05	Good
Energy conservation project	P-06	Good
	ADVANTECH CO., LTD.	Good
	SHIE HENG MACHINERY TECHNOLOGY CO., LTD.	Good
Energy storage construction project	SAFT Batteries Pty Limited	Good
	Shihlin Electric and Engineering Corporation	Good
	Smart Power System Co., Ltd.	Good
	Billion Watts Technologies Co., Ltd.	Good
	Fortune Electric Co., Ltd.	Good

(IV) Names of customers accounting for more than 10% of total purchases (sales) in any of the last two years, the amount of purchases (sales) and the proportion and explain the reasons for the changes

1. Information on major suppliers in the last two years

Unit: NTD thousand; %

Item	2024				2025			
	Designation	Amount	As a percentage of net purchases	Relationship with the issuer	Designation	Amount	As a percentage of net purchases	Relationship with the issuer
1	P-03	488,102	35.38	None	P-07	1,194,252	36.30	None
2	P-07	339,691	24.62	None	P-03	454,583	13.82	None
3	P-05	215,132	15.59	None	P-09	400,000	12.16	None
4	P-02	89,083	6.46	None	P-05	208,905	6.35	None
5	P-01	81,945	5.94	None	P-08	137,750	4.19	None
	Others	165,679	12.01	－	Others	894,810	27.18	－
	Net purchase	1,379,632	100.00	－	Net purchase	3,290,300	100.00	－

Reasons for the increase or decrease:

The Company's electricity procurement has been expanded year by year since September 2021. The project procurement will vary depending on the nature of the project, the owner’s needs, the construction location, the construction quality and cooperation of the manufacturer. Therefore, the change in the suppliers should be considered reasonable.

2. Information on major customers in the last two years

Unit: NTD thousand; %

Item	2024				2025			
	Designation	Amount	As a percentage of net sales	Relationship with the issuer	Designation	Amount	As a percentage of net sales	Relationship with the issuer
1	S-19	347,734	18.43	None	Billion Sun Energy Storage Technologies Inc.	2,723,061	54.57	Investments accounted for using the equity method
2	Cheng Shin Digital Co., Ltd.	256,190	13.58	None	S-19	344,985	6.91	None
	S-04	219,538	11.64		S-08	251,642	5.04	None
	S-08	122,115	6.47		S-14	242,293	4.86	None
	Others	941,008	49.88	－	Others	1,428,077	28.62	－
	Net sales	1,886,585	100.00	－	Net sales	4,990,058	100.00	－

Reasons for the increase or decrease:

The Company’s revenue primarily comes from renewable energy power sales and energy storage facility construction projects. In 2025, the proportion of sales to customers increased significantly as a result of the recognition of the revenue by the storage facility construction projects based on the construction progress. The decrease in revenue proportion from Cheng Shin Digital results from the completion and closure of their project. Therefore, the changes in our sales targets are considered reasonable.

III. The number of employees employed for the most recent two fiscal years and until the date of publication of the annual report and their average years of service, average age, and education distribution ratio

Unit : Person

Year		2024	2025	As of March 31, 2026
Number of employees	Managerial officers	21	42	45
	Regular employees	49	95	85
	Total	70	137	130
Average age		35.79	34.64	33.94
Average years of service		1.79	2.17	2.72
Education distribution ratio %	Doctoral Degree	0.00%	4.38%	4.62%
	Master's Degree	38.57%	50.36%	50.77%
	University	57.14%	45.26%	44.61%
	Junior college	4.29%	0.00%	0.00%
	Below Senior High School/Senior Vocational High School	0.00%	0.00%	0.00%

Note: Included into the statistics of employees of the subsidiary, Smart Power System Co., Ltd., in 2025.

IV. Information on environmental protection expenditure

(I) According to laws and regulations, if it is required to apply for a permit for installing anti-pollution facilities, or permit of pollution drainage, or to pay pollution prevention fees, or to organize and set up a dedicated unit/office for environmental issues, the description of the status of such applications, payment or establishment shall be made: The Company doesn’t fall within the type, scope and scale of the business indicated in the announcement on water pollution prevention; therefore, it is not necessary for the Company to provide the water pollution prevention measures for future reference. Further, the wastewater generation volume does not exceed the limit defined by the relevant laws and regulations; therefore, it is not necessary to establish dedicated wastewater treatment personnel. Meanwhile, the Company doesn’t fall within the industry or process that requires the establishment, modification, or operation permit of fixed pollution source announcement; therefore, it is not required to establish the relevant facilities and pollution control plans. Besides, the Company is not a business entity required to set up a dedicated unit for air pollution control; therefore, it doesn’t set up the relevant dedicated unit or personnel.

(II) List the Company's investment in major equipment for environmental pollution prevention and control, as well as the intended use and possible benefits: Not applicable.

(III) Explanation of the Company’s environmental pollution improvement efforts for the most recent two fiscal years and up to the date of publication of the annual report; if there have been any pollution disputes, the handling process should be explained: None.

(IV) Describe any losses suffered by the Company in the most recent 2 fiscal years and up to the prospectus publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental protection inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the contents of the dispositions), and disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

(V) Explanation of the current pollution status and its impact on the Company's earnings, competitive position, and capital expenditures, as well as significant environmental capital expenditures planned for the next two fiscal years: None.

