

Stock Code: 6806



Shinfox Energy Co., Ltd.

2024 Annual report

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Company website: <http://www.shinfox.com.tw>

- I. Company spokesperson and acting spokesperson
Spokesperson: Hsin-Mei Li
Title: Chief Financial Officer
Tel: (02) 2269-9888
Email: angelalee@shinfox.com.tw

Acting Spokesperson: Yun-Shang Chen
Title: Manager of Public Relations Office
Tel: (02) 2269-9888
Email: yschen@shinfox.com.tw
- II. Company address and Telephone:
Head Office
Address: No. 49, Section 4, Zhongyang Road, Tucheng District, New Taipei City
Tel: (02) 22699888
South Office
Address: No. 27, Minsheng 6th Street, Guiren District, Tainan City
Tel: (06) 2393399
- III. Stock Transfer Agency
Name: Grand Fortune Securities Co., Ltd.
Address: 6th Floor, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City
Website: www.gfortune.com.tw
Tel: (02) 23711658
- IV. Name, firm, address, website and telephone number of the attesting CPA for the most recent annual financial statements.
CPA names: Hsiao-Tzu Chou, Yi-Chang Liang
CPA firm: PwC Taiwan
Address: 27F, No. 333, Section 1, Keelung Road, Taipei City
Website: www.pwc.tw
Tel: (02) 2729-6666
- V. The name of any exchanges where the Company's securities are listed offshore, and the method by which to access information on the offshore securities:
As of the date of publication, the Company has no offshore securities listed for trading.
- VI. Company Website: www.shinfox.com.tw

Table of Contents

One. Shareholders Report	1
Two. Corporate Governance Report.....	5
I. Information on directors, general managers, deputy general managers, associate managers, and heads of departments and branches	5
II. Remuneration paid to directors, general managers and deputy general managers for the most recent year.....	18
III. The operations of corporate governance.....	24
IV. Information on attesting CPAs' professional fee	82
V. Information on replacement of CPAs:	82
VI. Any of The Company's chairman, general managers, or managerial officers involved in financial or accounting affairs being employed by the attesting CPAs' firm or any of its affiliated company within the recent year.....	83
VII. Changes in transfer and pledge of shares by directors, managerial officers and shareholders with more than 10% shareholding.....	83
VIII. Information on whether the top ten shareholders in terms of shareholding ratio are related persons or spouses or relatives within the second degree of kinship.....	84
IX. The total number of shares and the comprehensive shareholding ratio held in any single investee company by the Company, its directors, supervisors, managerial officers, or any companies controlled either directly or indirectly by the Company.....	85
Three. Capital raising	86
I. Capital and shares	86
II. Issuance of corporate bonds:	89
III. Issuance of preferred shares.....	91
IV. Issuance of global depository receipts.....	91
V. Issuance of employee stock options	91
VI. Issuance of new restricted stock awards (RSA).	91
VII. Issuance of new shares in connection with mergers or acquisitions of shares of other companies.	91
VIII. Progress on the use of funds:	91
Four. Operation Overview.....	100
I. Business Content	100
II. Overview of the market, production and sales	124
III. The number of employees for the most recent 2 years, and during the current year up to the date of publication of the annual report, their average years of service, average age, and education distribution.....	134
IV. Information on environmental protection expenditures	134
V. Labor relations	135
VI. Cyber security management	136
VII. Important contracts	139
Five. Review and analysis of financial position and financial performance and risks	140

I.	Review and analysis of financial position	140
II.	Review and analysis of financial performance	141
III.	Review and Analysis of Cash Flow	142
IV.	The impact of significant capital expenditures on finance and operations in the most recent year:.....	143
V.	Investment policy for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year	143
VI.	Risks	146
VII.	Other important matters:.....	151
Six.	Special Matters.....	152
I.	Information on affiliates:	152
II.	Private placement of securities in the most recent year and the current year up till the publication date of this annual report.	152
III.	Other matters that require additional explanation.	152
IV.	Any of the following situations has a significant impact on shareholders' equity or the price of the Company's securities	152

One. Shareholders Report

Dear Shareholders,

The Company is a professional energy service company with the core values and visions of protecting the earth, sustainable development, green energy, carbon reduction, and clean energy. We have rich experience as a professional energy engineering and technology integration team, and are committed to the development of renewable energy and clean energy services and technologies. In the trend of global sustainable development and Taiwan's energy transformation policy, the Company has formulated a development strategy of [ESG Industry Ecological Pool] to provide a full range of ESG services such as the construction and maintenance of renewable energy power plants for solar energy, offshore wind power, land-based wind power, hydroelectric power generation, clean energy liquefied natural gas (LNG) imports, green power trading platform and ESCO energy saving, energy storage device technology, forest carbon rights, and offshore maritime engineering, etc.

The Company's consolidated net operating revenue in 2024 was NT\$19,644,727 thousand, which was 74.63% higher than the consolidated net operating revenue in 2023 of NT\$11,249,582 thousand; and the net profit after tax in 2024 was NT\$660,413 thousand, which was 5.91% higher than the net profit after tax in 2023 of NT\$623,578 thousand; the earnings per share also increased from NT\$2.94 in 2023 to NT\$3.58 in 2024, an increase of 21.77%.

The company's important growth strategies will focus on “clean energy” and “energy saving and carbon reduction”. In order to develop the green energy and carbon reduction industry, the Company has formulated an operating strategy of “light, wind, water, air, and large platform”. Under this strategy, the Company is responsible for providing a “one-stop solution”, including the development of wind power and solar power plants, construction and maintenance services while the Company's subsidiary, Foxwell Energy, focuses on the investment and operation of wind power and solar power plants. Shinfox Natural Gas has obtained an import license for liquefied natural gas (LNG) to improve air pollution and provide a cleaner alternative fuel. Foxwell Power has obtained a renewable energy sales license to provide green electricity trading services, promote smart energy-saving systems and build energy storage systems, etc. We also use e-commerce to establish a large-scale platform to provide a comprehensive energy services. We hope to become an ESG company, which means that we will be recognized by our shareholders, vendors, and customers in terms of the three operational benchmarks of environmental sustainability, social responsibility, and corporate governance, so that we can contribute to helping the earth while building competitiveness for the new energy industry.

As we look to the future, we must build on a stable foundation to grow and create greater profits for our shareholders as we face a rapidly changing industry and business environment. Therefore, we must be prepared to face challenges and solve problems to ensure the Company's revenue and profit growth. Finally, I would like to ask for the continued support and encouragement from all of you and I wish you all the best.

I. 2024 Business Results

(I) Business plan implementation results

Unit: Thousands of NTD

Item	2024	2023	Growth rate
Operating revenue	19,644,727	11,249,582	74.63%
Operating costs	17,606,967	10,082,064	74.64%
Operating gross profit	2,037,760	1,167,518	74.54%
Operating expenses	843,926	496,251	70.06%
Other net gains and losses	0	118,111	-
Operating profit	1,193,834	789,378	51.24%
Non-operating income and expenses	(254,028)	(17,125)	1,383.38%
Net profit before tax	939,806	772,253	21.7%
Net profit for the period	660,413	623,578	5.91%
Net profit attributed to parent company	793,414	636,385	24.68%

(II) Budget Implementation

The Company has not prepared its financial forecasts for 2024; therefore, it is not applicable.

(III) Financial income and expenditures

Unit: Thousands of NTD

Item	2024	2023	Change ratio
Net cash inflow (outflow) from operating activities	(3,857,014)	(5,500,465)	(29.88%)
Net cash inflow (outflow) from investment activities	(11,800,653)	(324,541)	3,536.11%
Net cash inflow (outflow) from financing activities	16,554,769	7,924,117	108.92%

(IV) Profitability analysis

Year		2024	2023
Return on assets (%)		2.55	2.77
Return on shareholders' equity (%)		5.08	5.45
Percentage of paid-in capital (%)	Operating profit	53.14	36.52
	Net profit before tax	41.84	35.73
Net profit margin (%)		3.36	5.54
Basic earnings per share (NT\$) (Note)		3.58	2.94

Note: The above ratios are calculated based on the consolidated financial statements, and earnings per share is calculated based on the number of shares after retroactive adjustment.

(V) Research and development status

(A) Construction Business

The electromechanical system integration services of the Company involve many professional fields. Based on the industrial characteristics and design requirements of the owners, it mainly integrates professional knowledge in various fields such as electricity, light current, instrument control, fire protection, water supply, drainage, air conditioning and cooling, applies a variety of professional construction techniques, and combines various materials and main equipment, to create an electromechanical environment that meets the industry needs of the owners. The technology involved in the Company's business is mainly at the level of application of professional knowledge and construction technology, and the focus of research and development is to simplify the construction process and control costs. With the rapid growth of the Company's business and in response to the fiercely competitive environment, in order to improve the quality of construction and reduce costs, the Company continues to research and develop technology improvements by itself and introduce technologies, and takes active measures for automation, standardization, safety, and shortening of the construction period, i.e., reaching the goal of “completing the projects on schedule, as required, at an appropriate cost, and in a safe manner”.

(B) Energy Services

The Company focuses on renewable energy engineering services, and its construction engineering technologies applied are mainly technologies or equipment that have been proven safe and cost-effective in the industry. Therefore, the engineering technologies are provided by the engineering equipment suppliers, and the Group does not have a dedicated research team or department for such technologies. In addition, the Company develops energy services, giving priority to energy conservation, energy storage, energy creation and green electricity trading, to build an ESG industry ecological pool, and to keep abreast of the latest energy technology development in the industry, such as hydrogen energy, nuclear fusion, etc. At the same time, the Company is planning to develop the latest types of energy and develop a feasible business model in response to the challenges brought about by energy transformation in the future.

II. 2025 Business plan summary

(I) Management policy

The Company continues to invest in renewable energy power plants, including wind power, geothermal power, hydroelectric power, and biomass energy to develop a green energy circular economy and ecological chain. The Company also invests in energy saving services, energy storage services, electrical and mechanical engineering, and power plant maintenance and operation, and expands the green electricity free trading capacity for renewable energy trading platform, establishes liquefied natural gas supply and operation business, and will introduce containerized equipment as a demonstration station for mobile gas supply. In addition, the Company will develop ESG-related businesses to create an ecological chain for resource recycling and sustainable development in Taiwan, in order to provide customers with better quality, more efficient and comprehensive services, and to achieve the best operating performance and maximize profits for shareholders.

The Company has integrated its resources so that each segment can focus on its own business, while taking into account the flexibility and efficiency of independent operation

and development, and enhancing the labor efficiency of the Company.

(II) Expected sales volume and its basis

The Company's business is focused on engineering business, power plant investment and energy services. As the growth trend of the renewable energy industry remains unchanged, and as the Company actively seeks for new customers and develop renewable energy, it is expected that each segment will maintain a stable growth rate.

(III) Important production and sales policies

We will improve our internal management capabilities to reduce costs, continue to develop renewable energy sites, actively recruit talents, strengthen employee education and training, make good use of the Group's business resources, provide the best services and technical resources to our customers, and establish a good relationship with them to achieve a win-win goal.

III. Future development strategy of the Company

The subsidiaries of the Company will strengthen and consolidate their respective expertise, share resources and fully collaborate with each other, integrate the resources from each company, take advantage of the customer integration and marketing, and vertically integrate the products from upstream and downstream, to expand the scope of business, increase economic efficiency, enhance the overall operational performance and competitiveness, and therefore provide more room for future growth between the subsidiaries. At the same time, we will be able to provide our customers with higher quality, more efficient and comprehensive services by achieving higher levels and providing new opportunities for the future development and sustainable operation in the renewable energy industry.

IV. Effects of the external competitive environment, regulatory environment, and overall business environment

In response to rapid changes in the industry and business environment, the Company will continue to improve its management and operational efficiency, and to respond to the Company's operational needs with more motivation and better services. In addition to constantly controlling the fixed costs, we also use the Company's related resources to develop and manufacture products to increase the competitiveness of product cost and time efficiency. We also develop forward-looking products by combining various technical guidelines to differentiate our products and enhance our competitiveness. Green energy is supported by current policies and laws, which will bring us a greater perspective in the future.

Two. Corporate Governance Report

I. Information on directors, general managers, deputy general managers, associate managers, and heads of departments and branches

(I) Information of directors

Number of shares on March 29, 2025 Unit: Shares

Job title	Nationality or place of registration	Name	Gender/ Age	Date of election	Term of office	Date of first election	Shares held at the time of election		Current shareholding		Current shareholding of spouse and minor children		Shareholding in the name of others		Main experience/academic qualifications	Concurrent positions in other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remarks
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Chairperson (Note 1)	R.O.C.	Power Quotient International Co., Ltd.	-	2023.5.24	Three years	2020.06.11	102,951,145	47.63%	102,951,145	37.49%	0	0%	0	0%	None	None	None	None	None	None
	R.O.C.	Representative: Tai-Ciang Guo	Male 61~70 years old			2021.04.08	0	0%	0	0%	0	0%	0	0%	Department of Law, Chung Hsing University General manager of Hon Hai Precision Industry Co., Ltd.	(Note 2)	None	None	None	None
Director	R.O.C.	Power Quotient International Co., Ltd.	-	2023.5.24	Three years	2020.06.11	102,951,145	47.63%	102,951,145	37.49%	0	0%	0	0%	None	None	None	None	None	None
	R.O.C.	Representative: Kun-Huang Lin	Male 51~60 years old			2012.09.28	279,205	0.13%	328,920	0.12%	0	0%	0	0%	Department of Accounting, Fu Jen Catholic University Special assistant of Chairman's office, Cheng Uei Precision Industry Co., Ltd	(Note 2)	None	None	None	None
Director	R.O.C.	Hui-Sen Hu	Male 51~60 years old	2023.5.24	Three years	2009.08.31	1,436,446	0.66%	1,692,220	0.62%	784	0%	0	0%	Master of Information Management, National Taiwan University General manager and director, Shinfox Energy Co., Ltd. Chairperson, Foxwell Energy Corporation Ltd. Managing Supervisor, Taiwan Electrical and Electronic Manufacturers' Association Chairperson, Energy Management Service Committee Managing director, Tsinghua University Taiwan Alumni Headquarters Director, Friends of the Police Association of the Republic of China Managing Director, Sino-Indonesia Cultural and Economic Association	(Note 2)	None	None	None	None
Director	R.O.C.	Chia-Jui Ou	Male 61~70 years old	2023.5.24	Three years	2023.5.24	0	0%	0	0%	0	0%	0	0%	PhD, Graduate Institute of Transportation and Communications, National Chiao Tung University Chairperson, CPC Corporation, Taiwan Director-General, Energy Administration, Ministry of Economic Affairs Secretary General, Ministry of Economic Affairs Deputy Director-General, Industrial Development Bureau, Ministry of Economic Affairs	(Note 2)	None	None	None	None

Job title	Nationality or place of registration	Name	Gender/ Age	Date of election	Term of office	Date of first election	Shares held at the time of election		Current shareholding		Current shareholding of spouse and minor children		Shareholding in the name of others		Main experience/academic qualifications	Concurrent positions in other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remarks
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
															Deputy Director-General, International Trade Administration, Ministry of Economic Affairs President, Da-Yeh University CEO, Sinotech Engineering Consultants Co., Ltd. Chairperson, Taiwan Wind Energy Association Chairperson, Industrial Technology Development Association of the Republic of China Chairperson, Sustainable & Circular Economy Development Association					
Independent Director	R.O.C.	Chong-Xiong Weng	Male 61~70 years old	2023.5.24	Three years	2020.11.10	0	0%	0	0%	0	0%	0	0%	Doctor of Commerce, National Taiwan University Professor, Department of Information Management, National Taiwan University Associate Dean, School of Management, National Taiwan University Adjunct Professor, Department of Information Management, School of Management, National Taiwan University Director, eCloudvalley Digital Technology Co., Ltd. Independent director, Study King Co., Ltd. Independent Director, Hwacom Systems Inc.	(Note 2)	None	None	None	None
Independent Director	R.O.C.	Shu-Fen Wang	Female 51~60 years old	2023.5.24	Three years	2020.11.10	0	0%	0	0%	0	0%	0	0%	Master of Accounting, National Taiwan University Adjunct Lecturer, Department of Accounting and Information, National Taipei University of Business Partner CPA, Yongsheng Certified Public Accountants Firm Independent Director, Techman Robot Inc. Independent Director, Foxwell Energy Corporation Ltd.	(Note 2)	None	None	None	None
Independent Director	R.O.C.	Wen-Shuai Liu	Male 51~60 years old	2023.5.24	Three years	2020.11.10	0	0%	0	0%	0	0%	0	0%	Master of Accounting, National Taiwan University Co-founder, Moxa Networking Co., Ltd. Global operations committee member, Moxa Inc. General manager, Ai Lei Technology Co., Ltd. Chairperson, Yuanxiang Investment Consulting Co., Ltd. Chairperson, CircuPlus Ltd. Director of Rubasse Co. Ltd. Independent Director, Foxwell Energy Corporation Ltd.	(Note 2)	None	None	None	None

Note: 1. The Chairman and General Manager of the Company are not the same person.

2. Positions in the Company and other companies:

Title	Name	Concurrent positions in other companies now
Chairperson	Representative of Power Quotient International Co., Ltd.: Tai-Ciang Guo	Chairman: Deepwaters Digital Support Inc., Du Precision Industry Co., Ltd., Central Motion Picture Industry Corporation, Central Motion Picture Bade Corporation, Central Motion Picture Cultural City Corporation, Central Motion Picture Cultural and Creative Industries Corporation, Central Motion Picture Corporation, Central Motion Picture International Corporation, Cheng Uei Precision Industry Co., Ltd., FIT Holding Co., Ltd., Glory Science Co., Ltd., Power Quotient International Co., Ltd., Microlink Communications Inc., Foxlink International Investment Co., Ltd., Foxlink Image Technology Co., Ltd., Studio A Inc, and Hsin Hung International Investment Co., Ltd. Director: Central Motion Picture USA Corp, Luminys Systems Corp, PILOT TIME LTD, REMARKABLE FIRST LIMITED, and WELL BENEFIT LTD
Director	Representative of Power Quotient International Co., Ltd.: Kun-Huang Lin	Special assistant to the Chairman: Cheng Uei Precision Industry Co., Ltd Chairman: Great Show Creative & Entertainment Corporation, Fu Uei International Investment Co., Ltd., Central Pictures Management Consultants Co. Ltd., Fresh Air Co., Ltd., and VA Product Inc. Vice Chairman: Sharetronic Data Technology Co.,Ltd. Director: ACCU-IMAGE TECHNOLOGY LIMITED, ASHOP CO., LTD., BENEFIT RIGHT LTD., CAPITAL GUARDIAN LIMITED, CULINK INTERNATIONAL LTD., Dahua Technology USA Inc., CU INTERNATIONAL LTD., FOXLINK INDIA ELECTRIC PRIVATE LIMITED, FOXLINK MYANMAR COMPANY LIMITED, FOXLINK TECHNICAL INDIA PRIVATE LIMITED, FOXLINK TECHNOLOGY LIMITED, GLORYTEK SCIENCE INDIA PRIVATE LIMITED, LUMINYS SYSTEMS CORP., NEW START INDUSTRIES LTD., POWER CHANNEL LIMITED, SHINFOX FAR EAST COMPANY PTE LTD., SINOBEST BROTHERS LIMITED, TEGNA ELECTRONICS PRIVATE LIMITED, VALUE SUCCESS LIMITED, Shanghai Fugang Electric Trading Co., Ltd., Deepwaters Digital Support Inc., Central Motion Picture Cultural and Creative Industries Corporation, Central Motion Picture Corporation, Central Motion Picture International Corporation, Shih Fong Power Co., Ltd., Taifu International Investment Co., Ltd., Foxlink Taiwan Industry Co., Ltd., FIT Holding Co., Ltd., Glory Optics (BVI) Co., Ltd., Glory Tek (BVI) Co., Ltd., Glory Tek (SAMOA) Co., Ltd., Microlink Communication Inc., Eastern Rainbow Green Energy Environmental Technology Co., Ltd., Shinfox Natural Gas Co., Ltd., Power Quotient Technology (Yancheng) Co., Ltd., World Circuit Technology (Hong Kong) Limited, Xunqiang Communication Technology Co., Ltd., Foxwell Power Co. Ltd., Foxwell Energy Co., Ltd., Fugang Electronic (Dongguan) Co., Ltd., Foxlink International Investment Ltd, Fulin International Investment Co., Ltd., Straight A Inc., Studio A Inc., Studio A Technology Limited, Jing Jing Technology Co., Ltd., Synergy Co., Ltd., Trinity Investment Co., Ltd., Dartz Technologies Corporation, Changpin Wind Power Co., Ltd., and Well Shin Technology Co., Ltd. Supervisor: Youde Wind Power Co., Ltd., Ubilink.AI CO., Ltd. General manager: Fushineng Electronics (Kun Shan) Co., Ltd. Legal representative: Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd. Legal representative/Chairman: Glorytek (Suzhou) Co., Ltd., Kunshan Fugang Electronics Trading Co., Ltd., Dongguan Fuqiang Electronics Co., Ltd., Dongguan Fu Wei Electronics Co., Ltd., Dong Guan Fu Zhang Precision Industry Co., Ltd., Dong Guan Hanyang Computer Co., Ltd., Wei Hai Fu Kang Electric Co., Ltd., Fuqiang Electric (Yancheng) Co., Ltd., Glorytek (Yancheng) Co., Ltd., and Suzhou Keyu Rui Automobile Technology Co., Ltd. Legal representative/executive director: Glory Science (Yancheng) Co., Ltd., Yancheng Yaowei Technology Co., Ltd. Legal representative/executive director/general manager: Kunshan Fugang Investment Co., Ltd. Legal representative/director/general manager: Foxlink Industrial (Tianjin) Co., Ltd., Foxlink Energy (Tianjin) Co., Ltd., Fuqiang Electronics (Maanshan) Co., Ltd., Fuqiang Electronics (Kunshan) Co., Ltd., and Fugang Electronics (Maanshan) Co., Ltd. Accounting supervisor: World Circuit Technology Co., Ltd.
Director	Hui-Sen Hu	General Manager: Shinfox Energy Co., Ltd. and FIT Holding Co., Ltd. Chairman: Foxwell Energy Corporation Ltd., Foxwell Power Co., Ltd., Shinfox Natural Gas Co., Ltd., Shinfox Far East (Taiwan) Co., Ltd, Ubilink.AI Co., Ltd., Youde Wind Power Co., Ltd., Jiuwei Power Co., Ltd., Changpin Wind Power Co., Ltd., Fox Forest Natural Resources Co., Ltd., Elegant Energy Tech Co., Ltd., Global Way Electronics Co., Ltd., Shinwei Power Co., Ltd., Junewei Power Co., Ltd., Shih Fong Power Co., Ltd., Eastern Rainbow Green Energy Environmental Technology Co., Ltd., SHINFOX FAR EAST COMPANY PTE LTD, SFE HERCULES COMPANY CORPORATION, SFE Developer Company Corporation, and Synergy Co., Ltd. Director: SFI Electronics Technology Inc., FIT Holding Co., Ltd., Gudeng Precision Industrial Co., Ltd., Unicon Optical Co., Ltd., APEX Wind Power Equipment Manufacturing Co., Ltd., and Good Will Instrument Co., Ltd. Legal representatives: Kunshan Jiuwei Info Tech Co., Ltd., FOX NAM ENERGY CO., LTD, Chengdu Xinfuwei Energy Co., Ltd. Independent director: EBM Technologies Inc.
Director	Chia-Jui Ou	Independent Director: Chang Wah Technology Co., Ltd.
Independent Director	Chong-Xiong Weng	Director: eCloudvalley Digital Technology Co., Ltd. Independent Director: HwaCom Systems Inc.
Independent Director	Shu-Fen Wang	Independent Director: Foxwell Energy Corporation Ltd., and Techman Robot Inc.
Independent Director	Wen-Shuai Liu	Chairperson: Yuanxiang Investment Consulting Co., Ltd. Director: Rubasse Co., Ltd. Independent Director: Foxwell Energy Corporation Ltd.