V. Labor-Management Relations

(I) Employee benefits, continuing education, training, retirement systems, and their implementation status, as well as labor-management agreements and measures for the protection of employee rights and interests:

Excellent professionals are a company's most important asset. Harmonious labor-management relations are the cornerstone of corporate development. The labor-management relationship between the Company and its subsidiaries is harmonious and stable. In addition to striving to improve employee benefits, remuneration, and working environment, the Company also maintains open channels for labor-management communications. Through the joint efforts of all employees and exercise of personal talents, the Company enables employees and the Company to grow simultaneously to create a better future together.

(1) Employee benefits and status of their implementation

In addition to health insurance and labor insurance in accordance with the Labor Standards Act of the Republic of China and the systems stipulated by the local government in Mainland China, the Company and its subsidiaries also provide employee group insurance and benefits. The measures and implementation status thereof are stated as follows:

A. Employees are entitled to special leave and contribution of pension fund in accordance with the law. An Employee Welfare Committee has been established to coordinate welfare activities and protect labors' interests and rights.
B. In addition to labor insurance and national health insurance, all employees are also provided with employer's compensation liability insurance and employee group accident insurance to strengthen the protection of employees' life.
C. Hold monthly birthday parties and organize various activities from time to time to improve the quality of leisure life and promote friendship among colleagues.
D. Gift money or gifts for the Dragon Boat Festival, Mid-Autumn Festival and birthday and subsidies for marriage, childbirth, and funeral.
E. Provide a hygienic and good employee canteen environment and facilities to improve the quality of dining for employees.

(2) Continuing education and training

In order to improve the professional and technical ability of employees, strengthen work efficiency and focus on product quality, education and training are carried out in accordance with the annual education and training plan. Internal training and external training are conducted at the same time to strengthen the professional skills of employees in various functional categories. The Company's various training programs are listed as follows:

A. Orientation training for new employees: Courses related to the Company's corporate culture, business lines, work rules, employee benefits, rewards and punishments are provided to enable new recruits to have a basic understanding of the Company.

B. In-service employee training: Various training courses, such as internal and external training, are arranged and implemented per the job needs.

C. Professional competency training: Employees are sent to relevant institutions for training as needed so that they can obtain professional certification.

(3) Retirement system and implementation thereof

The Company and subsidiaries in the ROC contribute labor pension at 6% of monthly salary to individual employee accounts at the Labor Insurance Bureau, in order to protect the employees' interests and rights. Employees may also choose to contribute 0~6% of their monthly wages to their personal pension accounts. The employee pension will be paid based on the amount of employees' personal pension accounts and accumulated earnings, on a monthly basis or in lump sum. The Company makes monthly pension contributions based on a certain percentage of the total salary of the local employees in accordance with the pension system stipulated by the local government. Each employee's pension is managed and arranged by the government. Except the monthly contribution, the Group bears no further obligation.

(4) Status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees

The Company's regulations are enacted based on the Labor Standards Act. The Company has always valued the rights and interests of employees. Also, the Company regularly organizes labor-management meetings to provide a smooth communication channel between managers and employees to exchange opinions and maintain good interaction between labor and management. Therefore, the Company's labor-management relations are harmonious, and there are no major labor-management disputes or losses.

(II) Describe any losses suffered by the Company in the most recent 2 fiscal years and up to the prospectus publication date due to environmental pollution incidents (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated and the contents of the dispositions), and disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VI. Cyber security management

1. Describe the cyber security risk management framework, cyber security policies, specific management plans and resources invested in the cyber security management.

The Company has established the Information Business Dept., responsible for the planning and management of various information operating systems and equipment of the Company, as well as implementing cyber security management and protection business. In order to ensure the Company's operational safety and sustainable development, the Company's cyber security management mechanism and specific measures are as follows:

- International Information Security Management System (ISMS): The Company is committed to building a comprehensive information security management system (ISMS). Since 2024, the Company has received the ISO 27001:2022 international information security management certification, ensuring that the confidentiality, integrity and availability of information assets meet international standards.
- Implementation of Security Operations Center (SOC): To achieve active defense and rapid response, a Security Operations Center (SOC) mechanism has been implemented in the core operational information environment and office environment responsible for monitoring network traffic all day to ensure real-time detection and handling and prevention of various information security incidents and anomalies.
- **Implementation of routine information security standards:** The Company has also formulated and strictly implemented relevant cyber security management policies for the routine operations including the access to core systems, Internet and access to email, password setting, software downloads, storage media management and file backups.
- **Improvement of employees' awareness toward information security:** The Company considers the information security as the liability to be borne by all employees, and conducts cyber security education, training and promotion from time to time to establish and deepen colleagues' awareness and vigilance toward cyber security protection.