Major shareholders of corporate shareholders

Name of corporate shareholder	Major shareholders of corporate shareholders	Shareholding percentage
Power Quotient International Co., Ltd.	FIT Holding Co., Ltd.	100%
Foxwell International Investment Co., Ltd.	Cheng Uei Precision Industry Co., Ltd	100%

The major shareholders of corporate shareholders who are corporations

Name of corporate shareholder	Major shareholders of corporate shareholders	Shareholding percentage
FIT Holding Co., Ltd.	Fushilin International Investment Co., Ltd.	24%
	Zhide International Investment Co., Ltd.	9%
	Fu Uei International Investment Ltd.	6%
	Chao Sung Investment Co., Ltd.	2%
	Hsin Hung International Investment Co., Ltd.	2%
	Fulian International Investment Co., Ltd.	2%
	Yi-Ching Chuang	1%
	Foxlink Taiwan Industry Co., Ltd.	1%
	Investment account of UBS Europe SE in the custody of Citibank	1%
	The Business Department of Standard Chartered International Commercial Bank is entrusted with the custody of Japanese Securities	1%
Cheng Uei Precision Industry Co., Ltd	Hsin Hung International Investment Co., Ltd.	19.62%
	Foxlink Image Technology Co., Ltd.	9.66%
	Central Motion Picture Corp.	6.36%
	Tai-Ciang Guo	1.17%

	The Business Department of Standard Chartered International Commercial Bank is entrusted with the custody of Advanced Starlight	0.88%
	First Commercial Bank Co., Ltd.	0.74%
	Chase custodian investment account of Vanguard Group Emerging Markets Fund	0.71%
	Fushilin International Investment Co., Ltd.	0.63%
	HSBC (Taiwan) Commercial Bank Co., Ltd.	0.45%
	The Business Department of Standard Chartered International Commercial Bank is entrusted with the custody of Advanced Trust	0.45%

Note: This is the information on the date of stock suspension transfer of FIT Holding Co., Ltd. on March 30, 2025, and the date of stock suspension transfer of Cheng Uei Precision Industry Co., Ltd. on March 31, 2025.

(II) Directors' professional knowledge and independence

March 29, 2025

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

Conditions Name	Professional qualification	Experience	Status of Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Chairperson Tai-Ciang Guo (Note 1)	Have Work Experience in the Area of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	Mr. Tai-Ciang Guo has obtained a degree in Law from National Chung Hsing University. He once served as the General Manager of Hon Hai Precision Industry Co., Ltd., and is currently the Chairperson of several companies including Cheng Uei Precision Industry Co., Ltd. and Shinfox Energy Co., Ltd.	No spouse or relative within the second degree kinship of Mr. Guo serves as a Director of the Company, which complies with the provisions of Article 26-3 of the Securities and Exchange Act.	0
Director Kun-Huang Lin (Note 1)	Have Work Experience in the Area of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	Mr. Kun-Huang Lin has a degree from the Department of Accounting, Fu Jen Catholic University. He currently serves as the special assistant of chairperson' office, Cheng Uei Precision Industry Co., Ltd., the director of Foxwell Energy Corporation Ltd., Shinfox Energy Co., Ltd., and the director or general manager of several other companies.	No spouse or relative within the second degree kinship serving as a director of the Company, which complies with the provisions of Article 26-3 of the Securities and Exchange Act.	0
Director Hui-Sen Hu	Have Work Experience in the Area of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	Mr. Hui-Sen Hu has a Master's Degree in Information Management, National Taiwan University. He currently serves as the general manager and director of Shinfox Energy Co., Ltd. and Chairperson of Foxwell Energy Corporation Ltd. He serves concurrently as the independent director of EBM Technologies Incorporated and Gudeng Precision Industrial Co., Ltd. He also served as the managing supervisor and Chairperson of the Energy Management Service Committee of Taiwan Electrical and Electronic Manufacturers' Association, managing director of Tsinghua University Taiwan Alumni Headquarters, director of the Friends of the Police Association of the Republic of China, and managing director of the Sino-Indonesia Cultural and Economic Association.	No spouse or relative within the second degree kinship serving as a director of the Company, which complies with the provisions of Article 26-3 of the Securities and Exchange Act.	1

Conditions Name	Professional qualification	Experience	Status of Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Director Chia-jui Ou	Have Work Experience in the Area of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	Mr. Chia-Jui Ou has obtained a doctorate in engineering from the Graduate Institute of Transportation and Communications of National Chiao Tung University. He serves as the Chairperson of CPC Corporation, Taiwan, Director-General of the Energy Administration of the Ministry of Economic Affairs, Secretary General of the Ministry of Economic Affairs, Deputy Director-General of the Industrial Development Administration of the Ministry of Economic Affairs, President of Dayeh University, CEO of Sinotech Engineering Consultants Co., Ltd., and Chairperson of Taiwan Wind Energy Association. He now concurrently serves as the Independent Director of Chang Wah Technology Co., Ltd.	No spouse or relative within the second degree kinship serving as a director of the Company, which complies with the provisions of Article 26-3 of the Securities and Exchange Act.	1
Independent Director Chong-Xiong Weng	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	Mr. Chong-Xiong Weng has obtained a doctorate in commerce from National Taiwan University. In addition, he has been a professor at the Department of Asset Management of National Taiwan University for more than 20 years, and is currently an adjunct professor at the Department of Information Management of the College of Management of National Taiwan University. He also serves as the Director of eCloudvalley Digital Technology Co., Ltd. and Independent Director of HwaCom Systems Inc.	There are no instances where a spouse or a relative within the second degree of kinship serves as a director of the Company, or instances where an individual or spouse holds securities issued by the Company in the name of a third party, provided the Company with audit services or commercial, legal, financial, accounting or related services and received related compensation, which meets the requirements in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	1

Name Conditions	Professional qualification	Experience	Status of Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Independent Director Shu-Fen Wang	Lecturer in public or private colleges and universities with a major in business, law, finance, accounting or other related majors required by the Company's business. Professional and technical personnel who have passed the national examinations and obtained certificates for judges, prosecutors, lawyers, accountants or other majors required by the Company's business Have Work Experience in the Area of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	Ms. Shu-Fen Wang has a Master's degree from the Department of Accounting, National Taiwan University. She has served as a Partner CPA of Yongsheng Certified Public Accountants Firm for more than 20 years. She also served as an Adjunct Lecturer of the Department of Accounting and Information, National Taipei University of Business, and serves concurrently as an Independent Director of Techman Robot Inc. and Foxwell Energy Corporation Ltd.	There are no instances where a spouse or a relative within the second degree of kinship serves as a director of the Company, or instances where an individual or spouse holds securities issued by the Company in the name of a third party, provided the Company with audit services or commercial, legal, financial, accounting or related services and received related compensation, which meets the requirements in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	1

Conditions Name	Professional qualification	Experience	Status of Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Independent Director Wen-Shuai Liu	Have Work Experience in the Area of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	Mr. Wen-Shuai Liu has a Master's degree from the Department of Accounting, National Taiwan University. He was a co-founder of Moxa Networking Co., Ltd., global operations committee member of Moxa Inc., Chairperson of Chairperson, CircuPlus Ltd., and General Manager of Ai Lei Technology Co., Ltd. He is concurrently the Chairperson of Yuanxiang Investment Consulting Co., Ltd., director of Rubasse Co. Ltd., and Independent Director of Foxwell Energy Corporation Ltd.	There are no instances where a spouse or a relative within the second degree of kinship serves as a director of the Company, or instances where an individual or spouse holds securities issued by the Company in the name of a third party, provided the Company with audit services or commercial, legal, financial, accounting or related services and received related compensation, which meets the requirements in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	0

Note 1: Legal representative of Power Quotient International Co., Ltd.

Note 2: The above Directors and Independent Directors are not involved in any of the circumstances described in Article 30 of the Company Act.

II. Diversity and Independence of the Board of Directors

(I) Diversity of the Board of Directors

The Company's "Corporate Governance Best Practice Principles" stipulate that the Board of Directors should be composed by considering diversity and an appropriate diversity policy should be formulated with respect to the Company's own operations, business model and development needs, including diversity of basic criteria and professional knowledge and skills.

Management objectives and achievement of directors' diversity policy:

(1) Diversity in basic criteria: The composition of the Board of Directors shall be diverse in gender and age, and the membership shall include different genders to reduce the difference in gender ratio, and include at least one female; there are 7 directors on the current Board of Directors, including 1 female director, of which female directors accounted for 14%. Due to the Company's industrial attributes, there are relatively fewer female members in the field of energy-related services. In the future, we will continue to promote the reduction of gender ratio difference of Board members, with the goal of adding another

female director. As for the age diversity of the Board of Directors, there are 4 Board members aged between 50 to 60 and 3 Board members aged 60 or above in the current term.

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

Diversity item Name of director	Gender	Age	Independent director's term of office		Experience				Professional competence		
			Less than 3 years	More than 3 years	Operations management	Financial accounting	Industry experience	Professional knowledge	Financial accounting	Leadership and decision making	Operations management
Representative of POWER QUOTIENT INTERNATIONAL CO., LTD: Tai-Ciang Guo	Male	61~70 years old			V		V			V	V
Representative of POWER QUOTIENT INTERNATIONAL CO., LTD: Kun-Huang Lin	Male	51~60 years old			V	V	V		V	V	V
Hui-Sen Hu	Male	51~60 years old			V		V	V		V	V
Chia-Jui Ou	Male	61~70 years old			V		V	V		V	V
Chong-Xiong Weng	Male	61~70 years old	V					V			V
Wen-Shuai Liu	Male	51~60 years old	V		V		V			V	V
Shu-Fen Wang	Female	51~60 years old	V			V		V	V		

(II) Status of independence of the Board of Directors

- (1) Board structure: The Company has established a system for the election of directors, and the procedures for the election of all directors are open and fair, in compliance with the Company's "Articles of Incorporation", the "Regulations Governing the Election of Directors" and the "Corporate Governance Best Practice Principles", and in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and "Article 14-2 of the Securities and Exchange Act". The current composition of the Board of Directors consists of 3 independent directors (42.9%) and 4 non-independent directors (57.1%), of which 1 director with managerial officer status, which does not exceed one-third of the total number of directors, and none of the directors have a spouse or family relationship within the second degree of kinship. Therefore, there are no circumstances stipulated in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.
- (2) The Board of Directors is independent: The Board of Directors directs the

Company's strategy, supervises the management, and is responsible to the Company and its shareholders. The Board of Directors exercises its authority in accordance with the laws and regulations, the Company's Articles of Incorporation, or the resolutions of the shareholders' meetings in all operations and arrangements of the corporate governance system. The Board of Directors emphasizes the function of independent operation and transparency, and the directors and independent directors are independent individuals who exercise their duties and responsibilities independently. The three independent directors, in accordance with relevant laws and regulations, together with the authority of the Audit Committee, examine the control of the Company's existing or potential risks, in order to ensure the effective implementation of the Company's internal controls, the selection (dismissal) and independence of the attesting CPAs, and proper preparation of the financial statements. In addition, in accordance with the Company's "Regulations Governing the Election of Directors", a cumulative voting system and a candidate nomination system are adopted for the election of directors and independent directors, and shareholders are encouraged to participate. Shareholders who hold more than a certain number of shares may propose a list of candidates, and the review of the qualifications of such candidates and the confirmation of whether there is any violation of the provisions listed in Article 30 of the Company Act are conducted and announced in accordance with the law to protect the shareholders' rights and interests so as to avoid monopoly or excessive abuse of the nomination right, and maintain independence.

(II) General managers, deputy general managers, associate managers, and heads of departments and branches

March 29, 2025 Unit: Shares

Title	Nationality	Name	Gender	Date elected	Shareholding percentage		Shareholding of spouse and minor children		Shareholding in the name of others		Main experience/academic qualifications	Concurrent positions in other companies now	Managerial officers as spouses or relatives with second degree of kinship			Remarks
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
General Manager (Note 1)	R.O.C.	Hui-Sen Hu	Male	2012.12.24	1,692,220	0.62%	784	0%	0	0%	Master of Information Management, National Taiwan University General manager and director, Shinfox Energy Co., Ltd. Chairperson, Foxwell Energy Corporation Ltd. Managing supervisor, Taiwan Electrical and Electronic Manufacturers' Association Chairperson, Energy Management Service Committee Managing director, Tsinghua University Taiwan Alumni Headquarters Director, Friends of the Police Association of the Republic of China Managing Director, Sino-Indonesia Cultural and Economic Association	General Manager of Shinfox Energy Co., Ltd. and FIT Holding Co., Ltd. Chairman of Foxwell Energy, Foxwell Power, Shinfox Natural Gas, Shinfox Far East (Taiwan), Ubilink.AI CO., Ltd., Youde Wind Power, Jiuwei Power, Changpin Wind Power, Yuanshan Forest Natural Resources, Elegant Energy Tech, Global Way Electronics, Shinwei Power, Junewei Power, Shih Fong Power, Eastern Rainbow Green Energy Environmental Technology, Synergy Co., Ltd., Shinfox Far East Company Pte. Ltd., SFE Hercules Company Corporation, and SFE Developer Company Corporation Director of SFI Electronics Technology, FIT Holding, Gudeng Precision Industrial, Unicon Optical, APEX Wind Power Equipment Manufacturing, and Good Will Instrument Legal representative of Kunshan Jiuwei, FOX NAM ENERGY CO., LTD, Chengdu Xinfuwei Energy Co., Ltd., and independent director of EBM Technologies	None	None	None	None
Deputy General Manager	R.O.C.	Ming-Hong Wu (Note 2)	Male	2021.11.10	32,591	0%	0	0%	0	0%	Institute of Marine Resources Engineering, Chinese Culture University Taiwan Power Company Division Head, Power Development Division Deputy Director, Integrated Research Institute Researcher, Nuclear Power and Thermal Power Engineering Division Professional Chief Engineer, Taipower Engineering System Consultant, Taiwan Electrical and Mechanical Engineering Services, Inc.	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholding percentage		Shareholding of spouse and minor children		Shareholding in the name of others		Main experience/academic qualifications	Concurrent positions in other companies now	Managerial officers as spouses or relatives with second degree of kinship			Remarks
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Deputy General Manager	R.O.C.	Mei-Zhi Tsai	Female	2020.09.01	183,410	0.07%	0	0%	0	0%	Department of Accounting, Chinese Culture University Graduate Institute, Accounting of Soochow University Auditor, KPMG Taiwan Chief Auditor, Hsin Yi Fibers Co., Ltd. Audit Team Leader, Ernst & Young Senior Accounting Specialist, Mao Bao Inc. Finance Manager, SFI Electronics Technology Inc. Deputy General Manager and Chief Finance and Accounting Officer, Shinfox Energy Co., Ltd.	Director of Shinfox Natural Gas, Global Way Electronics, Eastern Rainbow Green Energy Environmental Technology Co., Ltd., Shinfox Far East Company Pte. Ltd., SFE Hercules Company Corporation, SFE Developer Company Corporation Supervisor, Changpin Wind Power Ltd.	None	None	None	None
Chief Finance and Accounting Officer	R.O.C.	Hsin-Mei Li	Female	2024.01.01	84,771	0.03%	0	0%	0	0%	Department of Accounting, Soochow University Assistant Accounting Manager, Tsai Yang Co., Ltd. Deputy Accounting Director, Ling Jiou Mountain Buddhist Society Accountant, Moxa Inc.	Director, Shinfox Far East Company Pte. Ltd. Supervisor, Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	None	None	None	None
Deputy General Manager	R.O.C.	Cheng-Che Hsieh	Male	2022.12.01	48,000	0.02%	0	0%	0	0%	Master of the Graduate Institute of Urban Planning, National Cheng Kung University General Manager, Ta Tung Construction Co., Ltd. Executive Deputy General Manager, Vietnam Phuc Xing Land Development Co., Ltd. Special Assistant to General Manager, KeeTai Development Co., Ltd. General Manager, Vietnam Kao Bang Construction Co., Ltd. Executive Deputy General Manager, Shinfox Energy	None	None	None	None	None
Associate Manager	R.O.C.	Ming-Chou Cheng	Male	2024.06.01	32,356	0.01%	0	0%	0	0%	Associate Manager, Shinfox Energy business group	None	None	None	None	None
Associate Manager	R.O.C.	Yun-Shang Chen	Female	2025.01.20	59,489	0.02%	0	0%	0	0%	Associate Manager, Public Relation Office, Shinfox Energy Administrative Operation Center	None	None	None	None	None

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

Note 2: Deputy General Manager Ming-Hong Wu was relieved of duty on May 31, 2024.

II. Remuneration paid to directors, general managers and deputy general managers for the most recent year

1. Remuneration paid to directors, general managers and deputy general managers for 2024

(1) Remuneration for regular directors and independent directors

December 31, 2024 Unit: Thousands of NTD

Title	Name	Director's remuneration								The sum of A, B, C, and D as a percentage of net profit after tax		Compensation earned by part-time employees								The sum of A, B, C, D, E, F and G as a percentage of net profit after tax		Remuneration received from subsidiary's outward investment business or parent company
		Compensation (A)		Severance pay and pension (B)		Remuneration of Directors (C)		Business execution expenses (D)				Salaries, bonuses and allowances (E)		Severance pay and pension (F)		Remuneration of employees (G)						
		From Shinfox Energy	All companies included in the financial statements	From Shinfox Energy	All companies included in the financial statements	From Shinfox Energy	All companies included in the financial statements	From Shinfox Energy	All companies included in the financial statements	From Shinfox Energy	All companies included in the financial statements	From Shinfox Energy	All companies included in the financial statements	From Shinfox Energy	All companies included in the financial statements	Cash amount	Stock amount	Cash Amount	Stock amount	From Shinfox Energy	All companies included in the financial statements	
Director	Power Quotient International Co., Ltd.	0	0	0	0	4,320	4,900	240	390	4,560 0.57%	5,290 0.67%	6,707	6,707	108	108	9,707	0	9,707	0	21,082 2.65%	21,812 2.75%	39,375
	Legal Representative: Tai-Ciang Kuo																					
	Legal Representative: Kun-Huang Lin																					
	Hui-Sen Hu																					
	Chia-Jui Ou																					
Independent Director	Chong-Xiong Weng	0	0	0	0	3,430	3,850	170	350	3,600 0.45%	4,200 0.53%	0	0	0	0	0	0	0	0	3,600 0.45%	4,200 0.53%	0
	Shu-Fen Wang																					
	Wen-Shuai Liu																					
1. The remuneration policy, system, standards and structure for independent directors shall be clearly defined, and the relevance of the remuneration amount to the responsibilities, risks, time invested and other factors shall be clearly defined: The remuneration for independent directors of the Company includes remuneration for business performance, travel expenses and director remuneration is allocated in accordance with the Company's Articles of Incorporation. When independent directors perform the Company's duties, regardless of the Company's profit or loss, the Company may offer fixed amounts of remuneration and determine the remuneration based on the peer level. If the Company has a surplus, the remuneration to directors shall be allocated in accordance with the Company's Articles of Incorporation. 2. Except as disclosed in the table above, the remuneration received by the directors of the Company for services rendered to all consolidated entities (e.g., as non-employee consultants of <u>parent company/any entities in the financial statements/investees, etc.</u>) in the most recent year: None.																						