2. List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VII. Important contracts

Nature of contract	Party concerned	Start and end dates of the contract	Main Contents	Restrictive clauses
Procurement contract	P-01	September 17, 2021 - September 16, 2041	Renewable energy purchase	Confidentiality clause Breach of contract
Procurement contract	P-02	September 17, 2021 - September 16, 2041	Renewable energy purchase	Confidentiality clause Breach of contract
Procurement contract	Foxwell Energy Corporation Ltd.	May 5, 2022~May 4, 2040	Renewable energy purchase	Confidentiality clause Breach of contract
Procurement contract	P-03	May 1, 2023~April 30, 2043	Renewable energy purchase	Confidentiality clause Breach of contract
Procurement contract	P-04	February 23, 2023 - August 1, 2041	Renewable energy purchase	Confidentiality clause Breach of contract
Procurement contract	P-05	February 23, 2023 - December 28, 2042	Renewable energy purchase	Confidentiality clause Breach of contract
Procurement contract	Infinite Energy Solutions Co., Ltd.	January 8, 2025 - January 7, 2030	Renewable energy purchase	Confidentiality clause Breach of contract
Procurement contract	Kang Jun Development Co., Ltd.	July 22, 2025 - July 21, 2045	Renewable energy purchase	Confidentiality clause Breach of contract
Procurement contract	Passion light INC.	August 20, 2025 - August 19, 2030	Renewable energy purchase	Confidentiality clause Breach of contract
Procurement contract	Cheng Cheng Co., Ltd.	November 21, 2025 - November 20, 2030	Renewable energy purchase	Confidentiality clause Breach of contract
Construction contract	P-06	October 22, 2021~December 10, 2026	Energy conservation project	Confidentiality clause Breach of contract
Construction contract	SHINFOX ENERGY CO., LTD.	October 12, 2021~December 9, 2026	Energy conservation project	Confidentiality clause Breach of contract
Construction contract	Cheng Shin Digital Co., Ltd.	October 12, 2023~October 14, 2039	Energy storage project	Confidentiality clause Breach of contract
Construction contract	Cheng Shin Digital Co., Ltd.	October 30, 2023~October 14, 2039	Energy storage project	Confidentiality clause Breach of contract
Construction contract	Billion Sun Energy Storage Technologies Inc.	August 25, 2025 - April 17, 2027	Energy storage project	Confidentiality clause Breach of contract
Sales contract	S-10	February 16, 2022~July 31, 2027	Sale of renewable energy	Confidentiality clause Breach of contract
Sales contract	S-01	July 1, 2021~December 31, 2040	Sale of renewable energy	Confidentiality clause Breach of contract
Sales contract	S-11	October 1, 2021~September 30, 2041	Sale of renewable energy	Confidentiality clause Breach of contract
Sales contract	S-13	January 1, 2023~December 31, 2042	Sale of renewable energy	Confidentiality clause Breach of contract
Sales contract	S-14	January 1, 2023~December 31, 2042 April 1, 2023 - December	Sale of renewable energy	Confidentiality clause Breach of contract

Nature of contract	Party concerned	Start and end dates of the contract	Main Contents	Restrictive clauses
		31, 2042 (Addition)		
Sales contract	S-15	March 1, 2022~December 31, 2031	Sale of renewable energy	Confidentiality clause Breach of contract
Sales contract	S-18	January 1, 2024~December 31, 2028	Sale of renewable energy	Confidentiality clause Breach of contract
Sales contract	TAIWAN NITTO OPTICAL CO., LTD.	January 1, 2025 - December 31, 2030	Sale of renewable energy	Confidentiality clause Breach of contract
Sales contract	UNIVERSAL GLOBAL SCIENTIFIC INDUSTRIAL CO., LTD.	January 1, 2025~December 31, 2040	Sale of renewable energy	Confidentiality clause Breach of contract
Investment contract	Smart Power System Co., Ltd., Zhi Kai Investment Co., Ltd. and major shareholders of Smart Power System Co., Ltd.	May 15, 2025	Investment and share swapping	Confidentiality clause Breach of contract
Credit contract	Taishin International Bank	July 8, 2024~July 6, 2029	Medium-term loan	Financial ratio limit, reserve account limit

Five. Review and Analysis of Financial Position and Financial Performance, and Risks

I. Review and analysis of financial position

Unit: NTD thousand

Item \ Year	2024	2025	Difference	
			Amount	Percentage (%)
Current assets	1,060,525	3,558,313	2,497,788	235.52%
Property, plant and equipment	2.501,309	2,344,936	(156,373)	-6.25%
Right-of-use assets	89,448	325,541	236,093	263.94%
Intangible assets	12,137	576,427	564,290	4649.34%
Other assets	237,802	581,250	343,448	144.43%
Total assets	3,901,221	7,386,467	3,485,246	89.34%
Current liabilities	1,180,035	2,589,101	1,409,066	119.41%
Non-current liabilities	1,727,183	1,894,158	166,975	9.67%
Total liabilities	2,907,218	4,483,259	1,576,041	54.21%
Share capital	600,000	738,286	138,286	23.05%
Capital surplus	254,335	1,383,344	1,129,009	443.91%
Retained earnings	138,999	517,628	378,629	272.40%
Other equity	-	(95,318)	(95,318)	-
Non-controlling interests	669	359,268	358,599	53602.24%
Total equity	994,003	2,903,208	1,909,205	192.07%

The main reasons for the material changes in assets, liabilities and equity in the last two years (change between the previous and current periods by more than 20% and the amount of change amounting to more than NTD 10 million) and the effects thereof; if the effect is significant, please explain the future response plans:

I. The main reasons for and impact of the major changes:

1. Increase in Current Assets: Mainly due to the increase in contract assets for engineering projects and an increase in accounts receivable during 2025.
2. Increase in Right-of-Use Assets: Mainly due to the increase in finance leases during 2025.
3. Increase in Intangible Assets: Mainly due to goodwill and related intangible assets arising from the acquisition of a subsidiary in 2025.
4. Increase in Other Assets: Mainly due to the increase in security deposits paid during 2025.
5. Increase in Total Assets: Mainly due to the increase in contract assets for engineering projects and an increase in accounts receivable during 2025.
6. Increase in Current Liabilities: Mainly due to the increase in short-term borrowings and accounts payable resulting from increased working capital needs and the construction of energy storage projects in 2025.
7. Increase in Total Liabilities: Mainly due to the increase in short-term borrowings and accounts payable resulting from increased working capital needs and the construction of energy storage projects in 2025.
8. Increase in Share Capital and Capital Surplus: Mainly due to the cash capital increase prior to the initial listing and the share exchange with Zhi Dian System Co., Ltd.
9. Increase in Retained Earnings: Mainly due to continuous profitability in 2025.
10. Increase in Non-controlling Interests: Mainly resulted from the acquisition of a subsidiary in 2025.
11. Increase in Total Equity: Mainly due to continuous profitability, the acquisition of a subsidiary, and the cash capital increase prior to initial listing in 2025.

II. Future response plans, if the impact is considered material:

Said changes have no significant adverse impact on the Company, and there is no significant abnormality in the Company's overall performance, so it is not necessary to prepare a response plan.

II. Review and analysis of financial performance

Unit: NTD thousand

Item \ Year	2024	2025	Difference	
			Amount	Percentage (%)
Operating revenue	1,886,585	4,990,058	3,103,473	164.50%
Operating cost	1,588,609	3,777,864	2,189,255	137.81%
Gross profit	297,976	1,212,194	914,218	306.81%
Operating expenses	122,866	251,411	128,545	104.62%
Operating profit	175,110	704,881	529,771	302.54%
Non-operating income and expenses	(62,672)	(70,351)	(7,679)	12.25%
Net income before tax	112,438	634,530	522,092	464.34%
Income tax expense	27,884	180,191	152,307	546.22%
Net income for the period	84,554	454,339	369,785	437.34%
Other comprehensive income for the period (net amount after tax)	-	600	-	-
Total comprehensive income for the period	84,554	454,939	370,385	438.05%

The main reasons for the material changes in operating revenue, net income and EBT in the last two years (changes between the previous and current periods by more than 20% and the amount of change amounting to more than NTD 10 million) and expected sales volume and basis, possible impact on the Company's future finance and business and response plan

I. The main reasons for and impact of the major changes:

1. Operating Revenue Increase: Mainly due to the increase in engineering services in Year 114.
2. Operating Cost Increase: Mainly due to the corresponding growth in operating revenue in Year 114.
3. Gross Profit Increase: Mainly due to the corresponding growth in operating revenue in Year 114.
4. Operating Expenses Increase: Mainly due to the continuous expansion of the Company's operating scale, resulting in an increase in administrative expenses in Year 114.
5. Operating Income Increase: Mainly due to the corresponding growth in gross profit in Year 114.
6. Income Before Tax Increase: Mainly due to the corresponding growth in operating income in Year 114.
7. Income Tax Expense: Mainly due to the corresponding growth in income before tax in Year 114.
8. Net Income for the Period and Total Comprehensive Income for the Period Increase: Mainly due to the corresponding growth in income before tax in Year 114.

II. The expected sales volume and basis, possible impact on the Company's future finance and business, and response plan

Because the Company does not prepare and announce financial forecasts, the expected sales volume and basis are not applicable. Furthermore, the Company's financial condition is sound, and relevant expenditures are supported by long-term funding sources, so there should be no issue of insufficient funds. Moreover, as the Company's overall performance is without major abnormalities, there is no need to formulate a corresponding plan.

III. Review and analysis of cash flow

1. Analysis of changes in cash flow in the most recent year (2024)

Unit: NTD thousand

Accounting item \ Year	2024	2025	Increase (decrease)	
			Amount	Percentage (%)
Cash inflow (outflow) from	(33,662)	56,634	90,296	-268.24%
Cash inflow (outflow) from	(504,942)	(620,448)	(115,506)	22.88%
Cash inflow (outflow) from	493,919	973,860	479,941	97.17%

The main reasons for the changes in cash flow in the most recent year are stated as follows:

1. Increase in Cash Inflow from Operating Activities: Mainly due to the increase in operating revenue in Year 114.
2. Increase in Cash Outflow from Investing Activities: Mainly due to the acquisition of a subsidiary in Year 114.
3. Increase in Cash Inflow from Financing Activities: Mainly due to the Company's increased working capital needs in Year 114, which resulted in a capital increase and increased borrowings.

2. Improvement plan for liquidity deficiencies in the most recent year: If the working capital of the Company and its subsidiaries is insufficient, the Company will resort to financing from banks. As of the date of publication of the annual report, there is no liquidity risk due to the inability to raise funds.

3. Cash flow analysis for the next year (2026)

Unit: NTD thousand

Balance of cash at beginning of period ①	Expected net cash flow from operating activities for the year②	Expected net cash flow from investing activities for the year③	Expected net cash flow from financing activities for the year④	Cash at end of period① +② +③ +④	Remedies for expected cash shortage	
					Financing plan	Investment plan
537,909	466,335	(131,297)	(10,256)	862,691	Bank Loans、Cash Capital Increase	-

1. Analysis of changes in cash flow in the coming year:
   (1) Operating Activities: Expected cash inflow, mainly due to the increase in income before tax.
   (2) Investing Activities: Expected cash increase for the construction of the subsidiary's energy storage facilities.
   (3) Financing Activities: Expected cash outflow, mainly due to the repayment of financing loans.
2. Remedies and liquidity analysis for the expected cash shortage: Translation: In addition to actively supporting operations with cash inflow from operating activities, any cash shortfall will be addressed by bank loans and the issuance of corporate bonds.