Remuneration range table

Remuneration range paid to each director of the Company	Name of director			
	Total of the first four remuneration items (A+B+C+D)		Total of the first seven remuneration items (A+B+C+D+E+F+G)	
	From Shinfox Energy	All companies included in the financial statements	From Shinfox Energy	Parent company and all investees
Less than \$1,000,000	Tai-Ciang Guo, Kun-Hung Lin	Tai-Ciang Guo, Kun-Hung Lin	Tai-Ciang Guo, Kun-Hung Lin	-
\$1,000,000 (inclusive) to \$2,000,000 (exclusive)	Hui-Sen Hu, Chia-Jui Ou, Chong-Xiong Weng, Shu-Fen Wang, and Wen-Shuai Liu	Hui-Sen Hu, Chia-Jui Ou, Chong-Xiong Weng, Shu-Fen Wang, and Wen-Shuai Liu	Chia-Jui Ou, Chong-Xiong Weng, Shu-Fen Wang, and Wen-Shuai Liu	Chia-Jui Ou, Chong-Xiong Weng, Shu-Fen Wang, and Wen-Shuai Liu
\$2,000,000 (inclusive) to \$3,500,000 (exclusive)	Power Quotient International Co., Ltd.	Power Quotient International Co., Ltd.	Power Quotient International Co., Ltd.	Power Quotient International Co., Ltd.
\$3,500,000 (inclusive) to \$5,000,000 (exclusive)	-	-	-	-
\$5,000,000 (inclusive) to \$10,000,000 (exclusive)	-	-	-	-
\$10,000,000 (inclusive) to \$15,000,000 (exclusive)	-	-	-	Kun-Huang Lin
\$15,000,000 (inclusive) to \$30,000,000 (exclusive)	-	-	Hui-Sen Hu	Hui-Sen Hu, Tai-Ciang Guo
\$30,000,000 (inclusive) to \$50,000,000 (exclusive)	-	-	-	-
\$50,000,000 (inclusive) to \$100,000,000 (exclusive)	-	-	-	-
\$100,000,000 or more	-	-	-	-
Total	8 people in total	8 people in total	8 people in total	8 people in total

(2) Remuneration for general managers and deputy general managers

December 31, 2024 Unit: Thousands of NTD

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses, and allowances, etc (C)		Remuneration of employees (D)				The sum of A, B, C, and D and as a percentage of net profit after tax (%)		Remuneration received from reinvested businesses other than subsidiaries or the Parent Company E
		From Shinfox Energy	All companies included in the financial statements	From Shinfox Energy	All companies included in the financial statements	From Shinfox Energy	All companies included in the financial statements	From Shinfox Energy		All companies included in the financial statements		From Shinfox Energy	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Hui-Sen Hu	5,762	5,762	313	313	6,287	6,287	12,943	0	12,943	0	25,305 3.19%	25,305 3.19%	1260
Deputy General Manager	Mei-Zhi Tsai													
Deputy General Manager	Cheng-Che Hsieh													

Remuneration range table

Remuneration range for each general manager and deputy general manager of the Company	Name of general managers and deputy general managers	
	Total of the first four remuneration items (A+B+C+D)	Total of the first five remuneration items (A+B+C+D+E)
	From Shinfox Energy	Parent company and all investees
Less than \$1,000,000	-	-
\$1,000,000 (inclusive) to \$2,000,000 (exclusive)	-	-
\$2,000,000 (inclusive) to \$3,500,000 (exclusive)	Mei-Zhi Tsai, Cheng-Che Hsieh	Mei-Zhi Tsai, Cheng-Che Hsieh
\$3,500,000 (inclusive) to \$5,000,000 (exclusive)	-	-
\$5,000,000 (inclusive) to \$10,000,000 (exclusive)	Hui-Sen Hu	Hui-Sen Hu
\$10,000,000 (inclusive) to \$15,000,000 (exclusive)	-	-
\$15,000,000 (inclusive) to \$30,000,000 (exclusive)	-	-
\$30,000,000 (inclusive) to \$50,000,000 (exclusive)	-	-
\$50,000,000 (inclusive) to \$100,000,000 (exclusive)	-	-
\$100,000,000 or more	-	-
Total	3 people in total	3 people in total

(3) Remuneration for the top five highest paid officers of TWSE/TPEX listed companies: Not applicable.

(4) Name of the managerial officer who distributes employees' remuneration and the distribution status

December 31, 2024 Unit: Thousands of NTD

	Title	Name	Stock amount	Cash amount	Total	Total as a percentage of net profit after tax (%)
Managerial officer	General Manager	Hui-Sen Hu	0	13,995	13,995	1.76%
	Deputy General Manager	Mei-Zhi Tsai				
	Deputy General Manager	Cheng-Che Hsieh				
	Finance supervisor	Hsin-Mei Li				
	Associate Manager	Ming-Chou Cheng				

Note: The Board of Directors approved the proposed employee compensation of NT\$48,980 thousand for 2024. As of the date of publication of the annual report, the details for the distribution of employee compensation have not yet been determined, so the proposed amount is calculated based on the actual amount paid in the previous year.

2. Analysis and explanation of the total remuneration paid to directors, general managers, and deputy general managers in the most recent 2 years by the Company and all entities in the consolidated financial statements as a percentage of the net profit after tax of standalone or individual financial statements, and explanation of the policies, criteria, combination, the procedures for determining remuneration and the correlation to operating performances and future risks:

(1) Total remuneration paid to directors, general managers, and deputy general managers in the most recent 2 years by the Company as a percentage of the net profit after tax

Item Title	Remuneration as a percentage of net profit after tax				Percentage of increase or decrease	
	2024		2023		From Shinfox Energy	All companies included in the financial statements
	From Shinfox Energy	All companies included in the financial statements	From Shinfox Energy	All companies included in the financial statements		
Director	1.02%	1.2%	1.04%	1.25%	(1.96%)	(4%)
General managers and deputy general managers	3.19%	3.19%	4.24%	4.24%	(24.76%)	(24.76%)

(2) Payment

The policy, standards and composition of remuneration, the procedures for determining remuneration and the correlation to business performances and future risks.

(I) Policies, standards and packages for the payment of remuneration:

1. In accordance with the Company's Articles of Incorporation, the remuneration of the directors shall be determined by the Board of Directors with reference to the industry standard, based on the degree of participation and the value of contribution of each director; in addition, if the Company makes a profit in the year, no more than 3% will be set aside as directors' remuneration in accordance with the Company's Articles of Incorporation. The Company periodically evaluates the remuneration of directors in accordance with the "Board of Directors' Performance Evaluation Measures", and the related performance evaluation and reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors.
2. The remuneration of the Company's managerial officers is determined by the salary management regulations, which provides for various allowances and bonuses to show consideration and reward the employees' efforts in their work, and the bonuses are also based on the Company's annual operating performance, financial position, operating status and individual performance. In addition, if the Company makes any profit in the year, no less than 6% of the profit shall be appropriated as employees' compensation in accordance with the Company's Articles of Incorporation. The items included in performance evaluation for determining a manager's bonuses include (I). Financial indicators: based on the KPIs set by the Company and KPI achievement rate of each department; (II). Non-financial indicators: with considerations of three major aspects: the manager's leadership, communication skills, and sustainable development capabilities (including implementation of net-zero carbon emissions, participation in social welfare activities and other sustainability-related activities). The remuneration for the manager's operating performance is calculated based on the weights of the above items, and the remuneration system is reviewed from time to time depending on the actual operating conditions and relevant laws and regulations.
3. The remuneration package of the Company is determined in accordance with the Remuneration Committee Charter, including cash compensation, bonus shares and various allowances. Its scope is consistent with that of the Regulations Governing Information to be Published in Annual Reports of Public Companies regarding remuneration of directors and managerial officers.

(II) Procedures for determining remuneration:

1. The regular evaluation on the remuneration of directors and managerial officers shall be based on the results of evaluations conducted in accordance with the Company's Regulations Governing the Evaluation of the Board of Directors' Performance and applicable performance management regulations for managers and employees. In addition, the remuneration of the chairman and general manager shall be determined with reference to the performance indicators set by the Company and submitted to the Board of Directors for approval. The performance indicators of the chairman shall be based on operating performance and corporate governance. While the performance indicators of the general manager, deputy general manager, associate manager, and personnel with higher positions shall be based on the implementation of annual operating plan, and KPI achievement rate of each department. The sustainable development indicators are the basis to calculate bonus points, i.e., those who achieve the goal of net-zero carbon emissions set for each year will be given extra points, which will be added to the total KPI score, and will receive the bonus determined according to their ranking based on the scores.

2. The performance evaluation and the reasonableness of the remuneration of the directors and managerial officers of the Company are regularly evaluated and reviewed by the Remuneration Committee and the Board of Directors every year, with reference to the individual's performance achievement rate and contribution to the Company, as well as the overall operating performance of the Company, and the remuneration system is reviewed from time to time in accordance with the actual operating conditions and the relevant laws and regulations to provide reasonable remuneration. The actual amount of remuneration for directors and managerial officers for 2024 was reviewed by the Remuneration Committee and then submitted to the Board of Directors for approval.

(III) Correlation to operating performances and future risks:

1. The Company's remuneration policies, payment standards and system are reviewed primarily based on the Company's overall operating conditions, and the payment standards are determined based on the achievement of performance and contribution, in order to enhance the overall organizational team effectiveness of the Board of Directors and various departments. In addition, we make reference to the salary standards of the industry to ensure that the compensation of the Company's management is competitive with the industry, so as to retain outstanding management personnel.
2. The performance targets of the Company's managerial officers are integrated with “risk control” to ensure that possible risks within the scope of duties and responsibilities are managed and prevented, and the results of actual performance evaluation are linked to the relevant human resources and related salary and compensation policies. The Company's management makes important decisions based on a balance of various risk factors. The performance of the related decisions is reflected in the profitability of the Company, and the compensation of the management is related to the performance of risk control.

III. The operations of corporate governance

(I) The operation of the Board of Directors

The Board of Directors met 6 times (A) in the most recent year (2024), and the attendance of directors was as follows:

Title	Name	Actual number of attendance in person B	Number of attendance by proxy	Percentage of actual attendance in person (%) [B/A]	Remarks
Chairperson	Representative of POWER QUOTIENT INTERNATIONAL CO., LTD: T. C. Gou	6	0	100.00	
Director	Representative of POWER QUOTIENT INTERNATIONAL CO., LTD: K. H. Lin	6	0	100.00	
Director	Hui-Sen Hu	6	0	100.00	
Director	Chia-jui Ou	6	0	100.00	
Independent	Chong-Xiong	6	0	100.00	

Director	Weng				
Independent Director	Wen-Shuai Liu	6	0	100.00	
Independent Director	Shu-Fen Wang	6	0	100.00	

Other matters to be recorded:

- I. For the operation of the Board of Directors in any of the following circumstances, please specify the date, term, the contents of the proposals, the opinions of all independent directors, and the process of the opinions proposed by the independent directors:
- (I) The content of the matters listed in Article 14-3 of the Securities and Exchange Act: Please refer to page 80 for details of all resolutions of the Board of Directors in 2024. The resolutions on matters listed in Article 14-3 of the Securities and Exchange Act have been approved and passed by the independent directors.
- (II) Other than the aforementioned matters, other resolutions of the Board with dissenting or qualified opinions from Independent Directors and on the record or in written statement: None.
- II. For implementation of a Director's recusal due to a conflict of interest, the name of the Director, the content of the proposal, the reason for recusal, and the participation in the voting shall be specified:
- (I) On August 8, 2024, the Board of Directors passed a resolution to approve the managers and employees bonus amount. Director Hui-Sen Hu, as the party concerned, recused himself from the discussion and voting as required by the law, and other directors unanimously passed the resolution without objection.
- (II) On November 8, 2024, the Board of Directors passed the Company's 2024 cash capital increase of managers and employees stock subscription and 2024 managers' salary increase. Director Hui-Sen Hu, as the party concerned, recused himself from the discussion and voting as required by the law, and other directors unanimously passed the resolution without objection.
- III. Listed companies should disclose information on the cycle and duration, scope, method and content of self-evaluation (or peer evaluation) by the Board of Directors:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Performed once a year	January 1, 2024 - December 31, 2024	Performance evaluation of the Board of Directors, individual Board members and functional committees (Compensation and Audit Committee, and Sustainability Committee)	Internal self-evaluation by the Board of Directors, self-evaluation by the Board members	1. Items included in the performance evaluation of the Board: the participation in the Company's operations, the quality of the Board's decision-making, the composition and structure of the Board, the election and continuing education of Directors, and internal control. 2. Items included in the performance evaluation of individual Board members: Understanding of company goals and

				tasks, and recognition of directors' responsibilities The degree of participation in the Company's operations, internal relationship management and communication, directors' professionalism and continuing education, and internal control. 3. Items included in the performance evaluation of functional committees: Participation in company operations, awareness of functional committee's responsibilities, quality of functional committee's decisions, composition and selection of functional committee members, internal control.
IV. Objectives of strengthening the functions of the Board in the current year and the most recent year (e.g. establishment of an audit committee, improvement of information transparency, etc.) and evaluation of the implementation: The Company has established the Remuneration Committee, Audit Committee, and Sustainable Development Committee to assist the Board in fulfilling their supervisory responsibilities.				

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

1. Authority and annual work priority of the Audit Committee

- (1) Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- (2) Evaluate the effectiveness of the internal control system
- (3) To establish or amend procedures for handling significant financial transactions involving the acquisition or disposal of assets, derivative transactions, lending of funds to others, or endorsement or guarantee for others in accordance with Article 36.1 of the Securities and Exchange Act.
- (4) Matters involving the directors' own interests.
- (5) Significant asset or derivative transactions.
- (6) Significant lending of funds, endorsements or guarantees.
- (7) Raising, issuance or private placement of securities of an equity nature.
- (8) Appointment, termination or compensation of CPAs.
- (9) Appointment or removal of financial, accounting or internal audit officers.
- (10) The first, second, and third quarter financial statements and annual financial statements

signed or stamped by the Chairman, Manager, and Accounting Supervisor.
(11) Other significant matters as stipulated by the Company or the competent authorities.

2. Operation of the Audit Committee

The Audit Committee of the Company held six meetings in the most recent year (2024), and the attendance of independent directors was as follows:

Title	Name	Actual number of attendance in person B	Number of attendance by proxy	Percentage of actual attendance in person (%) [B/A] (Note)	Remarks
Independent Director	Chong-Xiong Weng	6	0	100.00	-
Independent Director	Wen-Shuai Liu	6	0	100.00	-
Independent Director	Shu-Fen Wang	6	0	100.00	Convener

Other matters to be recorded:

I. If the operation of the Audit Committee is under any of the following circumstances, the date, period, motion content, the content of the objections, reservations or major recommendations of the independent directors, resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions should be described:

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:

Date of Board Meeting	Session	Contents of proposals and resolutions
January 26, 2024	5th meeting of the 2nd term	Proposal 1: Proposal for Provision of Endorsement and Guarantee by the Company to Subsidiary Foxwell Energy Corporation Ltd.
		The result of the Audit Committee's resolution: No objections or reservations. The Company's handling of the Audit Committee's opinions: Not applicable. Resolution: Approved as proposed without objection after the Chair consulted all directors present
February 27, 2024	6th meeting of the 2nd term	Proposal 1: The Company's 2024 business plan
		Proposal 2: 2023 Business report and financial statements of the Company
		Proposal 3: Earnings distribution proposal of the Company for 2023
		Proposal 4: Evaluation of the independence and competence and appointment of the Company's CPAs
		Proposal 5: Approval for the Company's new and renewed credit extensions with financial institutions
		Proposal 6: Proposal for provision of endorsement and guarantee by the Company to its reinvested company, Changpin Wind Power Ltd.
		Proposal 7: Proposal for provision of endorsement and guarantee by the Company to its subsidiary, Shinfox Far East (Singapore) Co., Ltd.
		Written guarantee
		Proposal 8: Loaning of funds by the Company to its subsidiary,

		Shinfox Far East (Singapore) Co., Ltd.
		Proposal 9: The Company's "Internal Control System Statement" for 2023.
		Proposal 10: Discussion of the transfer of equity before the application for listing by the Company's subsidiary, Foxwell Power Co., Ltd.
		The result of the Audit Committee's resolution: No objections or reservations. The Company's handling of the Audit Committee's opinions: Not applicable. Resolution: Approved as proposed without objection after the Chair consulted all directors present
April 8, 2024	7th meeting of the 2nd term	Proposal 1: Ratification of endorsement and guarantee by the Company to its subsidiary, Shinfox Far East (Singapore) Co., Ltd.
		Proposal 2: Proposal for provision of endorsement and guarantee by the Company to its subsidiary, Foxwell Energy Corporation Ltd.
		The result of the Audit Committee's resolution: No objections or reservations. The Company's handling of the Audit Committee's opinions: Not applicable. Resolution: Approved as proposed without objection after the Chair consulted all directors present
May 14, 2024	8th meeting of the 2nd term	Proposal 1: The Company's financial statements for the first quarter of 2024
		Proposal 2: Proposal for provision of endorsement and guarantee by the Company to its subsidiary, Shinfox Far East (Singapore) Co., Ltd.
		Proposal 3: The Company disposed of right-of-use assets from the related party, Cheng Uei Precision Industry Co.,Ltd.
		Proposal 4: Proposal to establish the base date for the issuance of new shares for first domestic secured convertible corporate bonds
		Proposal 5: Proposal for provision of endorsement and guarantee by the Company to its wholly owned subsidiary, Foxwell Energy Corporation Ltd.
		Proposal 6: Approval for the Company's New and Renewed Credit Contracts with Financial Institutions.
		Proposal 7: Ratification of endorsement and guarantee by the Company to its subsidiary, Shinfox Far East (Singapore) Co., Ltd.
		The result of the Audit Committee's resolution: No objections or reservations. The Company's handling of the Audit Committee's opinions: Not applicable. Resolution: Approved as proposed without objection after the Chair consulted all directors present
August 8, 2024	9th meeting of the 2nd term	Proposal 1: The Company's financial statements for the second quarter of 2024
		Proposal 2: Proposal to establish the base date for the issuance of new shares for first domestic secured convertible corporate bonds
		Proposal 3: Proposal to terminate the endorsement and guarantee by the Company to its wholly owned subsidiary, Foxwell Energy Corporation Ltd.
		Proposal 4: Proposal to increase the amount of endorsement and

		guarantee by the Company to its wholly owned subsidiary, Foxwell Energy Corporation Ltd.
		Proposal 5: Proposal for provision of endorsement and guarantee by the Company to its wholly owned subsidiary, Foxwell Energy Corporation Ltd.
		Proposal 6: Approval for the Company's new and renewed credit extensions with financial institutions
		The result of the Audit Committee's resolution: No objections or reservations. The Company's handling of the Audit Committee’s opinions: Not applicable. Resolution: Approved as proposed without objection after the Chair consulted all directors present
November 8, 2024	10th meeting of the 2nd term	Proposal 1: The Company's financial statements for the third quarter of 2024
		Proposal 2: Approval for the Company's 2025 audit plan
		Proposal 3: The Company's 2024 cash capital increase and new stock issuance plan
		Proposal 4: The Company signed the 2nd phase development right contract for offshore wind power block and participated in the capital increase of subsidiary
		Proposal 5: The Company's plan to participate in the investment of Feiyue Development Limited Partnership Fund
		Proposal 6: Capital increase for share subscriptions of Synergy Co., Ltd.
		Proposal 7: Established the base date for the issuance of new shares for first domestic secured convertible corporate bonds
		Proposal 8: Approval for the renewal of the Company’s credit extensions with financial institutions
		Proposal 9: The Company disposed of right-of-use assets from the related party, Cheng Uei Precision Industry Co.,Ltd.
		Proposal 10: Ratification of the Company's endorsement and guarantee for its subsidiaries
		Proposal 11: Established the “Rules of Procedure for the Board of Directors Meetings”
		Proposal 12: Established the Company's “Audit Committee Charter”
		Proposal 13: Amendment to the Company's “Corporate Governance Best Practice Principles”
		Proposal 14: Added the “Sustainable Information Management” and “Internal Audit System - Sustainable Information Management”
		The result of the Audit Committee's resolution: No objections or reservations. The Company's handling of the Audit Committee’s opinions: Not applicable. Resolution: Approved as proposed without objection after the Chair consulted all directors present

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

II. The recusal of independent directors from proposals that involved conflict of interests should specify the names of the independent directors, the content of the proposals, reason for recusal, and the participation in voting: None.

III. Communication between the independent directors and the internal audit officer and CPAs

(including the significant matters, method and results of communication regarding the financial and business condition of the Company).

- (I) The Company's auditors report were submitted to independent directors upon completion of the audited items in accordance with the law, and the independent directors had no objections.
- (II) The Company's auditors attended each audit committee's meeting and prepared audit reports at the regular Board meetings, and the independent directors had no objection to the reports.
- (III) The independent directors of the Company communicate and understand the contents of the financial statements with the attesting CPAs in person or in writing.