IV. The impact posed by material capital expenditures on financial operations in the most recent year

The Company had no major capital expenditures in the most recent year, so there was no significant adverse impact on the Company's finance and business.

V. The reinvestment policy in the most recent year, the main reason for the profit or loss, the improvement plan, and the investment plan for the coming year

1. Reinvestment policy
   The Company's reinvestment policy is based on the consideration of sustainable operation and operational growth. The Company also establishes the "Procedure for Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," as the basis for its investment in business, in order to control the related business and financial status. Meanwhile, in order to enhance the supervision and management of the investees, the Company has formulated the "Regulations Governing Monitoring and Management of Subsidiaries" in the internal control system and also the related regulations governing information disclosure, finance, business and inventory, so that the Company's reinvestment may make the most of it.
2. The main reason for the profit or loss of the reinvestment business in the most recent year and the improvement plan:

Unit: NTD thousand

Name of investee	Main business lines	Investment gains and losses recognized for 2025	The main reasons for profit or loss	Improvement plan
Foxwell Certification Co., Ltd.	Greenhouse gas inventory, verification, carbon neutrality, corporate ESG sustainability report preparation services, and software services	(1,051)	The main reason is that the Company is at the initial stage of operation, and is still at the stage of operation deployment and development, and the expenses needed to support daily operations.	In line with government renewable energy policies, we will continue to expand and will commence operations based on future business development.
Cheng Shin Digital Co., Ltd.	Management and holding of the power generation assets	1,265	The operation conditions are good.	None.
Billion Sun Energy Storage Technologies Inc.	Management and holding of the power generation assets	(255,862)	The energy storage facility is under construction and, therefore, has not yet begun operations. The loss results from recognition of unrealized construction gross profit.	None.
Hui Jie Energy Co., Ltd.	Management and holding of the power generation assets	-	The energy storage facility is under construction and, therefore, has not yet begun operations	None.
Smart Power System Co., Ltd.	Energy technical service	4,679	The operation conditions are good.	None.
Hong Ju Energy Co., Ltd.	Development of energy storage project	(746)	The operation conditions are good.	None.
Smart Technology Energy CO., LTD.	Development of the overseas energy storage market	(6,778)	The operation conditions are good.	None.
Billion Power System	Inspection and maintenance of	2,102	The operation conditions are good.	None.

Technologies INC.	electrical equipment			
Zhi Xin Energy Co., Ltd.	Energy storage equipment service and outsourcing	2,200	The operation conditions are good.	None.
Smart Power System Australia Pty Ltd	Energy technical service	(417)	The operation conditions are good.	None.

3. Investment plan for the next year: The Company will follow the its business strategy and execute the investment plans successively. In the future, appropriate announcements will be made as the investment progresses in accordance with laws and regulations.

VI. Risks

(I) Risk factors

1. Impact posed by changes in interest rate and foreign exchange rate, and inflation on the Company's earnings, and future responsive measures
   (1) Impact posed by changes in interest rate on the Company's earnings and future responsive measures:

   The Company and its subsidiaries require 15 years to develop their energy storage projects, encompassing the entire process from planning to power plant operation. The huge capital expenditure for the energy storage site investment means that the Company must rely on bank financing in order to maximize the use of capital. As a result, the Company and its subsidiaries have to continue to pay interest expenses each year, with interest expenses of NT$47,095 thousand and NT$64,917 thousand in 2024 and 2025, accounting for 2.50% and 1.30% of the net operating revenue, respectively. The interest expenses have a certain degree of impact on the Company's profit and loss, mainly due to the Company's establishment of energy storage equipment, which is mainly sourced from bank loans. The Company regularly evaluates the interest rate of bank loans and takes relevant countermeasures in response to changes in the market interest rate. The Company also maintains good communication channels with long-term financial institutions to keep track of the trend of future interest rate changes. The Company obtains more sources of capital through the entry into the capital market, and appropriately adjusts the use of working capital and the ratio of financial liabilities. The Company can also obtain preferential interest rate conditions from banks to reduce the impact of interest rate changes on the Company's profit and loss. Further, the Company has sound finances and good credit standing and has adopted a conservative and prudent capital plan. It is expected that changes in interest rates will not pose any significant impact on the Company's overall operations.