3. Supervisors' Participation in Board Meetings: Not applicable.

(III) The operation of corporate governance and differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Evaluation item	Operation state			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
I. Has the Company formulated 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 passed a resolution on September 29, 2020 to formulate the “Corporate Governance Best Practice Principles”, which was amended for the third time on November 8, 2024 and disclosed it on the MOPS and the Company's website.	No material difference
II. The Company's shareholding structure and shareholders' equity (I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures?	V		The Company has a spokesperson, an acting spokesperson, and a stock affairs unit to handle matters related to shareholders; if legal issues are involved, they will be referred to the Company's legal affairs department or legal counsel.	No material difference
(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	V		The Company regularly maintains a list of major shareholders of the Company based on the shareholder roster provided by the stock affairs agency at the time of stock transfer suspension.	No material difference
(III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	V		The Company has established appropriate risk control mechanisms and firewalls through internal procedures such as “Procedures for Related Party Transactions”, “Procedures for Endorsement and Guarantee”, “Procedures for Lending Funds to Others”, and “Procedures for Acquisition or Disposal of Assets”.	No material difference
(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		The Company has established the “Regulations Governing the Handling of Material Internal Information” and the “Regulations Governing the Prevention of Insiders” to strictly prohibit insiders from using non-public information in the market to trade marketable securities, and regularly educates insiders on the Securities and Exchange Act and related laws and regulations regarding insider regulations.	No material difference
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors formulated and implemented a diversity policy on membership?	V		1. The Company has seven directors, among whom Tai-Ciang Guo, Kun-Huang Lin, Hui-Sen Hu, and Chia-Jui Ou are experts in business management, with rich industry experience, and excellent leadership and decision-making abilities. The three Independent directors of Chong-Xiong Weng, Wen-Shuai Liu, and Shu-Fen Wang have expertise in business and	No material difference

Evaluation item	Operation state			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
			management, relevant practical experience in investment strategy and value assessment of start-ups and investment management, and professional practical experience in financial accounting and taxation. 2. The percentage of directors who are employees of the Company was 14%, the percentage of independent directors was 43%, the percentage of female directors was 14%, the term of office of 3 independent directors is less than three years, the number of Board members aged between 50 and 60 was 4, and the number of Board members aged 60 or above was 3. The Company focuses on gender equality in the composition of the Board of Directors and aims to achieve a percentage of 25% or more of female directors. Due to the Company's industrial attributes, there are relatively fewer female members in the field of energy-related services. In the future, we will continue to promote the reduction of gender differences in the Board of Directors. 3. The diversity policy of the Board of Directors' composition is disclosed on the Company's website and the Market Observation Post System.	
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with the law, does the Company voluntarily establish other functional committees?	V		In addition to the Remuneration Committee and Audit Committee established by law, the Company also established the Sustainable Development Committee on November 10, 2021.	No material difference
(III). Has the Company established measures for evaluating the performance of the Board of Directors and its evaluation method, and conducts performance evaluation annually and regularly, and submits the results of performance evaluation to the Board of Directors for reference of individual director's salary, remuneration and nomination for reappointment?	V		The Company has established the "Board of Directors' Performance Evaluation Measures", the scope of which includes the performance evaluation of the Board of Directors as a whole, individual board members and functional committees; the evaluation method includes internal self-evaluation of the Board of Directors, self-evaluation of board members, appointment of external professional organizations, experts or other appropriate methods for performance evaluation; the performance evaluation of the Board of Directors is measured in the following five major aspects I. Degree of participation in the operation of	No material difference

Evaluation item	Operation state			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
			the Company. II. Improvement of the quality of the Board of Directors' decision making. III. Composition and structure of the Board of Directors. IV. Election and continuing education of the directors. V. Internal control.	
(IV) Does the Company regularly evaluate the independence of the attesting CPAs?	V		The Company's Audit Committee regularly evaluates the independence and competence of the attesting CPAs on an annual basis and submits the results of the evaluation to the Board of Directors. The Company's accounting unit conducts the evaluation with reference to the Certified Public Accountant Act, the 13 indicators of the Audit Quality Indicators (AQIs), and the evaluation items of the Statement No. 10 of the Code of Professional Ethics for Certified Public Accountants, "Integrity, Fairness, Objectivity and Independence", as described in Notes 1 and 2. The most recent evaluation regarding independence and competency of the CPAs was approved by the Board of Directors on March 6, 2025. The Company will also request the attesting CPAs to provide the Company with the "Statement of Independence" annually.	No material difference
IV. Does the Company as a listed company have suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their duties, assisting directors and supervisors to comply with laws and regulations, conducting Board meeting and shareholders' meeting related matters in accordance with law, and preparing minutes of Board meetings and shareholder meetings, etc.)?	V		1. On May 4, 2022, the Board of Directors approved the appointment of Mr. Kun-Huang Lin as the director of corporate governance (he has been the director of corporate governance of the parent company, FIT Holding Co., Ltd., since March 26, 2021), and he has more than 3 years of experience as the director of the corporate governance unit. His main responsibilities are to handle matters related to the Board of Directors and shareholders' meetings, prepare minutes of Board of Directors and shareholders' meetings, assist directors in their appointment and continuing education, provide information necessary for directors to perform their duties, and assist directors in complying with laws and regulations, etc. Details of his continuing education in 2024 are described in Note 3. 2. The main business implementation points in 2024 were as follows: 1. Responsible for matters related to the Board	No material difference

Evaluation item	Operation state			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
			of Directors and shareholders' meetings (1) Assist directors to comply with laws and regulations, and assist in the training courses for Board members. (2) Convene regular communication meetings with the CPAs, independent directors, finance and accounting officer and audit officer to implement internal audit and control systems. (3) Consult with the directors before the Board of Directors meeting to plan and prepare the agenda, and to notify all directors to attend the meeting at least 7 days before the meeting and to provide sufficient information for the directors to understand the content of the relevant issues; if the content of the issues is related to the interested parties and should be appropriately recused, prior reminders are given to the relevant parties and minutes of the Board of Directors meeting will be prepared after the Board of Directors meeting. (4) Register the date of the shareholders' meeting every year according to the legal deadline, prepare and report the notice of the meeting, the meeting manual and the minutes of the meeting before the deadline, and register the changes after the amendment of the Articles of Incorporation or the re-election of directors. (5) Develop and plan appropriate corporate systems and organizational structure to promote transparency, compliance with laws and regulations, and implementation of internal audit and control. Evaluate and purchase appropriate "directors' and key employees' liability insurance".	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and set up a special section for stakeholders on the Company's website, and responded appropriately to important corporate social responsibility issues that are	V		The Company has a spokesperson and an acting spokesperson as a channel of communication with stakeholders. We also have a contact area on our website where you can exchange opinions at any time.	No material difference

Evaluation item	Operation state			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
of concern to stakeholders?				
VI. Has the Company appointed a professional stock affairs agency to handle matters for shareholder meetings?	V		The Company appointed Grand Fortune Securities Co., Ltd., a professional stock affairs agency, to handle its shareholders' affairs.	No material difference
VII. Information Disclosure (I) Has the Company set up a website to disclose finance and business matters and corporate governance information?	V		The Company has set up a website to disclose various financial and corporate governance information.	No material difference
(II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?	V		The Company has designated a person responsible for the collection and disclosure of corporate information and has implemented a spokesperson system.	No material difference
(III) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year, and the financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?		V	The 2024 financial statements of the Company have been announced and uploaded in electronic form and IXBRL file within three months after the end of the fiscal year. However, the filing of paper-version annual financial report is required by law within three months after the end of the fiscal year. The reporting of the financial statements for the first, second, and third quarters and the operating status in each month had been completed within the prescribed time period.	No material difference
VIII. Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?	V		1. Employee rights and benefits: The Company has established various employee welfare policies and management procedures that comply with local regulations on labor relations, labor conditions, and social responsibility, and protect many employee rights and benefits. 2. Employee care: The Company subsidizes employee club activities and has signed contracts with various leisure and sports centers to provide employees with more options for recreational activities to help employees improve their health. In addition, the Company also regularly implements employee health checkups and provides medical consultation to maintain the physical and mental health of employees, and continuously improves the working	No material difference

Evaluation item	Operation state			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
			environment of employees to meet the needs of international standards. All employees are able to work as they wish without physical or psychological duress and without discrimination on the basis of race, gender, age, religion or political orientation. 3. Investor relations: There is an investor relations office and a spokesperson to handle shareholder issues and shareholder proposals and disputes. 4. Supplier relations: The Company has signed procurement contracts with suppliers and has always maintained good relations with them. 5. Stakeholders' rights: The Company has a spokesperson, and stakeholders can communicate with the Company through the Company's website, telephone and fax, and if deemed necessary, directly with the stakeholders. 6. Directors' and Supervisors' continuing education: The Company's directors have professional backgrounds in industry and practical experience in management, and the Company arranges for directors to attend seminars on corporate governance topics from time to time. 7. Implementation of risk management policies and risk measurement standards: The Company focuses on its own industry, implements policies in accordance with relevant laws and regulations, and establishes various standard operating practices to reduce and avoid any possible risks. 8. Implementation of customer policies: The Company has operating bases in Taiwan to provide channels for customer inquiries or services, so it is able to maintain good relationships with customers and generate profits for the Company. 9. Liability insurance for directors: The Company has taken out liability insurance for its directors.	
IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved: According to the Company's 10th Corporate Governance Evaluation in 2023, the Company ranked among the top 6% to 20% of listed companies in terms of corporate governance. However, as of the time of publication of the annual report, the 11th Corporate Governance Evaluation in 2024 has not yet been announced. The improved matters and measures to be prioritized are specified as follows: Not applicable.				

Note 1: Criteria for evaluating the independence of CPA

Evaluation item	Evaluation results	Compliance with independence
1. Whether the CPA has a direct or material indirect financial interest in the Company	No	Yes
2. Whether the CPA has engaged in financing or guarantee activities with the Company or the Company's directors	No	Yes
3. Whether the CPA has close business relationship and potential employment relationship with the Company	No	Yes
4. Whether the CPA and the members of its audit team currently hold or have held any positions with the Company in the last two years as a director, manager or as a person with significant influence over the audit work	No	Yes
5. Whether the CPA provides non-audit services to the Company that may directly or indirectly affect the audit work	No	Yes
6. Whether the CPA has brokered any shares or other securities issued by the Company	No	Yes
7. Whether the CPA has acted as a defender for the Company or represented the Company in coordinating conflicts with other third parties Conflicts among people	No	Yes
8. Whether the CPA is related to any of the Company's directors, managerial officers or persons with significant influence on the audit Personnel that have familial relationships	No	Yes

Note 2: The criteria for evaluating the independence of CPA are shown in the table below

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 load	In line with the industry average	1. Non-audit service fees	Normal level	1. Deficiencies in external inspection and punishment	Good	1. Innovative plans or initiatives	Have adopted various digital audit tools
2. Training hours	In line with the industry average	2. Audit input	In line with the industry average	2. Customer familiarity	Relevant knowledge	2. Receive letters for improvement from the competent authority	Good		
3. Liquidity	Lower than the industry average	3. EQCR review	In line with the industry average						
4. Professional support	In line with the industry average	4. Quality control support capability	In line with the industry average						

Note 3: The corporate governance officer's continuing education is as follows:

Date of continuing education		Organizer	Course name	Hours of continuing education	Total hours of continuing education in the current year
From	To				
113/03/23	113/03/23	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations 1. Insider Trading Prevention from the Perspective of Internal Control 2. Legal regulations and applicable issues related to dividend policy	3	12
113/05/14	113/05/14	Taiwan Corporate Governance Association	Master the AI risk management framework and improve the trust of AI integrated applications	3	
113/08/08	113/08/08	Taiwan Corporate Governance Association	Practice of corporate management: Strategy and execution	3	
113/08/23	113/08/23	Taiwan Corporate Governance Association	Prevention of labor disputes and corporate governance	3	

(IV) Composition and operation of the Remuneration Committee:

1. Information on the members of the Remuneration Committee

Status type	Conditions Name	Professional qualifications and experience	Status of independence (Note 1)	Number of other public companies in which the individual is concurrently serving as a remuneration committee member	Remarks
Independent Director	Chong-Xiong Weng (Convener)	Mr. Chong-Xiong Weng has a PhD in Commerce from National Taiwan University and has served as a professor of the Department of Information Management of National Taiwan University for more than 20 years. He currently serves as an adjunct professor in the Department of Information Management, School of Management, National Taiwan University, and serves concurrently as a Director of eCloudvalley Digital Technology Co., Ltd. and HwaCom Systems Inc. No circumstances in Article 30 of the Company Act apply.	There are no instances where a spouse or a relative within the second degree of kinship serves as a director of the Company, or instances where an individual or spouse holds securities issued by the Company in the name of a third party, provided the Company with audit services or business, legal, financial, accounting or related services and received related compensation, which meets the requirements in 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 Securities Dealers' Office.	1	-

Status type	Conditions	Professional qualifications and experience	Status of independence (Note 1)	Number of other public companies in which the individual is concurrently serving as a remuneration committee member	Remarks
	Name				
Independent Director	Wen-Shuai Liu	Mr. Wen-Shuai Liu has a Master's degree from the Department of Accounting, National Taiwan University. He was a co-founder of Moxa Networking Co., Ltd., global operations committee member of Moxa Inc., General Manager of Ai Lei Technology Co., Ltd., and Chairperson of Chairperson, CircuPlus Ltd. He is concurrently the Chairperson of Yuanxiang Investment Consulting Co., Ltd., and he has served concurrently as a Director of Rubasse Co. Ltd. since March 2018.	There are no instances where a spouse or a relative within the second degree of kinship serves as a director of the Company, or instances where an individual or spouse holds securities issued by the Company in the name of a third party, provided the Company with audit services or commercial, legal, financial, accounting or related services and received related compensation, which meets the requirements in 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 .	-	-
Independent Director	Shu-Fen Wang	Ms. Shu-Fen Wang has a Master's degree from the Department of Accounting, National Taiwan University. She has served as a Partner CPA of Yongsheng Certified Public Accountants Firm for more than 20 years and an Independent Director of Techman Robot Inc. and an Adjunct Lecturer of the Department of Accounting and Information, National Taipei University of Business.	There are no instances where a spouse or a relative within the second degree of kinship serves as a director of the Company, or instances where an individual or spouse holds securities issued by the Company in the name of a third party, provided the Company with audit services or commercial, legal, financial, accounting or related services and received related compensation, which meets the requirements in 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. Information on the operation of the Remuneration Committee

- (1) There are three members of the Remuneration Committee of the Company.
- (2) The term of office of the current members: May 24, 2023 to May 23, 2026. In 2024, the Remuneration Committee held 3 meetings

(A) and the qualifications and attendance of the members were as follows:

Title	Name	Number of actual attendance in person (B)	Number of attendance by proxy	Percentage of actual attendance in person (%) (B/A) (Note)	Remarks
Convener	Chong-Xiong Weng	3	0	100	None
Committee members	Wen-Shuai Liu	3	0	100	None
Committee members	Shu-Fen Wang	3	0	100	None

Other matters to be recorded:

- I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, period, proposal content, resolution of the Board, and its handling of the committee's opinions (such as the remuneration report approved by the Board of Directors
If the remuneration is better than the recommendation of the Remuneration Committee, the difference and the reason shall be stated: None.
- II. If any members of the Remuneration Committee have objections or reservations with records or written statements, please state
The date, period, proposal content, the opinions of all members, handling of the members' opinions of the Remuneration Committee: None.
- III. The date of the Remuneration Committee's meeting in the most recent year, the period, the motion content, the results of the resolution and the Company's handling of the Remuneration Committee's opinion.

Remuneration Committee	Motion contents	Results of the resolution	The Company's handling of the Remuneration Committee's opinion
3rd meeting of the 2nd term February 27, 2024	Distribution of remuneration to employees and directors in 2023	The proposal was approved unanimously by all attending members	Submitted to the Board of Directors Approved as proposed without objection by all directors in attendance
4th meeting of the 2nd term August 8, 2024	Passed the proposal of the managerial officers' bonuses	The proposal was approved unanimously by all attending members	Submitted to the Board of Directors Approved as proposed without objection by all directors in attendance
5th meeting of the 2nd term November 8, 2024	1. The Company's 2024 cash capital increase for managers and employees stock options 2. 2024 Salary adjustment for the managerial officers	The proposal was approved unanimously by all attending members	Submitted to the Board of Directors Approved as proposed without objection by all directors in attendance

IV. Responsibilities of the Remuneration Committee:

Committee members exercise the care of a prudent administrator to fulfill the following duties, and offer recommendations for discussion by the Board of Directors:

- I. Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for Directors and managerial officers.
- II. Periodically evaluate the remuneration of Directors and managerial officers.

(V) Implementation status of the promotion of sustainable development, the differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor:

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary	
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and the supervision situation of the Board of Directors?	V		In accordance with the vision and mission of the Company's ESG policy, the “Sustainable Development Committee” was established on November 10, 2021 as the highest level of the Company's internal decision-making center for sustainable development, with Director Wen-Shuai Liu as the convener to review the Company's core operating capabilities with a number of members from different fields and formulate a medium and long-term sustainable development plans. Under the “Sustainable Development Committee”, we have established the “Environmental Protection Promotion Center”, the “Social Responsibility Promotion Center”, and the “Corporate Governance Promotion Center”. Each promotion center has a director. They identify sustainability issues of concern to the Company's operations and stakeholders through monthly group meetings, formulate corresponding strategies and work guidelines, prepare budgets for each organization and sustainable development, plan and implement annual programs, and track the effectiveness of implementation to ensure that the sustainability development strategy is fully implemented in the Company's daily operations. The “Sustainable Development Committee” reports regularly to the Board of Directors on the results of the implementation of sustainable development and future work plans each year. The work plans include (1) identification of sustainability issues that require attention and formulation of response plans; (2) revision of targets and policies for sustainability issues; (3) supervision of the implementation of sustainable management issues.	No material difference

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.										
	Yes	No	Summary											
			The Directors provide professional advice to the management team when receiving the reports. The Board of Directors reviews the feasibility of the strategies based on the contents of the reports and provides recommendations to the management team.											
II. Does the Company, in accordance with the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to its operations, and formulate relevant risk management policies or strategies?	V		This disclosure covers the performance of sustainable development in the main locations from January to December 2024. The risk assessment boundary is mainly based on the Company. Members of the Sustainability Committee analyze based on the materiality principle in the Sustainability Report, integrate the assessment information from various departments, assess the issues with materiality, formulate risk management policies with control and monitoring, and take specific action plans to reduce the impact of related risks. Based on the assessed risks, establish the relevant risk management policy or strategy as follows: <table><tr><th>Risk issue</th><th>Risk source</th><th>Countermeasure</th></tr><tr><td rowspan="3">Corporate governance</td><td>Financial risk</td><td>Mainly adopt natural hedge for purchase and sale, and closely liaises with major correspondent banks to keep abreast of changes in the foreign exchange market for quotation and hedging purposes.</td></tr><tr><td>Information security risk</td><td>The information unit ensures that the Company's information assets are legally compliant and effectively secured.</td></tr><tr><td>Major incident risk</td><td>Establish business continuity management guidelines to provide guidance to all units of the Company</td></tr></table>	Risk issue	Risk source	Countermeasure	Corporate governance	Financial risk	Mainly adopt natural hedge for purchase and sale, and closely liaises with major correspondent banks to keep abreast of changes in the foreign exchange market for quotation and hedging purposes.	Information security risk	The information unit ensures that the Company's information assets are legally compliant and effectively secured.	Major incident risk	Establish business continuity management guidelines to provide guidance to all units of the Company	No material difference
Risk issue	Risk source	Countermeasure												
Corporate governance	Financial risk	Mainly adopt natural hedge for purchase and sale, and closely liaises with major correspondent banks to keep abreast of changes in the foreign exchange market for quotation and hedging purposes.												
	Information security risk	The information unit ensures that the Company's information assets are legally compliant and effectively secured.												
	Major incident risk	Establish business continuity management guidelines to provide guidance to all units of the Company												

Promotion item	Implementation status					Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary			
					on their corresponding plans, procedures, and activities in the event of a major incident to ensure the Company's continued operations and minimize the impact on the Company.	
			Society	Supplier risk	Regularly check all operating procedures to ensure compliance with all regulations	
			Environment	Climate change risk	1. Relevant risk identification and control measures have been disclosed in the 2024 Recommendations on Task Force on Climate-related Financial Disclosures (TCFD) on the Company's website. 2. Implement energy saving and carbon saving measures in operations to reduce the impact on the environment.	
III. Environmental issues (I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		The Company core values and visions are the protection of the earth, sustainable development, green energy, carbon reduction, and clean energy, with nearly 20 years of experience as a professional energy engineering and technology integration team. We are dedicated to the development of renewable energy and clean energy services and technologies. In the trend of global sustainable development and Taiwan's energy transformation policy, the Company has formulated a development strategy of “light, wind, water, air, and large platform” to provide a full range of energy services such as solar energy, offshore wind power, land-based wind power, hydroelectric power generation and other renewable energy plant			No material difference

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary	
			construction and maintenance, clean energy liquefied natural gas (LNG) import, green power trading platform and ESCO energy saving, and energy storage device technology.	
(II) Is the Company committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment?	V		The Company continues to promote energy management, e-conservation, waste reduction and resource recycling, and other environmental protection measures. Through environmental education and training, energy conservation, etc., all employees participate in the Company's energy conservation program and develop environmental habits in their daily lives.	No material difference
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to climate related issues?	V		The Company has adopted the Sustainable Development Committee as the highest organization for climate change management, with independent director Wen-Shuai Liu as the convener. The Committee reviews the implementation of climate change strategies and targets, manages climate change risks and opportunities, reviews the implementation status, and discusses future plans at the annual meeting of the Sustainable Development Committee, and reports to the Board of Directors. The Company assessed the risks and opportunities of climate change in accordance with the TCFD proposal framework published by the International Financial Stability Board. We restart the process of a comprehensive assessment every three years, and we review and update contents every year. The Company completed the relevant evaluation at the end of 2023, and reviewed and updated it in 2024. The TCFD climate evaluation is conducted by representatives from the relevant departments of the Company. Based on the TCFD framework, the risks and opportunities encountered by the Company have been analyzed and discussed based on different categories, and the impact of risks and benefits brought by	No material difference

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary	
			opportunities have been estimated. The following 2 transition risks and 1 physical risk were identified from the 11 climate risk categories. The transformation risks are mainly due to the “restrictions of renewable energy regulations” and “controversies or litigation arising from product and service construction”. The physical risk is mainly due to the increase in “global average temperature”. From the 9 climate opportunity items, we focused on the following two opportunities: opportunity - energy: “increase demand for low-carbon energy” and opportunity - resource efficiency: “recycling and reuse”. The Company simultaneously develops countermeasures against the above-mentioned risks and opportunities. In terms of risks of renewable energy regulations, the Company immediately collects government policies and relevant legal amendment schedules for early assessment of impacts and formulation of countermeasures. Regarding the risk of disputes or litigation arising from the construction of products and services, and the risk of rising global average temperatures, in addition to incorporating climate impact factors into control measures, such as strengthening the operation of the original facilities and protective measures for workers, we continue to pay attention to the latest technology of modules and related equipment for evaluation. In terms of opportunities, in response to the increasing demand for low-carbon energy projects and in addition to actively developing sites and related supporting measures, we will formulate corresponding response mechanisms for renewable energy policy adjustments as policies and regulations progress. In the future, the Company will continue to work on biodiversity restoration	

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.									
	Yes	No	Summary										
			projects around the sites. For the items of recycling and reuse, the Company will conduct the preliminary evaluation and communicate with related research institutions for feasibility assessment. The details of the analysis on the Company’s risks and opportunities brought about by climate change had been disclosed in the Company's 2024 TCFD Recommendations.										
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	V		1. Greenhouse gas emissions in the last two years: <table><tr><td>Greenhouse Gas Emissions</td><td>2023</td><td>2024</td></tr><tr><td>Carbon emissions (metric tons/year)</td><td>233.3962</td><td>265.7459</td></tr><tr><td>Per Capita Carbon Emissions (tons/year)</td><td>2.406</td><td>2.291</td></tr></table> Note: 1. The greenhouse gas emissions in 2023 and 2024 as shown above include emissions by Shinfox Energy’s Dingpu headquarters and office in Guiren District, Tainan City, and the reported scope of greenhouse gas emission included Scope 1 and 2. The carbon emission data for 2023 were disclosed based on the same scope of inventory in 2022. 2. The data of greenhouse gas emissions in 2024 in the above table were verified in March and April 2024. After the verification, the greenhouse gas emissions by Shinfox Energy’s headquarters in Dingpu and Tainan Guiren office were revised to 233.3962 metric tons, which was slightly different from the previous 2023 annual report. 3. As of the end of 2023, the number of employees at Shinfox Energy’s headquarters in Dingpu and office in Guiren District, Tainan City, was 97. At the end of 2024, the number was 116. As the number of employees in 2024 increased slightly compared to 2023, and the Group continued to promote energy conservation and turn off lights, and the per capita carbon emissions decreased slightly. Management policy and implementation: The average carbon emission per capita in 2024 was 4.78% lower than that in 2023, and has reached the target of 1%. In 2023, the ISO 50001 energy management system was introduced. Since the information room of Dingpu headquarters was identified as a major energy consumer, energy-saving measures were promoted in the information room in the second half of 2024,	Greenhouse Gas Emissions	2023	2024	Carbon emissions (metric tons/year)	233.3962	265.7459	Per Capita Carbon Emissions (tons/year)	2.406	2.291	No material difference
Greenhouse Gas Emissions	2023	2024											
Carbon emissions (metric tons/year)	233.3962	265.7459											
Per Capita Carbon Emissions (tons/year)	2.406	2.291											

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.									
	Yes	No	Summary										
			such as installing smart meters and monitoring energy consumption plan. In response to the global development trend, ESG actions have become imperative. Through the establishment of the Sustainable Development Committee (established on November 10, 2021), the Company will make plans for net zero carbon emissions, and plans to start annual inventory of greenhouse gas from 2023 and commissions third-party organizations to conduct verification. It is expected that the Company will achieve the RE100 goal by 2030 and the net zero carbon emission goal by 2040. The Company's greenhouse gas emissions mainly come from Scope 2 and 3. For Scope 2, “Green Power Utilization” and “Energy Saving Measures” have been planned. For the use of green electricity, as the parent company Cheng Uei Precision began to adopt the trial electricity tariff scheme of Taipower in 2022, the Company purchased T-RECs in 2023 to achieve the goal of using green electricity, and continued to purchase T-RECs from 2023 to 2025. The Company purchased 150,000 kwh of T-RECs in 2023, and expected to reach 100% of green electricity by 2025. In terms of energy-saving measures, a total of 598 energy-saving LED light tubes in the office area on the 8th floor of Dingpu building have been replaced in 2022, and the new energy-saving LED light tubes have been put into use in 2023 to for energy saving. In 2024, plans were made to save energy on major energy-consuming equipment such as the computer room. The energy-saving goal was achieved by replacing old equipment and monitoring the computer room with smart meters. Scope 3 includes not only procurement of raw materials, wastewater treatment, and commuting and business trips of employees, but also includes the inspection on reinvested subsidiaries. The Company has incorporated carbon inventory and related verification into its planning with reference to the Sustainable Development Pathway published by the FSC. The implementation of relevant plans is reported to the Board of Directors on a quarterly basis. 2. Water consumption in the last two years: <table><tr><td>Tap water consumption</td><td>2023</td><td>2024</td></tr><tr><td>Annual usage (tons/year)</td><td>2,627.39</td><td>2,272.39</td></tr><tr><td>Average consumption per person</td><td>27.09</td><td>19.59</td></tr></table> Note: The above data covers Shinfox Energy Dingpu headquarters and Tainan Guiren office.	Tap water consumption	2023	2024	Annual usage (tons/year)	2,627.39	2,272.39	Average consumption per person	27.09	19.59	
Tap water consumption	2023	2024											
Annual usage (tons/year)	2,627.39	2,272.39											
Average consumption per person	27.09	19.59											

Management policy and implementation:

The average usage per capita in 2024 was 27.69% less than the original reduction target of 1% in 2023. This is mainly due to the increase in the scale of the Company's business, and the use of the original office space. The main reason is that independent water meters have not yet been installed. In 2024, the original 2023 allocation ratio calculation method was adjusted to be closer to the actual water consumption. The Company is a clerical office, and most of the water-consuming equipment have been replaced with water-saving equipment, and the Company continues to promote water conservation.

In line with global sustainable development trends, access to water resources has also become critical for the Company. As the Company is an energy service company that uses only domestic water in the office, we use water-saving taps and make water-saving slogans to remind our employees to save water at all times.

3. Waste in the last two years:

Waste	2023	2024
Domestic waste (tons/year)	1.870	1.703
Average domestic waste generated per person (tons/year)	0.0225	0.0159

Note:

The Company is an energy service company, not a manufacturing company, so there is no distinction between hazardous and non-hazardous waste. In addition, the statistics in the table above only include the amount of waste generated by Shinfox Energy's employees in the offices on the 8th floor of the Company's Headquarters in Tingpu.

The above measurement data is based on the measurement conducted one day during the year, so there is a certain difference between the measurement data and the actual situation.

Management policy and implementation:

According to the measurement results, it is estimated that the average waste per employee in 2024 decreased by 8.93% from that in 2023, surpassing the original target of 3%. The waste of the Company is mainly general domestic waste generated in offices. In order to implement sustainable development of the earth and the concept of resource recycling, the recyclable part of the waste has been classified and recycled, with the primary goal of reducing the average amount of waste generated per year by 3%.

The Company continues to promote environmental education and training to train employees to implement waste classification and resource recycling, and the Company uses reusable eating utensils in its employees cafeteria to reduce waste generation.

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.												
	Yes	No	Summary													
IV. Social issues (I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?	V		The Company recognizes and voluntarily abides by international human rights conventions such as the “Universal Declaration of Human Rights” of the United Nations, the “United Nations Global Compact”, and the “International Labor Convention”, and respects the protective measures stipulated in the human rights conventions through its human rights policy, which is published on the Company's website. The Company's human rights policy and specific plan are summarized as follows: <table><tr><th>Human rights policy</th><th>Specific plan</th></tr><tr><td>Physical and mental health and work balance</td><td>Provide health examinations for employees every two years and arrange for physicians to explain abnormalities</td></tr><tr><td>Equal employment opportunity</td><td>In accordance with the “Labor Standards Act” and the Company's human rights policy, the recruitment process is guided by the principles of fairness, justice, and openness, and the salary of each employee is determined based on the academic qualifications and experience required for the position. There are no different salary standards for male and female employees.</td></tr><tr><td>No forced labor</td><td>According to the “Labor Standards Act” and the Company's human rights policy , no one will be coerced into performing labor services.</td></tr><tr><td>Prohibition of child labor</td><td>In accordance with the “Labor Standards Act” and the Company's human rights policy, the Company has never hired child labor.</td></tr><tr><td>Smooth channels for labor-management communication</td><td>Employees may submit suggestions to the Company through the welfare committee, labor-management meetings, etc., and raise questions</td></tr></table>	Human rights policy	Specific plan	Physical and mental health and work balance	Provide health examinations for employees every two years and arrange for physicians to explain abnormalities	Equal employment opportunity	In accordance with the “Labor Standards Act” and the Company's human rights policy, the recruitment process is guided by the principles of fairness, justice, and openness, and the salary of each employee is determined based on the academic qualifications and experience required for the position. There are no different salary standards for male and female employees.	No forced labor	According to the “Labor Standards Act” and the Company's human rights policy , no one will be coerced into performing labor services.	Prohibition of child labor	In accordance with the “Labor Standards Act” and the Company's human rights policy, the Company has never hired child labor.	Smooth channels for labor-management communication	Employees may submit suggestions to the Company through the welfare committee, labor-management meetings, etc., and raise questions	No material difference
Human rights policy	Specific plan															
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Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary	
			through the grievance system.	
(II) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflected operating performance or results in employee remuneration?	V		1. Employee welfare measures and implementation In addition to the health insurance and labor insurance policies under the Labor Standards Act of the R.O.C. and government regulations in Taiwan and foreign countries, the Company and its subsidiaries also provide employee group insurance and contribute to individual pension accounts for employees to protect their benefits. The measures and their implementation are as follows: A. Employees are entitled to special leave in accordance with the law, contributes to pension funds, and establishes an employee welfare committee to coordinate welfare activities and protect labor rights and interests. B. In addition to participating in labor insurance and national health insurance in accordance with the law, all employees are provided with employer's compensation liability insurance and employee group accident insurance to enhance the protection of employees' livelihood. C. Monthly birthday parties and occasional employee travels are held to enhance the quality of leisure life and promote the exchange of friendship among employees. D. Provide various subsidies such as cash and gifts for Dragon Boat Festival, Mid-Autumn Festival and birthdays. E. Provide a hygienic and good environment and facilities in the staff cafeteria to improve the quality of staff meals. 2. Retirement system and its implementation The Company and its subsidiaries in R.O.C. contribute 6% of monthly salary to the employees' personal accounts at the Bureau of Labor Insurance to protect the rights and interests of employees. Employees may also choose to	No material difference

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary	
			contribute 0 to 6% of their monthly salaries to their individual pension accounts. The employees' pension payments are made in the form of monthly pensions or lump-sum pensions, depending on the amount of the employees' individual pension accounts and accumulated earnings. The Company's subsidiaries in Mainland China contribute a certain percentage of local employees' salaries to their pension accounts each month in accordance with the pension system established by the local government. Each employee's pension is managed and coordinated by the government and the Group has no further obligation other than to make monthly contributions. 3. The Company's overall objectives are to "increase profitability and revenue" and "reduce operating expenses", to ensure that the operating performance of each department is achieved. To share the results of business operations with employees, the Company conducts annual performance appraisals in the first and second half of the year. KPIs are used as the scoring criteria for the distribution of bonuses to motivate employees. The Company's Articles of Incorporation also stipulate that: Article 23: In the event that the Company makes a profit in the year (profit refers to profit before tax before the distribution of employees' compensation and directors' remuneration), the Company shall contribute not less than 6% as employees' compensation and not more than 3% as directors' remuneration. However, if the Company still has accumulated losses, the make-up amount should be reserved in advance. The aforementioned employee compensation may be paid in stock or cash to employees who meet certain criteria of controlled or subordinate companies, and the Board of Directors is authorized to decide on the criteria and	

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary	
			distribution. 4. The Company provides equal pay for equal work and equal promotion opportunities for both male and female employees. In 2024, the percentage of female employees was 49.37% and the percentage of female supervisors was 29.16%. Due to the special nature of our industry and the fact that most of the experienced employees are male, the percentage of female supervisors is not high. In the future, the promotion of supervisors will be carried out with the aim of attaining gender equality.	
(III) Does the Company provide employees with a safe and healthy working environment and related education?	V		The Company's work mainly involves EPC contracting and O&M services, and employees are only required to implement construction supervision or O&M operations onsite with medium low risks. The Company complies with the Occupational Safety and Health Act and related regulations and we established a Safety and Health Policy, which we rigorously implement to create a healthy and happy workplace. Our core values include regulatory compliance, enhanced safety awareness, injury and illness prevention, and continuous performance improvement and we aim to create a workplace with zero occupational hazards. To prevent potential hazards in the workplace and to provide a healthy and comfortable working environment for our employees, we issue hazard notifications to onsite personnel before each entry to ensure the safety and health of employees. We also provide new employees with labor safety training and education programs based on the nature of their work. We hold annual employee health examinations every two years, and conduct labor safety seminars and fire drills in the form of education and training. In 2024 and 2023, the Company had no occupational accidents involving employees. There was no fire incident in the Company in 2024 and 2023.	No material difference

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary	
(IV) Has the Company established an effective career development training program for employees?	V		In order to enhance employees' professional skills, work efficiency and product quality, the Company conducts education and training in accordance with the annual education and training schedule. Internal training and external training are conducted simultaneously to strengthen the professional ability of employees in each functional area. Our training is listed as follows: A. Pre-employment training for new employees: Provide courses on the Company's corporate culture, business items, work rules, employee benefits, rewards and sanctions, etc., so that new employees can have a basic understanding of the Company. B. On-the-job employee training: We arrange internal and external training courses according to the work requirements. C. Professional function training: Sending employees to relevant organizations for training according to the needs, so that they can obtain professional certification.	No material difference
(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 customer rights protection policies and complaint procedures?	V		The marketing and labeling of our products and services are conducted in accordance with relevant laws and regulations and international standards. The Company has a dedicated personnel and email address to handle complaints about the Company and to promptly address consumer complaints.	No material difference
(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitored their implementation?	V		The Company attaches great importance to environmental and social protection and therefore considers whether suppliers have complied with relevant regulations on environmental protection, occupational safety and health, or labor and human rights before dealing with them.	No material difference
V. Does the Company make reference to international reporting standards or guidelines to prepare corporate social responsibility or other reports that disclose non-financial information about the Company? Has the assurance or opinion from third-party certifying	V		The 2023 Sustainability Report issued by the Company in 2024 was prepared in accordance with the standards published by the Global Reporting Initiative (GRI) in 2021, and was verified by AFNOR Group, a third-party verification unit, according to Type 1 Assurance of AA 1000AS	No material difference

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary	
institutions been obtained for the aforementioned reports?			V3 Assurance Standard, obtained an independent assurance opinion statement.	
VI. If the Company has related practice principles of its own in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”, please state the differences between the two and the state of implementation: No material difference.				
VII. Other key information useful for explaining the status of sustainable development practices: In order to promote sustainable development, the actions taken by the Company from the economic, environmental and social aspects are as follows: (I) The 2023 Sustainability Report was certified by the AA1000 third-party external verification in 2024. (II) In 2024, the ISO 14064-1 Greenhouse Gas Inventory, ISO 27001 Information Security Management, ISO 45001 Occupational Safety and Health Management, and ISO 50001 Energy Management System were certified by a third-party external verification. (III) The Company held the beach cleaning activity in March and October 2024. (IV) The Company held Green World Family Day event for employees in April 2024. (V) The office landscaping aesthetic competition event was held from April to May 2024. (VI) In August 2024, the Company sponsored the “2024 Cross-Strait Environmental Protection Senior Experts Forum” event organized by the “Environmental Sustainability Development Foundation”, with a total sponsorship of NT\$100,000. (VII) In September 2024, Shinfox and its affiliates purchased 2,100 kg of pomelos from farmers in rural areas of Hualien at the price of NT\$116,550. (VIII) The Company won the New Taipei Enterprise Excellence Award in September 2024. (IX) The Company's flywheel cup competition was held in September and October 2024. (X) In October 2024, Shinfox and its affiliates sponsored NT\$700,000 for the operating expenses of elementary and junior high school baseball teams in Shanhu District, Tainan City. (XI) The Company won the ESG Award in China in October 2024. (XII) The installation of electrical gauge in the information machine room on the 8th floor of DingPu Building was completed in the second half of 2024.				

Climate-related information of TWSE/TPEX listed companies

1. Implementation of climate-related information

Item	Implementation status
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board and the management.	■ The Board is the highest body overseeing the impacts of climate change on corporate management of Shinfox Energy, responsible for supervising the operation of the renewable energy business in response to climate risks and the action plans for climate opportunities, ensuring the achievement of relevant targets each year, and holding meetings (discussing climate issues) at least once a year. ■ The Company has established the Sustainable Development Committee, with Director Wen-Shuai Liu as the convener. As the highest decision-making center for ESG solutions of Shinfox Energy, it is also the highest executive organization for the Company's climate change management, responsible for formulating, promoting and tracking various climate change projects. The “Environmental Protection Promotion Center” of the Sustainable Development Committee is responsible for reporting the achievements of climate actions and the implementation of the Company’s sustainable development projects (including the current status of risk response caused by climate issues and action plans) at the annual Board of Directors' meetings.
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finance (short-, medium-, and long-term).	■ Shinfox Energy has established a TCFD working group, which is mainly composed of task teams supervised by the Environmental Protection Promotion Center of the Sustainable Development Committee. It studies and analyzes related issues in accordance with TCFD framework, and combines the related business units and auxiliary units, including Sustainable Development Office, Wind Power Division, Photovoltaics Division, Finance Department, Procurement Department, Planning and Development Office, Administrative Management Office, and Auditing Office. The group convenes meetings to identify climate change-related risks and opportunities and starts a new round of evaluation every three years. It also reviews the importance of updated risk and opportunities in accordance with the Company's risk identification process and with reference to the evaluation framework recommended by TCFD, to analyze the significance of risks and opportunities (Projects with a score of 10 or more for probability of occurrence X impact degree are rated as major projects for reference). For details, please refer to 2024 TCFD Recommendations of Shinfox Energy. ■ The major risks encountered by Shinfox Energy in 2024 were identified as follows:

Item	Implementation status								
3. Describe the financial impact of extreme climate events and transition actions.	■ Shinfox Energy takes active measures in response to the risks and opportunities brought about by climate change. It regularly reviews the extreme climate changes, identifies the physical climate risks, transition risks and opportunities that may affect the Company's operations, and identifies and analyzes the significance of climate risks. In 2024, Shinfox Energy incorporated climate change impact into the review, which it divides into immediate and long-term climate risks and opportunities, further covering office locations, wind power generation sites, and solar power generation sites, and conducted quantitative analysis on such scenarios. For details, please refer to Shinfox Energy's 2024 TCFD recommendations. ■ The results of quantitative analysis on scenarios of the financial impact of extreme climate events are as follows: <table><tr><th>No.</th><th>Risk</th><th>Scenario</th><th>Impact Description</th></tr><tr><td>1</td><td>Physical risk - Rising global average temperature</td><td> 1. Photovoltaic: High outdoor temperatures will reduce the energy conversion efficiency of solar power generation system. According to Standard Test Conditions (STC) research, for every 1°C increase in ambient temperature, the power generation efficiency of solar photovoltaic modules will be reduced by 0.35%. High temperatures will not only reduce the efficiency of solar modules, but also shorten their service life. 2. Wind power: In the next 5 to 20 years, global warming will continue, and the global annual average temperature will rise. According to research, wind speed tends to decline year by year due to the elevated temperature, resulting in a decrease in wind power generation efficiency and volume, and thus in operating losses. </td><td> ● Decrease in revenue ● Penalty for breach of contract Estimated total amount attributable to the impact: NT\$13 million to NT\$14.5 million </td></tr></table>	No.	Risk	Scenario	Impact Description	1	Physical risk - Rising global average temperature	1. Photovoltaic: High outdoor temperatures will reduce the energy conversion efficiency of solar power generation system. According to Standard Test Conditions (STC) research, for every 1°C increase in ambient temperature, the power generation efficiency of solar photovoltaic modules will be reduced by 0.35%. High temperatures will not only reduce the efficiency of solar modules, but also shorten their service life. 2. Wind power: In the next 5 to 20 years, global warming will continue, and the global annual average temperature will rise. According to research, wind speed tends to decline year by year due to the elevated temperature, resulting in a decrease in wind power generation efficiency and volume, and thus in operating losses.	● Decrease in revenue ● Penalty for breach of contract Estimated total amount attributable to the impact: NT\$13 million to NT\$14.5 million
No.	Risk	Scenario	Impact Description						
1	Physical risk - Rising global average temperature	1. Photovoltaic: High outdoor temperatures will reduce the energy conversion efficiency of solar power generation system. According to Standard Test Conditions (STC) research, for every 1°C increase in ambient temperature, the power generation efficiency of solar photovoltaic modules will be reduced by 0.35%. High temperatures will not only reduce the efficiency of solar modules, but also shorten their service life. 2. Wind power: In the next 5 to 20 years, global warming will continue, and the global annual average temperature will rise. According to research, wind speed tends to decline year by year due to the elevated temperature, resulting in a decrease in wind power generation efficiency and volume, and thus in operating losses.	● Decrease in revenue ● Penalty for breach of contract Estimated total amount attributable to the impact: NT\$13 million to NT\$14.5 million						

■ The results of quantitative analysis on scenarios of the financial impact of transition actions are as follows:

No.	Risk/Opportunity	Scenario	Impact Description
1	Transition risk - Restrictions by laws and regulations on renewable energy	1. Solar photovoltaic: As the climate changes intensify, the domestic energy actively promotes low-carbon transformation, resulting in an increase in the number of renewable energy development projects, and the number of case reviews has increased. In addition, the relevant units have extended the review time due to environmental problems caused by the society and the site environment. The competent authority has new requirements in the application process, including responding to the COP16 biodiversity, actively requiring ecological restoration related works, which has resulted in new expenses. 2. Wind power: The business is faced with gradually tightening regulations on the development of onshore wind turbines (environmental impact assessment distance of 500m and the surrounding environmental facilities), resulting in re-evaluation of the sites and loss due	● Rise in operating costs ● Loss due to project interruption ● Decrease in revenue Estimated total amount attributable to the impact: NT\$25 million to NT\$27 million

			to the delay in project development.	
	2	Transformation risk - product and service development causes disputes or lawsuits	The preliminary construction site may be suspended due to the local government's consideration for local residents' needs, and the local residents may be required to attend a briefing session. For the use of the equipment and modules, the application may be suspended due to the impact of the local government's consideration for the needs of local residents, which will affect the financial evaluation and change in financial assessments. In more serious cases, the funds previously invested in related equipment modules will be lost.	● Input cost loss ● Rise in operating costs Estimated total amount attributable to the impact: NT\$16 million to 18 million
	3	Opportunity - Rising demand for low-carbon energy	As Taiwan's demand for renewable energy is high, Shinfox Energy has set the target of developing photovoltaic devices with a capacity of 100 MW and wind power devices with a capacity of 752.2 MW by 2028. In addition, the Company will continue to actively deploy other renewable energy sources (such as small water power generation, surface solar energy and wave energy generation) in the future and invest in the free market to increase profits.	● Increase in market demand ● Profits rise Estimated total amount attributable to the impact: NT\$350 million to NT\$450 million
	4	Opportunity - Recycling/Utilization	As the solar power generation is emerging rapidly, research statistics show that Taiwan will	● Increase in operating revenue

			have 100,000 metric tons of solar panel scrap for recycling and treatment by 2035. Shinfox Energy is a renewable energy business, familiar with the supply chain system, and has the opportunity to further research the business opportunities of solar module recycling and reuse. Through market, financial and legal feasibility analysis, the Company plans to invest in the solar photovoltaic panel recycling industry to create another business group.	● Reduce waste disposal costs ● Introduce new business models Estimated total amount attributable to the impact: NT\$150 million to NT\$400 million	
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	1. Management of climate-related risks and opportunities by Shinfox Energy ■ Risk identification is the first and foremost task for the Company. Climate risk is very different from other risks and needs to be handled independently from the aspects of cause and impact. Climate risks faced by different industries are also quite different. The climate threats encountered by the renewable energy industry that Shinfox Energy belongs to may be significantly different from those encountered by the manufacturing industry. Therefore, it is necessary to properly identify and define climate risks in order to effectively address the adverse events caused by climate change. ■ Generally speaking, Shinfox Energy's climate risk identification and assessment process is similar to its existing 5-step risk management process (i.e., climate risk definition, risk identification, risk assessment, risk response, and risk management). First, it must be confirmed that which risks will have a significant impact on the development and operation of renewable energy projects, which means the severity of the impact will reach a certain level. Then key factors are identified through risk identification, and risks are managed in the most effective manner to avoid unnecessary expenditures. The TCFD working group will formulate corresponding management plans based on the level and priority of the identified risks and opportunities. Each business group and energy conservation and carbon reduction supporting				

unit will cooperate to discuss response control measures and future action plans for climate risks and implement them gradually.