   (2) Impact posed by changes in foreign exchange rate on the Company's earnings, and future responsive measures

   The net gain (loss) from foreign currency exchange of the Company and its subsidiaries for 2024 and 2025 was NT$1,302 thousand and NT$10,459 thousand, respectively, which accounted for 0.07% and 0.21% of the annual net operating revenue, respectively and accounted for a very small percentage of the operating revenue. Apparently, the impact on the Company's overall profit and loss is insignificant and the foreign exchange gain or loss is generated mainly due to the exchange rate fluctuation of the US dollar position held for the purchase transaction. Therefore, the USD is closely related to the Company's interest rate, and in order to avoid the impact of exchange rate fluctuations on profits, the Company has adopted the following countermeasures to reduce the impact of exchange rate fluctuations on the Company:

A. The Finance Department of the Company refers to the relevant information on the exchange rate market and future trends to provide a reference for the quotation of procurement, and use it as a reference for the appropriate measures of adjusting the foreign currency accounts, in order to actively respond to the impact of exchange rate fluctuations.
B. The Company keeps close contact with the foreign exchange departments of various banks to monitor changes in the foreign exchange market in a timely manner for the relevant management personnel to adjust the exchange rate fluctuations, and it is also used as the basis for quotation by the procurement personnel.
C. Adjust the foreign currency deposit positions according to the changes in exchange rates. If necessary, the Company's "Procedures for Acquisition or Disposal of Assets" will be followed, and the responsible supervisor will take appropriate hedging measures to undertake appropriate financial products.

(3) Impact posed by the inflation on the Company's earnings, and future responsive measures

As of the date of publication of the annual report, there has been no significant impact posed by inflation on the Company and its subsidiaries' financial operations. In order to maintain the stability of supply prices, the Company masters the global political and economic changes and the pulse of market prices and maintains a good interactive relationship with suppliers and customers. The latest project-related costs and estimated project gross profits have been reflected before the pursuit of the subject matter of the case. The Company should be able to respond to the impact posed by future changes in the economic situation such as inflation and, therefore, there should be no major impact on its operations. In the future, the Company will continue to closely observe the changes in the price index and inflation in various countries around the world, and maintain good interactions with the Company's suppliers and customers to reduce the Company's inflationary pressure.

2. Policies on high-risk and highly leveraged investments, loans to third parties, endorsements/guarantees, and derivatives trading, main causes of profit or loss incurred and future responsive measures:

(1) The policy of high-risk and high-leverage investment, the main reason for profit or loss, and future countermeasures: The Company and its subsidiaries focus on its core profession, but does not engage in high-risk and high-leverage investments based on the principle of conservatism.

(2) Policies on loans to third parties, endorsements/guarantees, and derivatives trading, main causes of profit or loss incurred and future responsive measures:

The Company's financial policy is based on the principle of conservatism and stability. In recent years and as of the date of publication of the annual report, the Company has not engaged in lending of funds to others, endorsements and guarantees, and derivatives transactions. In the future, if the Company wants to engage in loaning of funds to others and derivatives trading, it will follow the "Operational Procedures for Loaning Funds to Others", "Operational Procedures for Endorsements/Guarantees" and "Procedures for Acquisition or Disposal of Assets" established by the Company.

3. Future R&D plans and expected R&D expenses

(1) Future R&D plans

As a leader in integrated renewable energy services, the Company's core R&D efforts focus on combining deep expertise in energy engineering with digital technology. In the face of surging global demand for AI computing power and the pressure to transition to green energy, the Company is focusing on enhancing energy precision and the adaptability of its services across borders.

[Technical core and integration direction] The Company's technology focuses on practicality and, through the vertical integration of cross-disciplinary technologies, the Company constructs one-stop green energy sustainability solutions. Intelligent sales systems are being developed with more efficient algorithms for green power and certificate trading, helping customers achieve greater economic benefits in the complex electricity market. Automated power trading dispatch: Leveraging the Company's in-house developed EMS system to optimize the response speed and operational accuracy of energy storage devices in the electricity auxiliary service market.

[Key stage development points] In response to the huge power gap of AI data centers, the Company will combine intelligent management technology acquired through mergers and acquisitions to optimize the supply and demand balance between power generation and consumption, and improve resale efficiency through AI computing.

Mid- and long-term: The Company will develop a smart power platform with cross-border capabilities by establishing a global smart energy service platform and expanding into overseas markets such as Japan, Australia, and Southeast Asia. Through diversified application of regional microgrid technology, the Company will achieve localized and clean energy supply, and continue to promote industry-government-academia collaboration to ensure its technical strength remains at the forefront of industry trends.

(2) Expected R&D expenses

Due to the Company's integration of technological innovation with practical implementation, project planning, and system development, resources invested in technical research and development are directly incorporated into the execution costs of service projects, not allocated to a separate budget for an independent R&D unit. Looking to the future, as demand grows for AI data center power management and intelligent dispatch systems for overseas markets, the Company will continue to invest in technological optimization and incorporate related costs into the budgets for project development and information system construction, ensuring technological leadership and operational flexibility.

4. The effect of changes in major policies and legal practices, whether domestic or foreign, on the Company’s business/finance and responsive measures

   The Company and its subsidiaries operate in accordance with relevant domestic and foreign laws and regulations, and always pays attention to the development trends of domestic and foreign policies and changes in relevant energy laws and regulations, such as the "Renewable Energy Development Act" and the "Electricity Act." The Company pays close attention to the annual wholesale tariffs of renewable energy electricity by the Energy Administration, Ministry of Economic Affairs, and conduct various financial sensitivity test calculations to provide customers with more effective and satisfactory services, maintain profitability, respond to the changes in the market environment and adopt appropriate countermeasures, under the current tariffs and expected future tariffs, based on the diversified customer orientations. In the most recent year and up to the date of publication of the annual report, the Company has taken appropriate measures to respond to important domestic and foreign policies and legal changes, and no material impact on the Company's financial business has been produced.