2. Identification and assessment of climate risks and opportunities

■ The strategies and action plans for identifying major risks and opportunities in 2024 are as follows:

Item	Identification, Assessment and Management Process (Existing control measures)	Future action plans
Risk		
Transition risk - Restrictions by laws and regulations on renewable energy	1. Procedures for confirming the contracts with the competent authority and counties and cities 2. Comply with government and local laws and regulations 3. Disclose all products and services in compliance with laws and regulations and under the supervision of the competent authority, in response to the government's initiative 4. Forest planting project around the site 5. Study and update the environmental impact assessment and re-plan the development site	1. Review the latest update of regulations 2. Check the compliance with laws and regulations 3. Inquire about official documents 4. Participate in government public information activities 5. Regarding biodiversity issues ● Collaborated with universities to study ecological restoration projects ● Plants, ecological restoration projects to create a suitable environment ● Subsequent ecological restoration and maintenance plan 6. Stricter environmental assessment ● Increase the planning and development of offshore wind farms - assess the development of

			Miaoli, Changhua and Yunlin wind power sites ● Strengthen the professional talent in environmental evaluation of wind power site development ● Formulation of environmental evaluation policies and regulatory review and response mechanisms
	Physical risk - Rising global average temperature	1. Strengthening of ventilation design and construction of solar photovoltaic modules 2. Analyze the climate factors and incorporate contract adjustment	1. Stay focused on the latest technology of modules and related equipment, and evaluate the use 2. Strengthening and procuring protective measures for personnel 3. Analyze the commercial feasibility of latest solar photovoltaic module technology (such as the R&D of flexible silicon crystal TopCon module developed by domestic research institutions) 4. Regularly commissioning climate-related research to estimate future power generation efficiency 5. Strengthen contract of legal talent
	Transformation risk - product and service development causes disputes or lawsuits	1. Assess the feasibility of equipment transfer planning	1. Invest in equipment transfer and connect to new site projects 2. Regularly review the

		2. Formulate a stop-loss mechanism for disputes and standard procedures for follow-up handling	regulations for the establishment of renewable energy 3. Continue to evaluate the development of new sites
	Opportunity		
	Tenacity - Rising demand for low-carbon energy	1. Propose a plan of contingency mechanism to adjust renewable energy policies and biodiversity restoration project around the site 2. Development of new solar power plants 3. Establishment of the International Business Department 4. Assess the feasibility of other domestic offshore wind farms	1. Continue the development and construction of new solar photovoltaic projects 2. Assessment of investment in the development of offshore wind power projects 3. Assessment of the investment in the development of international ship and marine engineering teams
	Resource efficiency - Recycling/Utilization	1. Solar photovoltaic module recycling technology exchange 2. Initial research on literature related to solar module recycling technology	1. Technical exchange with the module recycling and processing technology vendors 2. Implementation of solar module recycling project feasibility - legal/policy, technology, market and financial feasibility analysis
The TCFD working group of Shinfox Energy convenes meetings to identify climate change-related risks and opportunities and analyzes the significance of risks and opportunities (Projects with a score of 10 or more for probability of occurrence x impact degree are rated as major projects for reference) in accordance with the Company's risk identification and assessment process and with reference to the evaluation framework recommended by TCFD. However, in consideration of that			

	fact that the renewable energy industry is vulnerable to the impact of physical risks to a certain extent, two climate scenarios are set during the risk identification and analysis to evaluate the impact of various climate changes at Shinfox Energy's operating locations and renewable energy project sites (solar power generation sites and wind power generation sites) in order to determine the future operating losses. In view of this, when identifying major risk items, physical risks of high weighting were screened out as one of the major items. Overall, a total of 3 major climate-related risks and 2 major climate-related opportunities were identified. In response to the above-mentioned climate-related risks and opportunities, Shinfox Energy has established a risk response organization for management and control. The main responsible units for risk control include the Board of Directors, Audit Office, General Manager's Office, Administration Department, and Finance Department. Each year, the Company systematically and regularly tracks the operational risk items. Each department summarizes and analyzes the possibility and severity of the risks, identifies and controls major risks, formulates management strategies, and regularly confirms and tracks the subsequent results, and responds to the TCFD disclosure implementation. We include climate risk as one of the Company's risk control projects. A TCFD working group has been established with the assistance of the Sustainability Development Office to conduct risk assessment and formulate relevant strategies for the impacts of climate change, and report to the risk management organization as precautionary measures to mitigate the financial impact of climate change.
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Item	Implementation status
5. If a scenario analysis is used to assess the resilience to climate change-related risks, the scenarios, parameters, assumptions, and analysis factors used, as well as major financial impacts shall be specified.	■ For the selection of climate scenario simulations, Shinfox Energy refers to the combinations of Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs) proposed in the IPCC-AR6 Climate Change Assessment Report, taking different socio-economic assumptions and radiative forcing as the basis for determining the severity of global warming. Shinfox Energy has chosen the "Moderate Emission Scenario (SSP 2-4.5, hereinafter referred to as "4.5 Scenario") and "Extreme Scenario (SSP 5-8.5, hereinafter referred to as 8.5 Scenario)" of greenhouse gas emissions as the scenarios for analysis of physical risks. ■ The financial impacts mainly come from operating costs and revenues, and partially from

	liquidated damages, losses from project interruption, and revenue from new business models.
6. If there is a transition plan in place to manage climate-related risks, the content of the plan, and the indicators and objectives used to identify and manage physical risks and transition risks shall be specified.	■ 1. Currently, the Company has planned “green electricity usage” and “energy saving measures”. For the green electricity consumption, as the parent company Cheng Uei Precision began to adopt the Taipower's electricity tariff plan in 2022, Shinfox Energy has participated in the RE10 x 10 climate declaration initiated by Greenpeace, an international environmental protection organization, and will continue to invest in various control measures to reduce energy consumption and actively purchase renewable energy to reduce greenhouse gas emissions. Shinfox Energy has purchased Taiwan Renewable Energy Certificates (T-REC) in September 2023 to achieve the green electricity usage goal. From 2023 to 2025, the Company continued to purchase T-Rec. In 2023, 40 T-RECs were purchased, totaling 40,000 kWh. In 2024, 150 T-RECs were purchased, totaling 150,000 kWh. It is hoped that 100% green electricity usage can be achieved by 2025, and is expected that the net zero target can be achieved by 2040. ■ 2. The description of indicators and objectives used to identify and manage physical risks and transition risks is lengthy. For details, please refer to Chapters 4 and 5 of Shinfox Energy's 2024 TCFD Recommendations.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be specified.	■ Due to the increase in the scope of the Company's inventory structure, 2023 has been temporarily revised as the new base year. As it is still in the early stage of planning, internal carbon pricing has not yet been introduced. It is expected that the Company will introduce an internal carbon pricing system after 2027.
8. If climate-related objectives are set, the activities covered, scope of greenhouse gas emissions, planned schedule, and annual progress shall be specified; If carbon offsets or renewable energy certificates (RECs) are used to achieve the objectives, the source and quantity of carbon credits or and the quantity of renewable energy certificates (RECs) shall be specified.	In response to climate change and the trend of sustainable development, Shinfox Energy has drawn up a strategic sustainable development blueprint and actively promotes the Company's carbon reduction project to ensure the achievement of the goal of net zero emissions, and began to organize carbon inventory since 2023. The Company plans to achieve the goal of net zero emissions at all business locations by 2040, and cooperates with the government to implement the “Roadmap for the Sustainable Development of TWSE/TPEX Listed Companies”. Therefore, it is necessary to conduct greenhouse gas inventory to identify major emission points and formulate carbon reduction strategies. The major scope of the inventory inspection include Shinfox Energy and its subsidiaries (Foxwell Power, Foxwell Energy, and Shinfox Natural Gas). The inventory has been verified by a third-party verification agency in 2024 (inspection year is 2023), and the Company has obtained a verification statement.

	The Company purchased 40 T-REC renewable energy certificates in 2023, with a total power generation of 40,000 KWH. The percentage of renewable energy purchased was 12.21%. The local carbon emission benchmark was 161,821.062 tons (metric tons CO₂e), and the market carbon emission benchmark was 19,760 tons (metric tons CO₂e).
9. Greenhouse gas inventory and assurance (filled out separately in 1-1).	■ In support of the “Roadmap for the Sustainable Development of TWSE/TPEX Listed Companies” implemented by the government, Shinfox Energy and its subsidiaries (Foxwell Power, Foxwell Energy, and Shinfox Natural Gas) launched an independent greenhouse gas inventory at the end of 2022, and appointed an external third party to provide guidance. In April 2024, a third-party agency conducted the verification, and the Company obtained 2023 greenhouse gas verification statement in the same year. The Company's greenhouse gas inventory is mainly based on the ISO 14064-1:2018 standards. ■ For the results of related greenhouse gas inventory, please refer to the 2023 Sustainability Report. ■ In addition, the Company has started the greenhouse gas inventory for 2024, and verification works will be conducted by third-party agency in May-June 2025.

1-1 The Company's Greenhouse Gas Inventory and Assurance in the Recent Two Years

1-1-1 Information on Greenhouse Gas Inventory

Describe the volume (metric tons of CO ₂ e), intensity (metric tons of CO ₂ e/NT\$ million), and data coverage of greenhouse gas emissions for the most recent two years.		
Scope 1	Total emissions (metric tons of CO ₂ e)	Intensity (metric tons of CO ₂ e/NT\$ million)
Parent company (Shinfox Energy)	62.0400 in 2023 85.5711 in 2024	0.1583 in 2023 0.0044 in 2024

	Subsidiary Foxwell Power	23.2383 in 2023 1.6789 in 2024	0.0265 in 2023 0.0009 in 2024
	Subsidiary Foxwell Energy	14.6502 in 2023 6.8281 in 2024	0.0015 in 2023 0.0004 in 2024
	Subsidiary Shinfox Natural Gas	41.2577 in 2023 69.7236 in 2024	1.0580 in 2023 0.3689 in 2024
	Total	141.1862 in 2023 163.8017 in 2024	0.0127 in 2023 0.0043 in 2024
	Scope 2	Total emissions (metric tons of CO2e)	Intensity (metric tons of CO2e/NT\$ million)
	Parent company (Shinfox Energy)	161.8211 in 2023 247.3575 in 2024	0.4128 in 2023 0.0126 in 2024
	Subsidiary Foxwell Power	73.9566 in 2023 5,548.4796 in 2024	0.0843 in 2023 2.9497 in 2024
	Subsidiary Foxwell Energy	54.6574 in 2023 35.3086 in 2024	0.0056 in 2023 0.0022 in 2024
	Subsidiary Shinfox Natural Gas	30.1063 in 2023 7.8929 in 2024	0.7720 in 2023 0.0418 in 2024
	Total	320.5413 in 2023 5839.0386 in 2024	0.0288 in 2023 0.1542 in 2024
	Scope 3	Total emissions (metric tons of CO2e)	Intensity (metric tons of CO2e/NT\$ million)
	Parent company (Shinfox Energy)	1,308.7211 in 2023 193.2254 in 2024	3.3386 in 2023 0.0098 in 2024
	Subsidiary Foxwell Power	No inventory inspection of Scope 3 was conducted in 2023. It was 14.5560 in 2024	0.0077 in 2024

	Subsidiary Foxwell Energy	Currently, the Company does not have any inventory inspection of Scope 3	-
	Subsidiary Shinfox Natural Gas	Currently, the Company does not have any inventory inspection of Scope 3	-
	Total	Parent company (Shinfox Energy) 1,308.7211 in 2023 193.2254 in 2024 Subsidiary (Foxwell Power) 14.5560 in 2024	Parent company (Shinfox Energy) 3.3386 in 2023 0.0098 in 2024 Subsidiary (Foxwell Power) 0.0077 in 2024

1-1-2 Information on Greenhouse Gas Assurance

Describe the GHG validation in the last 2 years as of the date of publication of the annual report, including the scope of validation, agency that conducts validation, criteria for validation, and opinions on validation.
I. Validation for 2023 Scope of validation: Shinfox Energy Co., Ltd. (covering the headquarters in Tucheng District, New Taipei City, and offices in Guiren District, Tainan City, in Hemei Town, Changhua County, and in Yunlin County) and its subsidiaries (Foxwell Power, Foxwell Energy, and Shinfox Natural Gas) Agency that conducts validation: AFNOR Asia Ltd. Criteria for assurance: ISO 14064-1:2018 Opinions on validation: The agency that conducts validation submitted the GHG statement in accordance with the requirements of the verification guidelines agreed by both parties, and presented the data and related information of greenhouse gas in a fair manner, without qualified opinion, which are consistent with the verification scope, objectives, and guidelines agreed by both parties. II. Validation for 2024 The assurance/verification was conducted by AFNOR Asia Ltd. in April 2024. Scope of verification: Cheng Uei Group (including Shinfox Energy, Foxwell Power, Foxwell Energy, and Shinfox Natural Gas) Planned criteria for verification: ISO 14064-1:2018 Assurance opinion: No qualified opinion

1-2 Goals, Strategies and Specific Action Plans for Greenhouse Gas Reduction

Describe the base year, data, goals, strategies, and concrete action plans for greenhouse gas reduction and achievement of the reduction goals.

Note: The base year should be the year when all enterprises included in the consolidated financial statements complete the inventory. For example, according to Article 10-2 of the Standard, companies with capital of more than 10 billion should complete the inventory of the 2024 consolidated financial statements in 2025, so the base year is 2024. If a company completes the inventory of the consolidated financial statements ahead of schedule, the year when it completes the inventory shall be taken as the base year. The data for the base year can be calculated based on the average in a single year or several years.

Currently, the Company has not started the carbon reduction plan (such as ISO 14064-2 or ISO 14068), and has only set a goal of achieving net zero emissions by 2040. In order to effectively achieve the goal of energy saving and carbon reduction, Shinfox Energy has replaced the lighting fixtures in the buildings with energy-saving LED light tubes. In addition, the Company plans to promote paperless and digital operations such as electronic forms, and turn paper statements produced by previous administrative business and routine meetings into electronic documents, to effectively reduce the use of paper, save electricity and even improve work efficiency. Additionally, the Company's group building has management measures to regulate the use of electricity, such as running the elevators in peak and off-peak mode, running the air conditioners in startup and operation mode (make adjustments in summer and winter), and setting the lighting turn-on mode, to achieve energy-saving benefits.

Starting in the second half of 2024, smart meters were installed in the information machine room on the 8th floor of Dingpu headquarters office to track the consumption of electricity.

(VI) The Company's implementation of ethical corporate management and the differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Evaluation item	Operation state			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary	
I. Formulate ethical corporate management policy and plan				
(I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company's regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy?	V		The Company established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct". The Company's core corporate values and missions are the protection of the earth, sustainable development, green energy, carbon reduction, and clean energy. Under the management of corporate ethics and morality, directors, managerial officers and employees are committed to maintaining a high level of professional ethics, and the Company has established various internal measures to ensure the implementation of ethical corporate management and compliance with laws and regulations. The relevant regulations have been published on the Company's website for employees to check at any time.	No material difference
(II) Has the Company established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the	V		The management of the Company attaches importance to ethical corporate management	No material difference

Evaluation item	Operation state			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary	
activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?			and focuses on the design of the internal management system to prevent fraud, to prevent unethical acts and to reduce the risk of unethical acts through system planning. The Company's directors, managerial officers, employees, appointees or persons with substantial control over the Company shall not engage in any unethical acts such as breach of integrity, wrongdoing or breach of fiduciary duty in order to obtain or maintain benefits. If any decision or transaction involves conflict of interests, the directors and managerial officers shall be recused from participating in the voting to avoid conflict of interests.	
(III) Has the Company specified operating procedures, guidelines for conduct, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviewed and amended it?	V		The Company has established the “Procedures for Ethical Management and Guidelines for Conduct”, which allows directors, managerial officers and employees to report any violations of the Company’s “Ethical Corporate Management Best Practice Principles” and other illegal acts.	No material difference
II. Implementation of ethical corporate management				
(I) Does the Company evaluate the ethical records of its	V		The Company and its suppliers have signed the	No material

Evaluation item	Operation state			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary	
counterparties and specify the ethical conduct clauses in the contracts signed?			“Vendor Integrity Pledge”, which specifies the rights and obligations of both parties at the time of contracting and stipulates that all suppliers should comply with.	difference
(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?	V		The Company has set up the ethical corporate management promotion unit. The Administration Division is responsible for formulating and supervising the implementation of the ethical corporate management policy and prevention plan, and reports the implementation status to the Board of Directors once a year, as described in Note 1.	No material difference
(III) Does the Company have a policy to prevent conflict of interest, provide appropriate channels for explanation, and implement it?	V		The Company’s management attaches importance to the internal audit unit and personnel and provides sufficient authority to ensure that they check and evaluate the deficiencies of the internal control system and measure the efficiency of operations, and provide a channel for employees or vendors to make representations; the Company readily provides directors and managerial officers with information on regulations regarding the recusal of insider to avoid conflict of interests that require their attention.	No material difference

Evaluation item	Operation state			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary	
(IV) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management, and has the internal audit unit drawn up relevant audit plans based on the evaluation results of risk of unethical conduct, and audited the compliance of the plan to prevent unethical conduct or entrusted a CPA to perform the audit?	V		The Company has established an effective accounting system and internal control system, and has established an annual internal audit plan. The internal audit unit performs audit operations in accordance with the audit plan, and will arrange for additional special audits when special circumstances arise.	No material difference
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?	V		The Company actively promotes and educates its employees through various occasions on the work philosophy and attitude of honest management with integrity, fairness and transparency, and self-discipline and responsibility.	No material difference
III. The operation of the Company's whistleblower reporting system (I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?	V		The Company has established a whistle-blowing system and announced the hotline, e-mail address, and other channels for whistle-blowing on the Company's website for internal and external personnel, and accepts the reporting of crimes, frauds or illegal activities. The audit unit of the Company is the unit that accepts the reported matters. The e-mail address for reporting: suggest@shinfox.com.tw	No material difference
(II) Has the Company formulated standard operating procedures for	V		The Company has established operating	No material

Evaluation item	Operation state			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary	
the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms?			procedures and confidentiality mechanisms for accepting reported matters. For related procedures, please refer to the Company's official website.	difference
(III) Does the Company take measures to protect whistleblowers from inappropriate treatment due to reporting?	V		The Company protects the identity of the whistleblower from improper treatment and threats as a result of whistleblowing.	No material difference
IV. Enhance Information Disclosure (I) Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?	V		The Company has established a website and disclosed the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct", and announced and updated the relevant information on the Market Observation Post System in a timely manner in accordance with the law.	No material difference
V. If the Company has related practice principles of its own in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please state the differences between the two and the state of implementation: The Company has formulated the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and taking into consideration the practical operation of the Company, and has followed the relevant laws and regulations to ensure the implementation of ethical corporate management in order to regulate the matters that the Company's personnel should pay attention to when performing business.				
VI. Other important information that is helpful to understand the implementation of ethical corporate management (For example, if the Company reviews and amends its ethical corporate management principles.): The Company follows the relevant laws and regulations and internal control				

Evaluation item	Operation state			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary	
system, and prohibits unethical acts or violation of laws and regulations.				

Note 1: The Administration Division is responsible for promoting ethical corporate management and compliance matters. The report on the implementation of ethical corporate management in 2024 is as follows:

Evaluation matter	Operation state		Explanation
	Yes	No	
No improper benefits were received by the Company's personnel.	V		The Company has not violated any regulations.
The Company does not provide or promise any payment for the facilitation.	V		The Company does not provide or promise any payment for the facilitation.
The Company shall make political contributions in accordance with the Political Donations Act and shall not use them to obtain commercial benefits or trading advantages.	V		No such situation.
The Company shall not provide charitable donations or sponsorships that are disguised bribes and shall not be the recipient of clear and reasonable return from sponsorship, and the Company's sponsorship shall not be for the Company's business dealings or for those who have an interest in the Company's personnel.	V		(1) In August, the Company sponsored the “2024 Cross-Strait Environmental Protection Senior Experts Forum” event organized by the Environmental Sustainability Development Foundation, with a total sponsorship of NT\$100,000. (2) 210 cartons (2100 kg) of Hualien pomelo were purchased on September 30, for a total of NT\$116,550. (3) Awarded the New Taipei Enterprise Excellence Award in September.

Evaluation matter	Operation state		Explanation
	Yes	No	
			(4) In October, the Company sponsored the operating expenses of the primary school and junior high school basketball teams in Shanhua District, Tainan, totaling NT\$700,000.
The directors, managerial officers and other stakeholders attending or participating in the Board of Directors' meetings shall explain the important contents of their interests if they have an interest in the proposals listed in the Board of Directors' meeting or the corporations they represent, and shall not join the discussion and vote if it is harmful to the interests of the Company, and shall recuse themselves from the discussion and voting and shall not exercise their voting rights on behalf of other directors. The Directors shall also exercise self-discipline and shall not improperly support each other.	V		The directors have recused themselves from any of the motions requiring recusal of directors in 2024.
The Company has designated the Administrative Management Department as a dedicated unit responsible for formulating and implementing procedures for the management, preservation and confidentiality of the Company's intellectual properties, such as trade secrets, trademarks, patents, copyrights and other works. It shall review the results of their implementation on a regular basis to ensure the continued effectiveness of the procedures.	V		The Company's procedures for the management of trademark rights are in compliance with the regulations.
The Company's personnel are prohibited from disclosing trade secrets and intellectual property rights.	V		The Company has not violated any regulations.
The Company is prohibited from engaging in unfair competition and preventing products or services from harming stakeholders in its business activities.	V		The Company has not violated any regulations.
Employees of the Company are prohibited from engaging in insider trading and other organizations or persons involved in important projects or contracts of the	V		The Company complies with the relevant regulations.

Evaluation matter	Operation state		Explanation
	Yes	No	
Company shall sign non-disclosure agreements with the Company.			
The Company shall disclose its policy on ethical corporate management in its internal regulations, annual reports, corporate website or other publications, and shall announce it at external events such as product launches and corporate presentations in a timely manner, so that its suppliers, customers or other business-related organizations and personnel can clearly understand its philosophy and standards of integrity management.	V		The Company has disclosed its ethical corporate management policy on the Company's website.
Before entering into business relationships with others, the Company shall evaluate the legitimacy, integrity policy, and history of dishonest behavior of agents, suppliers, customers, or other business partners to ensure that their business operations are fair and transparent and that they will not request, offer, or accept bribes.	V		The Company has not violated any regulations.
In the course of conducting business, the Company's personnel shall explain the Company's policy of ethical corporate management and related regulations to counterparties and expressly refuse to offer, promise, request or accept, directly or indirectly, any improper advantage in any form or name.	V		The Company has not violated any regulations.
The Company's personnel shall refrain from dealing with unethical operators.	V		The Company has not violated any regulations.
When the Company enters into a contract with another party, the Company shall fully understand the ethics of the other party and include compliance with the Company's ethical corporate management policy in the contract terms.	V		The Company has not violated any regulations.
The Company shall encourage internal and external personnel to report unethical acts or misconduct, and shall pay rewards as appropriate depending on the severity of the report. Any internal personnel who make false reports or malicious accusations shall be subject to disciplinary	V		The Company has had no whistleblower reporting cases.

Evaluation matter	Operation state		Explanation
	Yes	No	
action, and in serious cases, shall be dismissed.			
The Company has established and announced an independent whistleblower reporting mailbox or hotline on the Company's website or has commissioned other external independent organizations to provide a whistleblower reporting mailbox or hotline for the use of internal and external personnel of the Company.	V		The Company has set up a whistleblower reporting system and a related mailbox on the Company's website, and currently there have been no cases being reported.
The Company's personnel handling the whistleblower reports shall declare in writing that the identity of the whistleblower and the content of the report shall be kept confidential, and the Company undertakes to protect the whistleblower from being improperly dealt with as a result of the report.	V		The Company has had no whistleblower reporting cases.
The Company shall notify the judicial and prosecutorial authorities of any unethical acts, committed by others against the Company if the acts are illegal, and shall notify the government ethics authorities of any such acts if a government agency or public official is involved,	V		There is no illegality on the part of the Company's personnel.
The Company shall dismiss or terminate the employment of its personnel in accordance with the relevant laws and regulations or the Company's personnel regulations if the breach of ethics by the Company's personnel is significant.	V		No breach of ethics by the Company's personnel.

(VII) Other important information that can enhance understanding of the operations of corporate governance may also be disclosed:

- (1) The Sustainable Development Committee was established in November 2021 and is composed of five directors (including three independent directors). The Committee plans and implements sustainable development matters in accordance with the three aspects: the environment, society and corporate governance in order to achieve the Company's vision of "protecting the earth, sustainable development, green energy and carbon reduction, and clean energy". The committee regularly reports the implementation status to the Board of Directors every year.
- (2) The duties of the committee are as follows:
 1. Set corporate social responsibility, sustainable development direction (environmental, social and governance) and objectives, and establish related management guidelines and concrete promotion plans.
 2. Follow-up, review and amendment of the implementation status and effectiveness of corporate sustainable development.
 3. Other matters resolved by the Board of Directors and handled by the Committee.

The relevant expertise of the committee members is listed below:

Name of Committee Members	Independent Director	Expertise
Wen-Shuai Liu (Chair)	V	Business management and experience in the industry
Chong-Xiong Weng	V	Professional knowledge
Shu-Fen Wang	V	Financial accounting
Chia-jui Ou		Professional knowledge
Hui-Sen Hu		Business management and experience in the industry

- (3) The operation is as follows:

The term of office of the current members: from May 24, 2023 to May 23, 2026. As of 2024, three meetings were held, and the attendance of members was as follows:

Director/Independent Director	Required attendance	Attendance in person
Independent Director Wen-Shuai Liu (Convener)	3	3
Independent Director Chong-Xiong Weng	3	3
Independent Director Shu-Fen Wang	3	3
Director Chia-Jui Ou	3	3
Director Hui-Sen Hu	3	3

(VIII) Implementation of the internal control system:

1. Statement of Internal Control
Please refer to the MOPS/Corporate Governance/Internal Control Area/Declaration of Internal Control, website address: <https://mopsov.twse.com.tw>.
2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed: None.

(IX) Important resolutions of the shareholders' meeting and Board meeting during the most recent year or during the current year up to the date of publication of the annual report:

1. Important Resolutions of the Board

Date	Important resolutions
2024.01.26	1. Proposal for provision of endorsement and guarantee for its wholly owned subsidiary, Foxwell Energy Corporation Ltd.
2024.02.27	1. The Company's 2024 business plan 2. 2023 Business report and financial statements of the Company 3. Distribution of employee compensation and remuneration to directors for 2023 4. Earnings distribution of the Company in 2023 5. Evaluation of the independence and competence and appointment of the Company's CPAs. 6. The Company's new and renewed credit extensions with financial institutions 7. Proposal for provision of endorsement and guarantee by the Company to its reinvested company, Changpin Wind Power Ltd. 8. Proposal for provision of endorsement and guarantee by the Company to its subsidiary, Shinfox Far East (Singapore) Co., Ltd. 9. Loaning of funds by the Company to its subsidiary, Shinfox Far East (Singapore) Co., Ltd. 10. The Company's "Internal Control System Statement" for 2023 11. Discussion of the transfer of equity before the application for listing by the Company's subsidiary, Foxwell Power Co., Ltd. 12. The time, location and reasons for convening 2024 regular shareholders' meeting of the Company.
2024.04.08	1. Ratification of endorsement and guarantee by the Company to its subsidiary, Shinfox Far East (Singapore) Co., Ltd. 2. Proposal for provision of endorsement and guarantee by the Company to its subsidiary, Foxwell Energy Corporation Ltd.
2024.05.14	1. The Company's financial statements for the first quarter of 2024 2. Proposal for provision of endorsement and guarantee by the Company to its subsidiary, Shinfox Far East (Singapore) Co., Ltd. 3. The Company disposed of right-of-use assets from the related party, Cheng Uei Precision Industry Co.,Ltd. 4. Proposal to establish the base date for the issuance of new shares for first domestic secured convertible corporate bonds 5. The Company proposed to provide endorsement and guarantee for its wholly owned subsidiary, Foxwell Energy Corporation Ltd. 6. Approval for the Company's new and renewed credit extensions with financial institutions 7. Ratification of endorsement and guarantee by the Company to its subsidiary, Shinfox Far East (Singapore) Co., Ltd.
2024.08.08	1. Proposal for approval of the amount of employee bonuses distributed to managers 2. Approval of 2023 sustainability report of the Company 3. The Company's financial statements for the second quarter of 2024 4. Proposal to establish the base date for the issuance of new shares for first domestic secured convertible corporate bonds 5. Proposal to terminate endorsement and guarantee for its wholly owned subsidiary, Foxwell Energy Corporation Ltd. 6. Proposal to increase the amount of endorsement and guarantee for its wholly owned subsidiary, Foxwell Energy Corporation Ltd. 7. The Company proposed to provide endorsement and guarantee for its wholly owned subsidiary, Foxwell Energy Corporation Ltd. 8. Approval for the Company's new and renewed credit extensions with financial institutions
2024.11.08	1. The Company's financial statements for the third quarter of 2024 2. Approval for the Company's 2025 audit plan 3. The Company's 2024 cash capital increase and new stock issuance plan 4. The Company's 2024 cash capital increase for managers and employees stock options

Date	Important resolutions
	5. The 2024 salary adjustment for the managerial officers 6. The Company signed the 2nd phase development right contract for offshore wind power block and participated in the capital increase of subsidiary 7. The Company plans to participate in the investment of Feiyue Development Limited Partnership Fund 8. Capital increase for share subscriptions of Synergy Co., Ltd. 9. Established the base date for the issuance of new shares for first domestic secured convertible corporate bonds 10. Approval for the renewal of credit extensions with financial institutions 11. The Company disposed of right-of-use assets from the related party, Cheng Uei Precision Industry Co., Ltd. 12. Ratification of the Company's endorsement and guarantee for its subsidiary 13. Amendment to the "Rules of Procedure for the Board of Directors Meetings" 14. Amendment to the Company's "Audit Committee Organization Charter" 15. Amendment to the Company's "Corporate Governance Best Practice Principles" 16. Establish the "Sustainable Information Management" and "Internal Audit System - Sustainable Information Management"
2025.03.06	1. Approval of the Company's 2025 business plan 2. The Company's financial statements and business report for 2024 3. Distribution of remuneration to employees and directors in 2024 4. Change of the Company's organizational personnel 5. Earnings distribution of the Company in 2024 6. The Company plans to add and ratify endorsement and guarantee for the reinvested company 7. Loaning of funds by the Company to its subsidiary, Shinfox Far East Company Pte. Ltd. 8. The Company's subscription for the cash capital increase and new share issuance of its subsidiary, Foxwell Energy Corporation Ltd. 9. The Company's new and renewed credit extensions with financial institutions 10. Replacement of CPAs and assessment of the independence and competence of CPAs 11. The Company's "Internal Control System Effectiveness Assessment" and "Internal Control System Statement" for 2024 12. Amendment to the Company's "Articles of Incorporation" 13. Amendment to the scope of the Company's wage cycle and the definition of entry-level employees 14. Amendment to the Company's hierarchy of responsibilities (approval authority table) 15. Matters related to the convening of 2025 annual shareholders' meeting of the Company

2. Review of important resolutions of the shareholders' meeting and implementation status:

Date	Important resolutions	Implementation status
	(1) Recognition of the Company's 2023 business report and financial statements.	The relevant forms have been filed with the competent authority reference and Announcement declaration
2024.05.21	(2) Recognition of the distribution of the Company's surplus in 2023 Distribution proposal.	1. The Board of Directors resolved on February 27, 2024 to authorize the chairman to set the ex-dividend date and payment date 2. As approved by the chairman on July 8, 2024, the ex-dividend date was August 26, 2024 and the payment date was September 13, 2024, with a distribution of NT\$1.5 per share. 3. The chairman approved the adjustment of the dividend rate to NT\$1.443302 per share on August 2, 2024, due to the increase in the number of common shares resulting from the conversion of creditors of issued domestic convertible corporate bonds. The dividend will be distributed according to the shareholding ratio of shareholders recorded in the shareholder registry on ex-dividend base date.

(X) In the most recent year and up to the publication date of the annual report, the directors or supervisors had different opinions on important resolutions passed by the Board of Directors and there were records or written statements, the main contents were: None.

IV. Information on attesting CPAs' professional fee

Information on attesting CPAs' professional fee

Amount unit: Thousands of NTD

CPA firm name	CPA name	CPA audit period	Audit fee	Non-audit fee	Total	Note
PwC Taiwan	Hsiao-Tzu Chou	2024.01.01~2024.12.31	4,980	6,400	11,380	Note
	Yi-Chang Liang					

Note: Non-audit fees include transfer pricing service fee of \$500 thousand, and the fee for capacity allocation plan for offshore wind power block development of \$5,900 thousand.

- (I) The audit fee paid in the year of the replacement of CPA firm is less than the audit fee in the year before the change, The audit fees before and after the replacement should be disclosed and the reasons therefor: No such occurrences
- (II) Where the audit fee has decreased by 15% or more from the previous year, the amount, percentage and reasons therefor should be disclosed: No such occurrences.

V. Information on replacement of CPAs:

(I) About the former CPA

(1) About the former CPA								
Date of replacement	2023.02.24				2025.03.06			
Reasons for replacement and description	Internal organizational adjustments of CPA firm				Internal organizational adjustments of CPA firm			
Indicates that the client or CPA terminates or does not accept the appointment	Parties involved		CPA name	Appointor	Parties involved		CPA name	Appointor
	The appointment was terminated voluntarily		Not applicable		The appointment was terminated voluntarily		Not applicable	
	No longer accepted (continued) the appointment				No longer accepted (continued) the appointment			
Audit report opinions other than qualified opinions issued within the last two years and the reasons	None				None			
If there is any disagreement with the issuer	Yes		Accounting principles or practices		Yes		Accounting principles or practices	
			Financial statements disclosures				Financial statements disclosures	
			Scope or steps of audit				Scope or steps of audit	
			Others				Others	
	None	v			None	v		
	Explanation				Explanation			
Other disclosures (Disclosures required under Subparagraph 1-4 to	None				None			

1-7, Paragraph 6, Article 10 of the Regulations)		
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(II) Information relating to the succeeding CPA

CPA firm name	PwC Taiwan	PwC Taiwan
CPA name	Hsiao-Tzu Chou CPA, Yi-Chang Liang CPA	Hsiao-Tzu Chou CPA, Chi-Tung Chen CPA
Date of appointment	Approved by the Board of Directors on February 24, 2023	Approved by the Board of Directors on March 6, 2025
The accounting treatment of specific transactions before the appointment, accounting principles, and possible opinions on the financial statements and their results	None	None
The written opinion of the succeeding CPA on the matters disagreed by the former CPA	None	None

(III) The reply of the former CPA regarding Sub-paragraph 1 and 2-3, Paragraph 6, Article 10 of the Regulations: None.

VI. Any of The Company's chairman, general managers, or managerial officers involved in financial or accounting affairs being employed by the attesting CPAs' firm or any of its affiliated company within the recent year: None.

VII. Changes in transfer and pledge of shares by directors, managerial officers and shareholders with more than 10% shareholding

- (I) Changes in the equity of directors, managers and major shareholders
Please refer to the website of MOPS/Basic Information/Shareholding, Transfer and Pledge of Directors and Supervisors, website address: <https://mopsov.twse.com.tw>.
- (II) The counterparty to whom the shares are transferred or pledged is a related party: None.

VIII. Information on whether the top ten shareholders in terms of shareholding ratio are related persons or spouses or relatives within the second degree of kinship

March 29, 2025 Unit: Shares

Name	Shareholding of the individual		Shareholding of spouse and minor children		Total shareholding in the name of others		If the top ten shareholders are related persons, spouses, or relatives within the second degree of kinship, their names or full names and relationship		Remarks
	Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %	Corporation's name (or Individual's name)	Relationship	
Power Quotient International Co., Ltd.	102,951,145	37.49	-	-	-	-	Wai Chiang Technology Co., Ltd. Fulian International Investment Co., Ltd. Fuwai International Investment Co., Ltd.	The chairman is the same person The chairpersons are spouses Affiliated enterprises	-
Representative: Tai-Ciang Guo	-	-	-	-	-	-			
Foxwell International Investment Co., Ltd.	21,997,921	8.01	-	-	-	-	Power Quotient International Co., Ltd.	Affiliated enterprises	-
Representative: Kun-Huang Lin	328,920	0.12	-	-	-	-			
Foxlink Image Technology Co., Ltd.	18,331,519	6.68	-	-	-	-	Power Quotient International Co., Ltd. Fulian International Investment Co., Ltd.	The chairman is the same person The chairpersons are spouses	-
Representative: Tai-Ciang Guo	-	-	-	-	-	-			
Chia-Hung Chin	3,910,148	1.42	-	-	-	-	-	-	-
Hui-Sen Hu	1,692,220	0.62	784	0	-	-	-	-	-
Fulian International Investment Co., Ltd.	1,302,345	0.47%	-	-	-	-	Power Quotient International Co., Ltd. Wai Chiang Technology Co., Ltd.	The chairpersons are spouses	-
Representative: Yu-Chen Lo	-	-	-	-	-	-			
Chin-Chun Lu	954,228	0.35%	-	-	-	-	-	-	-
Hui-Cheng Shen	938,917	0.34%	-	-	-	-	-	-	-
The Business Department of Standard Chartered International Commercial Bank is entrusted with the custody of the Vanguard Emerging Markets Stock Index Fund	933,973	0.34%	-	-	-	-	-	-	-

Name	Shareholding of the individual		Shareholding of spouse and minor children		Total shareholding in the name of others		If the top ten shareholders are related persons, spouses, or relatives within the second degree of kinship, their names or full names and relationship		Remarks
	Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %	Corporation's name (or Individual's name)	Relationship	
investment account managed by Vanguard Group									
Huang Wei-Hsiang	889,566	0.32%	—	—	—	—	—	—	—

IX. The total number of shares and the comprehensive shareholding ratio held in any single investee company by the Company, its directors, supervisors, managerial officers, or any companies controlled either directly or indirectly by the Company

March 31, 2025 Unit: Shares; %

Reinvestment business	Investment of the Company		Directors, supervisors, managers and those who directly or indirectly control the business investments		Total investment	
	Shares	Shareholding percentage	Number of shares	Shareholding percentage	Shares	Shareholding percentage
Foxwell Energy Corporation Ltd.	935,500,000	100%	0	0	935,500,000	100%
Shinfox Natural Gas Co., Ltd.	36,000,000	80%	0	0	36,000,000	80%
Foxwell Power Co., Ltd.	46,439,000	65.87%	498,750	0.71%	46,937,750	66.58%
Jiuwei Power Co., Ltd.	110,000,000	100%	0	0	110,000,000	100%
Yuanshan Forest Natural Resource Co., Ltd.	10,000,000	100%	0	0	10,000,000	100%
Elegant Energy Tech Co., Ltd.	500,000	100%	0	0	500,000	100%
Changpin Wind Power Ltd.	27,000,000	50%	0	0	27,000,000	50%
Global Way Electronics Co., Ltd.	3,570,000	51%	0	0	3,570,000	51%
Shinfox Far East Company Pte Ltd	53,600,000	67%	0	0	53,600,000	67%
Junewei Power Co., Ltd.	2,200,000	100%	0	0	2,200,000	100%
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	19,820,000	56.63%	0	0	19,820,000	56.63%
Ubilink.AI CO., Ltd.	1,000,000	10%	0	0	1,000,000	10%
Youde Wind Power Co., Ltd.	49,100,000	70.04%	21,000,000	29.96%	70,100,000	100%
Fox Nam Energy Co., LTD.	-	100%	-	-	-	100%
DakPsi Investment and Develop Hydroelectric Joint Stock Company	14,645,000	35%	0	0	14,645,000	35%
Kunshan Jiuwei Info Tech Co., Ltd.	-	100%	-	-	-	100%
Chengdu Xinfuwei Energy Co., Ltd.	-	100%	-	-	-	100%
Synergy Energy Co., Ltd.	80,001,000	50%	375,000	0.23%	80,376,000	50.23%

Note: It is a limited company with no shares in issuance.

Three. Capital raising

I. Capital and shares

(I) Source of capital

1. Source of capital April 12, 2025 Unit: Thousands of Shares, Thousands of NTD

Year/Month	Issue price (NTD)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of capital	Using property other than cash as payment of shares	Others
2007.04	10	200	2,000	200	2,000	Establishment of stock capital	None	Note 1
2009.08	10	10,000	100,000	1,000	10,000	Cash capital increase of NT\$8,000	None	Note 2
2011.02	10	10,000	100,000	1,550	15,500	Cash capital increase of NT\$5,500 thousand	None	Note 3
2011.04	20	10,000	100,000	5,000	50,000	Cash capital increase of NT\$34,500 thousand	None	Note 4
2013.08	10	30,000	300,000	18,366	183,660	Cash capital increase of NT\$133,660 thousand	None	Note 5
2020.03	10	100,000	1,000,000	78,366	783,660	Acquired Foxwell Energy shares for NT\$600,000 thousand	None	Note 6
2020.09	13	120,000	1,200,000	100,000	1,000,000	Cash capital increase of NT\$216,340 thousand	None	Note 7
2021.05	86	200,000	2,000,000	130,000	1,300,000	Cash capital increase of NT\$300,000 thousand	None	Note 8
2021.11	104.4	200,000	2,000,000	146,500	1,465,000	Cash capital increase of \$165,000 thousand	None	Note 9
2022.05	88	200,000	2,000,000	196,500	1,965,000	Cash capital increase of NT\$500,000 thousand	None	Note 10
2022.09	10	400,000	4,000,000	216,150	2,161,500	Capital increase upon capitalization of earnings by NT\$196,500 thousand	None	Note 11
2024.06	10	400,000	4,000,000	220,849	2,208,490	4,699 thousand shares of common stock converted from CB	None	-
2024.10	10	400,000	4,000,000	220,918	2,209,183	69 thousand shares of common stock converted from CB	None	-
2024.12	10	400,000	4,000,000	224,642	2,246,429	3,724 thousand shares of common stock converted from CB	None	-
2025.04	80	400,000	4,000,000	274,642	2,746,429	Cash capital increase of NT\$500,000 thousand	None	Note 12

Note 1: Approved by the Ministry of Economic Affairs on April 27, 2007 with the approval letter Jing-Shou-Shang-Zi No. 09632041470.