5. Impact posed by changes in technology (including cyber security risk) on the Company's business and finance, and responsive measures

   The Company and its subsidiaries closely monitor technological advancements in the energy industry to maintain a leading technological edge: Response to industrial changes: Get a handle on the latest technological developments in solar energy, wind power generation, and energy storage equipment from time to time. In the face of the power dispatch demands driven by AI data centers, the Company helps customers achieve integrated engineering and technological upgrades through independently developed algorithms and intelligent monitoring systems, turning industry shifts into opportunities for business growth. Information security risk management: With the increasing smartness of energy services, information security has become a key operational focus. The Company has established a comprehensive information security policy and standard operating procedures (SOP), and implemented rigorous risk assessment, employee information security training, and regular internal audits to ensure information security risks are controlled and to guarantee service stability and customer data security. Impact assessment: In the most recent fiscal year and up to the date of publication of the annual report, the Company’s financial performance has not been adversely affected by technological or industrial changes; instead, its market competitiveness has been enhanced by improvements in its technical integration capabilities.

6. Impact on crisis management in the event of a change in corporate identity, and responsive measures

   The Company upholds the business principles of "professionalism, integrity, and sustainability" and regards corporate image as an important intangible asset. Countermeasures: The Company maintains good communication with stakeholders through sound management and transparent information disclosure. Meanwhile, the Company has established a crisis early warning system to ensure a swift response to unexpected events and safeguard its brand reputation. Impact assessment: In the most recent year and until the date of publication of the annual report, no change in corporate identity that results in the Company's crisis management has taken place.

7. Expected benefits and possible risks of mergers and acquisitions and countermeasures

   The Company will complete the acquisition of the smart power system in 2025, thereby strengthening its core competency in digital energy management: Expected benefits: Realize vertical integration of technology through mergers and acquisitions, accelerate the deployment of "Virtual Power Plants (VPPs)" and "AI energy dispatch," provide customers with more competitive smart energy solutions, and drive long-term revenue growth. Potential risks and responses: The acquisition may face risks such as organizational integration, technology alignment, or differences in corporate culture. The Company upholds a prudent approach to evaluation and executes in accordance with the "Procedures for the Acquisition or Disposal of Assets," and following the merger, actively promotes resource sharing and team integration to ensure synergy and protect shareholder interests. Future plans: If other merger and acquisition opportunities arise, the Company will continue to execute them in accordance with applicable laws and internal procedures, and will carefully assess their strategic alignment.

8. Expected benefits and possible risks associated with any plant expansion, and countermeasures

   The Company and its subsidiaries had no plans for plant expansion in the most recent year and as of the date of publication of the annual report.

9. Risks associated with any concentration of purchases or sales and countermeasures

   (1) Purchase

   The Company and its subsidiaries have purchased goods from the top ten suppliers for an amount of NT$275,141 thousand, NT$720,918 thousand, NT$1,309,766 thousand, and NT$2,781,829 thousand for the periods 2021~2024 and 2025, accounting for 99.14%, 98.00%, 94.94%, and 84.55% of the total purchase amount, respectively. There are four suppliers whose purchase percentage to the Company has reached 30% or more in each year.

   The Company's concentrated procurement from a single supplier primarily fluctuates with the scale of operations and the development of each business unit. Regarding our engineering operations and the procurement of materials and equipment, the Company's procurement varies due to the different items and specifications required for each specific project. Apart from suppliers or subcontractors designated by the project owners, we currently have at least two sources for our primary raw materials. Furthermore, the Company has established strong cooperative relationships with our main suppliers to ensure the shortest possible lead times to align with project schedules. This serves as the basis for adjustments during procurement, mitigating the risks of capital accumulation due to over-purchasing or supply disruptions due to insufficient procurement, thereby ensuring stable supply conditions. Regarding our green electricity trading business, the significant proportion of purchases from a single supplier is primarily because the Company is still in a growth phase. Each year, we add new green electricity producers and offtakers. When a procurement target has a larger power generation capacity, it can lead to a substantial increase in the proportion of purchases from that single entity for the current year. However, as the Company continues to develop its green electricity trading, energy conservation, and energy storage engineering services, our overall operational scale will continue to expand. The total amount and scale of green electricity purchased will also continue to increase, leading to a sustained decrease in the procurement proportion from any single supplier. Furthermore, the Company has long-term power purchase agreements in place for our renewable energy sources to ensure an uninterrupted supply for our power sales. We are also actively developing potential new power plant sources to diversify our procurement risks from individual sites.

In summary, the concentration of the Company’s procurement in each fiscal year primarily fluctuates with the scale of operations and the development of each business unit. After assessment, this concentration is considered reasonable. It is anticipated that the continued expansion of renewable energy power sources and the development of energy conservation and energy storage engineering businesses will effectively mitigate the risk of concentrated procurement in the future.

(2) Sales

The Company and its subsidiaries’ sales revenue from the top ten customers for the years 2022~2024 and 2025. The percentage of the total operating revenue of each year was 77.31%, 63.15%, 75.47%, and 85.70%. The sales amount of the largest customer accounted for 11.62%, 11.72%, 18.43%, and 54.57% of the annual total net operating revenue, respectively. There was a concentration of sales in the largest customer in 2025, primarily because the Company undertook related energy storage facility construction projects and recognized revenue based on project progress. Sales have never been concentrated in a single customer in previous years, and neither the Company nor its subsidiaries have experienced uncollectible accounts receivable in the past, so the risk over uncollectible receivables is unlikely to arise.

The Company’s continued promotion of green electricity wheeling and sales, coupled with increasing client trust and order placements, has led to an expansion in the volume of green electricity wheeled and the corresponding sales revenue. Furthermore, the energy storage frequency regulation reserve ancillary service facility built by the Company has been put into operation, providing grid stabilization services to Taipower, which has resulted in an increase in both the sales revenue and proportion of this service. Additionally, the provision of energy storage engineering services to clients continues to enhance the scale of the Company’s revenue sources.

As the Company actively expands its sources of profit, the proportion of revenue from a single customer or completed projects should be reduced appropriately when the scale of revenue is expected to continue growing. Moreover, with the growth in the operating scale of the Company and its subsidiaries, as well as the diversification of our products and services, we have continued to secure energy-saving and energy storage engineering projects through development, construction, completion, and operation & maintenance phases. Instances of business originating from a single entity in each period have improved since 2022.

10. Impacts and risks associated with major transfer or exchange of shares by directors, supervisors or major shareholders with more than 10% ownership interest, and countermeasures: None.
11. Effect upon and risk to the Company due to change in management, and countermeasures: None.
12. Other important risks and countermeasures: None.

(II) Litigation or non-litigation events

1. Litigation, non-contentious matters or administrative disputes with final judgment or is still in process during the most recent two years and as of the printing date of this annual report and the result of which may have a significant impact on shareholders' equity or securities prices, the dispute shall be disclosed Facts, amount involved, commencement date of the litigation, main litigants involved and current status: None.
2. Litigation, non-contentious matters or administrative disputes involving any of the Company's directors, supervisors, President, de facto responsible person, or major shareholders with a stake of more than 10 percent with final judgment or is still in process during the most recent two years and as of the printing date of this annual report, and the result of which may have a significant impact on shareholders' equity or securities prices, the dispute shall be disclosed Facts, amount involved, commencement date of the litigation, main litigants involved and current status:

   The Company's directors, president, shareholders holding ten percent or more of the shares, and substantive responsible persons have no pending material litigation, non-litigation, or administrative dispute events, with the exception of the following pending litigation or non-litigation cases that are not expected to have a significant impact on operations.

   The payment for the construction project of the corporate director, Shinfox Energy Co., Ltd., Xincheng Water and Electricity Co., Ltd. (hereinafter referred to as Xincheng)

   Shinfox Energy undertook the "Old School Building Renovation and Underground Public Parking Garage Construction Project" for Bihua Elementary School in Sanchong District, New Taipei City (hereinafter referred to as the Owner). On November 6, 2014, Shinfox Energy subcontracted the electrical and plumbing work to Xincheng. The two parties signed a lump-sum contract stipulating that the subcontractor must perform the work outlined in the contract drawings and specifications to receive the corresponding payment. Xincheng Company contended that the contract was a cost-plus contract and used the settlement data of the Owner's first-phase payment as the basis for its actual work volume. However, Shinfox Energy, based on the contract, argued that Xincheng did not complete the work and that Shinfox Energy subsequently hired another contractor to complete it. Shinfox Energy asserted that the evidence provided by Xincheng Company did not reflect the actual situation. Consequently, a disagreement arose between the two parties regarding the recognition of the engineering payment. Therefore, on August 9, 2017, Xincheng filed a civil lawsuit with the New Taipei District Court, Taiwan, seeking payment of NTD 11,147,984 for the “Old School Building Renovation and Underground Public Parking Garage Construction Project” at Bihua Elementary School in Sanchong District, New Taipei City, from Shinfox Energy. The first instance trial of this case on April 29, 2022, ruled that the plaintiff's claim for NTD 1,257,167 and interest calculated at an annual rate of 5% from September 5, 2017, until the date of payment, was justified based on the contract in dispute and the regulations governing contracted work. The remainder of the plaintiff's claims was deemed unreasonable and dismissed. This case has not yet concluded and is currently under civil second-instance appeal. Shinfox Energy is currently unable to estimate the precise amount of potential compensation.

Based on Xincheng’s claim of NTD 11,147,984 against Shinfox Energy, this amount represents only 0.09% of Shinfox Energy’s equity as reported in its reviewed financial statements for the third quarter of 2024. Therefore, it is not expected to have a significant impact on Shinfox Energy’s financial position or business operations.

3. For the Company’s directors, supervisors, manager, and major shareholders holding more than 10% of the shares, any occurrences specified in Article 157 of the Securities and Exchange Act during the most recent two years and as of the printing date of this annual report: None.

(III) If any of the Company’s directors, supervisors, managers, or major shareholders holding more than 10% of the shares has experienced financial difficulties or lost creditworthiness during the most recent two years and as of the printing date of this annual report, the effect on the Company's financial status shall be specified: None.

VII. Other important matters: none.

Six. Special Notes

I. Information on affiliated companies:
   Please refer to the MOPS/Basic Information/Electronic Book/Related Party Financial Statements Section and Financial Statements, website: https://mopsov.twse.com.tw.

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

III. Other supplementary notes: None.

IV. Matters with material influence on shareholders' equity or securities prices as defined in the subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the last year up till the date of publication of the annual report: None.

Foxwell Power Co., Ltd.

Chairman: Shou-Fu Kuo