Note 2: Taipei City Government's approval letter No. 09888079300 dated August 31, 2009

Note 3: Approved by the Taipei City Government on February 14, 2011 with the approval letter Fu-Chan-Ye-Shang-Zi No. 10081059100

Note 4: Approved by the Taipei City Government on April 12, 2011 with the approval letter Fu-Chan-Ye-Shang-Zi No. 10082516100

Note 5: Approved by the New Taipei City Government on August 28, 2013 with the approval letter Bei-Fu-Jing-Si-Zi No. 1025054070

Note 6: Approved by the Ministry of Economic Affairs on March 17, 2020 with the approval letter Jing-Shou-Shang-Zi No. 10901219020.

Note 7: Approved by the Ministry of Economic Affairs on September 10, 2020 with the approval letter Jing-Shou-Shang-Zi No. 10901170150.

Note 8: Approved by the Ministry of Economic Affairs on May 31, 2021 with the approval letter Jing-Shou-Shang-Zi No. 11001091170.

Note 9: Approved by the Ministry of Economic Affairs on November 29, 2021 with the approval letter Jing-Shou-Shang-Zi No. 11001217410.

Note 10: Approved by the Ministry of Economic Affairs on May 24, 2022 with the approval letter Jing-Shou-Shang-Zi No. 11101087530.

Note 11: Approved by the Ministry of Economic Affairs on November 29, 2022 with the approval letter Jing-Shou-Shang-Zi No. 11101176060.

Note 12: Approval letter from the Ministry of Economic Affairs No. 11430039420 dated April 10, 2025

2. Types of issued shares

April 12, 2025 Unit: Shares

Type of shares	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock of TWSE-listed companies in registered form	274,642,902	125,357,098	400,000,000	

3. Information about the shelf registration system: Not applicable.

(II) List of major shareholders

Name of major shareholders	Number of shares held	Percentage of ownership
Power Quotient International Co., Ltd.	102,951,145	37.49%
Fu Uei International Investment Ltd.	21,997,921	8.01%
Foxlink Image Technology Co., Ltd.	18,331,519	6.68%
Chia-Hung Chin	3,910,148	1.42%
Hui-Sen Hu	1,692,220	0.62%
Fulian International Investment Co., Ltd.	1,302,345	0.47%
Chin-Chun Lu	954,228	0.35%
Hui-Cheng Shen	938,917	0.34%
The Business Department of Standard Chartered International Commercial Bank is entrusted with the custody of the Vanguard Emerging Markets Stock Index Fund investment account managed by Vanguard Group	933,973	0.34%
Wei-Hsiang Huang	889,566	0.32%

(III) The Company's dividend policy and implementation status

1. Dividend policy:

If the company's annual financial statements show a surplus, it shall pay taxes and make up for losses in accordance with the law and set aside 10% as a legal reserve, except when the legal reserve has reached the Company's total paid-in capital. In addition, after setting aside or reversing the special reserve in accordance with the relevant laws and regulations, for the distributable earnings, including the undistributed earnings at the beginning of the period, the Board of Directors shall prepare an earnings distribution proposal and submit it to the shareholders' meeting for resolution.

The Company's dividend policy is determined based on the Company's profitability, future operational development and protection of shareholders' rights and interests, etc. The method of dividend distribution is determined by the Board of Directors in accordance with the provisions of the Articles of Incorporation. The Board of Directors shall propose the distribution of earnings, depending on the Company's share capital, financial structure, operating conditions and profit considerations at the time; it shall be no less than 10% of the current year's after-tax profits as dividends to shareholders. The Company shall also adopt the method of converting profits into capital or cash

dividends, which shall be processed after the resolution of the shareholders' meeting to achieve a balanced and stable dividend policy. However, cash dividends shall not be less than 10% of the total dividends.

2. Implementation status

For 2024 earnings distribution, the Board of Directors passed a resolution in the meeting on March 6, 2025 for the distribution of cash dividends of NT\$336,964,353 (tentative cash dividends of NT\$1.5 per share). The distribution will be made after the resolution is approved by the shareholders' meeting on May 27, 2025 and will be processed in accordance with the relevant regulations.

3. If there is a significant change in the dividend policy, it should be stated: None.

(IV) The effect of the proposed free allotment of shares at the shareholders' meeting on the Company's business results and earnings per share

As the Company is not required to make public financial forecasts, information on changes in business results, pro forma earnings per share and price to earnings ratio are not applicable.

(V) Remuneration for employees and directors

1. Percentages or ranges of and remunerations to directors and employees under the Company's Articles of Incorporation:

If the Company makes a profit in a year, it shall set aside at least 6% as employee compensation, which shall be distributed in the form of shares or cash as resolved by the Board of Directors. The recipients of the distribution may include employees of the controlling or subordinate companies who meet certain conditions. In addition, the Company may set aside no more than 3% of the above-mentioned profit as director remuneration as resolved by the Board of Directors. The employee compensation and director remuneration shall be submitted to the annual general meeting of shareholders. However, if the Company still has accumulated losses, the Company shall reserve the amount to offset the losses in advance, and then set aside the employee compensation and director remuneration based on the aforementioned proportions.

2. The basis for estimating the amount of remuneration to employees and directors for the current period, the basis for calculating the number of shares of employees' compensation distributed by stock, and the accounting treatment if the actual amount of distribution differs from the estimated amount:

The estimated amount of compensation to employees and directors is based on the pre-tax net profit for the period and is recognized as salary expense based on the percentage set forth in the Articles of Incorporation. If the actual amount of distribution resolved at a subsequent shareholders' meeting differs from the estimated amount, the difference is accounted for as a change in accounting estimate.

3. Distribution of remuneration approved by the Board of Directors:

(1) Amount of remunerations to employees and directors distributed in the form of cash or stock. (If there is any discrepancy between the amount and the estimated expense recognized, the discrepancy, causes and treatment shall be disclosed):

On March 6, 2025, the Board of Directors approved the distribution of NT\$8,160,000 as remuneration to directors and NT\$48,980,000 as remuneration to employees for 2024. The actual distribution amount was not different from the carrying amount.

(2) The amount of employee compensation distributed in the form of stock and its percentage to the total net profit after tax and total employee compensation for the

current period:
The Company does not propose to distribute employee compensation in stock, therefore, it is not applicable.

4. The actual distribution of the remuneration for employees and directors in the previous year (including number of shares distributed, amount and share price), and if it is different from the remuneration recognized, the amount of the difference, the reason for the difference and the handling status of the difference should be disclosed:

On February 27, 2024, the Board of Directors approved the distribution of NT\$6,600,000 as remuneration to directors and NT\$39,630,000 as remuneration to employees for 2023. The actual distribution amount was not different from the carrying amount.

(VI) Circumstances in which the company repurchased its own shares: None.

II. Issuance of corporate bonds:

(I) Issuance of corporate bonds:

Type of corporate bonds	The first domestic secured convertible corporate bonds
Date of issue	November 22, 2023
Face value	NT\$100,000
Issue price	NT\$105.76
Total amount	NT\$3,000,000,000
Interest rate	0%
Maturity	Three-year term Maturity date: November 22, 2026
Guarantee Institution	Tucheng Branch of Bank of Taiwan Co., Ltd., Jianguo Branch of Taiwan Business Bank Co., Ltd., Songshan Branch of Taichung Commercial Bank Co., Ltd., Global Trade Finance Division of Taishin International Bank Co., Ltd., East Taipei Branch of Shin Kong Commercial Bank Co., Ltd., and Chungho Branch of Bank of Kaohsiung Co., Ltd.
Trustee	Trust Department of KGI Bank Co., Ltd.
Underwriter	Grand Fortune Securities Co., Ltd.
Attorney-at-Law	Not applicable
Certified Public Accountant	Not applicable
Repayment method	Unless the bond holder exercises the right to sell the bonds back to the Company or the bonds are redeemed in advance, the bonds will be repaid in cash at the face value in one lump sum upon maturity.
Outstanding principal	As of April 12, 2025, the amount of principal outstanding was NT\$2,031,800,000
Terms on redemption or early settlement	Article 18 of the Regulations Governing the Issuance and Conversion of the First Domestic Secured Convertible Corporate Bonds
Restrictive terms	Not applicable
Name of credit rating agency, date of rating, and result of corporate bond rating	Not applicable

Additional rights	up to the publication date of the annual report Converted common shares, sea Depository receipts or others Amount of securities	As of April 12, 2025, the amount of converted ordinary shares was NT\$968,200,000, and the number of shares converted was 8,492,902.
	Regulations on Issuance and Conversion	Regulations Governing the Issuance and Conversion of the First Domestic Secured Convertible Corporate Bonds
The impact of issuance and conversion, regulations on exchange or subscription, and issuance conditions on possible dilution of shareholdings and existing shareholders' equity		Holders of convertible bonds usually convert the bonds into common shares gradually, and the dilution of shareholdings is not realized immediately. Therefore, this issuance of convertible corporate bonds will not have significant impact on shareholders' equity.
Name of custodian for exchange object		Not applicable

(II) Information on convertible corporate bonds:

Currency: NT\$

Type of corporate bonds		The first domestic secured convertible corporate bonds		
Item	Year	2023	2024	As of April 12, 2025
Market price of convertible corporate bonds	Highest	115.95	167	116.5
	Lowest	106	109	100
	Average	107.56	132.28	108.45
Conversion price		114	112.95	106.6
Date of issue (handling) and conversion price at the time of issuance		Date of issue: November 22, 2023 Conversion price at the time of issuance: NT\$114		
Method of performing the conversion obligation		Issue new shares in accordance with the regulations governing issuance and conversion		

- III. Issuance of preferred shares: None.
- IV. Issuance of global depository receipts: None.
- V. Issuance of employee stock options: None
- VI. Issuance of new restricted stock awards (RSA): None.
- VII. Issuance of new shares in connection with mergers or acquisitions of shares of other companies: None.
- VIII. Progress on the use of funds:

As of the end of the most recent quarter prior to the publication date of this annual report, for any previous public offerings or private placements of securities that have not yet been completed, or that were completed within the past three years but have yet to show their expected benefits, the following provides an explanation of each plan's content, implementation status, and benefit analysis.

(I) Issuance of the first domestic secured convertible corporate bonds in 2023:

1. Project content

- (1) Approval date and document number of the competent authority: October 31, 2023, Financial Supervisory Commission's Certificate No. 1120358594.
- (2) The total amount of funds required for the project: NT\$3,172,710 thousand.
- (3) Source of plan funds: Issuance of 30,000 first domestic secured convertible corporate bonds, each with a face value of NT\$100 thousand, a coupon rate of 0%, and a maturity of three years. The bond was issued at 105.76% of the face value and the actual amount raised was NT\$3,172,710 thousand, exceeding the original estimated amount of NT\$3,000,000 thousand. The amount of NT\$172,710 thousand was used to strengthen working capital.

2. Capital utilization plan, utilization progress and benefits

(1) Project items and capital utilization progress

Unit: Thousands of NTD

Planned project	Scheduled completion date	Total funds required	Scheduled progress of use of funds
			4th quarter of 2023
Enrich operating capital	4th quarter of 2023	1,927,910	1,927,910
Investment in GIO Thanh Energy Joint Stock Company (hereinafter referred to as GTE company)	4th quarter of 2023	161,920	161,920
Investment in SECO Joint Stock Company (hereinafter referred to as SECO company)	4th quarter of 2023	161,920	161,920
Investment in Vietnam Renewable Energy Joint Stock Company (hereinafter referred to as VRE company)	4th quarter of 2023	186,560	186,560
Investment in DakPsi Investment and Develop Hydroelectric Joint Stock Company (hereinafter referred to as DIHC company)	4th quarter of 2023	734,400	734,400
Total		3,172,710	3,172,710

(2) Expected potential benefits

The Company raised a total amount of NT\$3,172,710 thousand by issuing the first domestic secured convertible corporate bonds, of which NT\$1,927,910 thousand was used to strengthen the working capital, and the remaining NT\$1,244,800 thousand was used to invest in companies that own the renewable energy power generation projects in Vietnam, of which NT\$161,920 thousand was used to invest in 35% of the equity of GTE company, NT\$161,920 thousand was used to invest in 35% of the equity of SECO company, NT\$186,560 thousand was used to invest in 35% of the equity of VRE company, and NT\$734,400 thousand was used to invest in 35% of the equity of DIHC company. The possible benefits of each project are described as follows:

A. Strengthen working capital

Among the total funds required for the Company's plan, NT\$1,927,910 thousand is for strengthening the working capital, which is based on the Company's long-term development and future growth potential. Using the operating capital required for the continued growth of operating scale will make the Company's own funds more abundant, which will have a positive impact on the Company's overall operational development and strengthening of its financial structure.

B. Investment in GTE company

The total amount of funds required for the company's plan includes 161,920 thousand NT dollars, which will be invested in a renewable energy project in Vietnam. The company will acquire 1,225,000 thousand shares of GTE Company from BB Power Holdings Joint Stock Company (hereinafter referred to as BBPH Company). After acquiring the shares, the company will hold a 35% stake in GTE Company. It is expected that the investment income from GTE Company will be recognized as 6,736 thousand NT dollars in year 113. The annual investment income thereafter will depend on factors such as GTE Company's expected power generation efficiency, depreciation costs, and inflation rates. The expected payback period for the investment is approximately 11.50 years. With the contribution from the returns on this investment, it is expected to have a positive impact on the company's overall operational planning and development..

C. Investment in SECO company

Among the total amount of funds required for the company's plan, 161,920 thousand NT dollars will be invested in a renewable energy project in Vietnam. The company will acquire 1,225,000 thousand shares of SECO Company from BBPH Company in Vietnam. After the acquisition, the company will hold a 35% stake in SECO Company. It is expected that the investment income from SECO Company will be recognized as 6,736 thousand NT dollars in year 113. The annual investment income thereafter will depend on factors such as SECO Company's expected power generation efficiency, depreciation costs, and inflation rates. The expected payback period for the investment is approximately 11.50 years. With the contribution from the returns on this investment, it is

expected to have a positive impact on the company's overall operational planning and development.

D. Investment in VRE company

Among the total amount of funds required for the company's plan, 186,560 thousand NT dollars will be invested in a renewable energy project in Vietnam. The company will acquire 1,225,000 thousand shares of VRE Company from BBPH Company in Vietnam. After the acquisition, the company will hold a 35% stake in VRE Company. It is expected that the investment income from VRE Company will be recognized as 6,736 thousand NT dollars in year 113. The annual investment income thereafter will depend on factors such as VRE Company's expected power generation efficiency, depreciation costs, and inflation rates. The expected payback period for the investment is approximately 13.03 years. With the contribution from the returns on this investment, it is expected to have a positive impact on the company's overall operational planning and development..

E. Investment in DIHC company

Among the total amount of funds required for the company's plan, 734,400 thousand NT dollars will be invested in a renewable energy project in Vietnam. The company will acquire 1,464,526 thousand shares of DIHC Company from BBPH Company in Vietnam. After the acquisition, the company will hold a 35% stake in DIHC Company. It is expected that the investment loss from DIHC Company will be recognized as 16,055 thousand NT dollars in year 113. The annual investment income thereafter will depend on factors such as DIHC Company's expected power generation efficiency, depreciation costs, and inflation rates. The expected payback period for the investment is approximately 37.25 years. With the contribution from the returns on this investment, it is expected to have a positive impact on the company's overall operational planning and development.

3. Implementation status

Planned project	Implementation condition			2025Q1	Cumulative implementation status
Enrich operating capital	Amount used	Scheduled	1,927,910	1,927,910	1,927,910
		Actual	1,927,910	1,927,910	1,927,910
	Implementation progress	Scheduled	100.00%	100.00%	100.00%
		Actual	100.00%	100.00%	100.00%
Investment in GTE company	Amount used	Scheduled	161,920	161,920	161,920
		Actual	0	0	0
	Implementation progress	Scheduled	100.00%	100.00%	100.00%
		Actual	0.00%	0.00%	0.00%
Investment in SECO company	Amount used	Scheduled	161,920	161,920	161,920
		Actual	0	0	0
	Implementation progress	Scheduled	100.00%	100.00%	100.00%
		Actual	0.00%	0.00%	0.00%
Investment in VRE company	Amount used	Scheduled	186,560	186,560	186,560
		Actual	0	0	0
	Implementation progress	Scheduled	100.00%	100.00%	100.00%

Planned project	Implementation condition			2025Q1	Cumulative implementation status
	n progress	Actual	0.00%	0.00%	0.00%
Investment in DIHC company	Amount used	Scheduled	734,400	734,400	734,400
		Actual	734,400	734,400	734,400
	Implementation progress	Scheduled	100.00%	100.00%	100.00%
		Actual	100.00%	100.00%	100.00%

4. Reasons for being ahead of or behind schedule, concrete improvement plans, and impacts on shareholders' equity

(1) Reasons for being ahead of or behind schedule

A. Investment in GTE company

The capital required for the Company's investment in GTE company was NT\$161,920 thousand. This investment was originally scheduled for the fourth quarter of 2023. However, the Vietnamese government's increasingly cautious stance toward foreign investment in the energy sector has made the investment review process more complex and rigorous. The central government must first obtain approval before the local provincial government can proceed with subsequent reviews. As a result, the timeline for the Company's investment in GTE company has been delayed compared to the original plan. It is currently pending approval from the Department of Planning and Investment of Quang Tri Province, Vietnam.

B. Investment in SECO company

The capital required for the Company's investment in SECO company was NT\$161,920 thousand. This investment was originally scheduled for the fourth quarter of 2023. However, the Vietnamese government's increasingly cautious stance toward foreign investment in the energy sector has made the investment review process more complex and rigorous. The central government must first obtain approval before the local provincial government can proceed with subsequent reviews. As a result, the timeline for the Company's investment in SECO company has been delayed compared to the original plan. It is currently pending approval from the Department of Planning and Investment of Quang Tri Province, Vietnam.

C. Investment in VRE company

The capital required for the Company's investment in VRE Company was NT\$186,560 thousand. This investment was also originally scheduled for the fourth quarter of 2023. However, due to the Vietnamese government's increasingly cautious stance toward foreign investment in the energy sector, the investment review process has become complex and rigorous. Approval must first be obtained from the central government before the local provincial government can carry out the subsequent reviews. As a result, the timeline for the Company's investment in VRE company has been delayed compared to the original plan and is currently pending approval from the Department of Planning and Investment of Binh Dinh Province, Vietnam.

D. Investment in DIHC company

The capital required for the Company's investment in DIHC company was NT\$734,400 thousand. This investment was also originally scheduled for the fourth quarter of 2023. However, due to the Vietnam government's increasingly cautious stance toward foreign investment in the energy sector, the investment review process has become complex and rigorous. Approval must first be obtained from the central government before the local provincial government can carry out the subsequent reviews. As a result, the timeline for the Company's investment in DIHC company has been delayed compared to the original plan. However, this investment project received approval from the Vietnam government in October 2024, and the Company has since completed the planned investment in DIHC company.

(2) Concrete improvement plans

Planned schedule for the use of unutilized funds

Unit: Thousands of NTD

Items	Total funds required	Scheduled progress of use of funds	
		2025	
		First quarter	Second quarter
Investment in GTE company	161,920	—	161,920
Investment in SECO company	161,920	—	161,920
Investment in VRE company	186,560	—	186,560
Total	510,400	—	510,400

According to the current status of the Company's contact with the Vietnamese government, the reinvestment projects listed in the table above are expected to obtain investment approval in the first half of 2025. Although the Company's capital utilization is lagging behind, the subsequent progress will be implemented according to the estimated capital utilization progress in the table above, and they will be fully spent in the second quarter of 2025. After assessment, there should be no significant abnormality.

5. Evaluation of potential benefits

(1) Strengthen working capital

A. Strengthen financial structure and improve short-term solvency

Unit: %

Item/Year		End of October 2023 (Before financing)	After financing (Note)	
			before conversion	After conversion
Capital structure	Debt to assets ratio (%)	18.88	34.41	15.08
	Long-term capital to property, plant and equipment ratio	18,345.50	23,229.79	23,229.79
Solvency	Current ratio	42.11	169.43	169.43
	Quick ratio	19.64	146.47	146.47

Note: As of November 2023, the self-closed financial statements for the year were adjusted by adding the funds raised this time. The company's current fundraising and issuance of the first domestic guaranteed convertible bonds were successfully completed on

November 20, raising NT\$3,172,710 thousand, of which NT\$1,927,910 thousand was used to strengthen working capital. As shown in the table above, if none of the convertible bonds are converted, the estimated debt ratio will increase from 18.88% to 34.41%. Although this will temporarily raise the company's debt ratio, if the company's future performance and profitability improve, leading to an increase in stock prices and conversion value, it will encourage creditors to gradually exercise their conversion rights, thereby reducing the outstanding amount of convertible bonds and increasing the company's net worth, gradually lowering the debt ratio to 15.08% and improving the equity ratio. Additionally, in terms of the ratio of long-term funds to real estate, plant, and equipment, as well as the current and quick ratios, the financial position after fundraising shows significant improvement compared to before, indicating that the company's financial structure and debt repayment capacity have been strengthened.

B. Saving on interest expense

The company raised NT\$3,172,710 thousand for the first domestic secured convertible bonds, of which NT\$1,927,910 thousand was used to replenish working capital in the fourth quarter of 2023 to meet the increased demand for operating working capital due to the growth of operating scale. In addition to reducing the dependence on banks, increasing long-term stable capital and flexibility in capital use, it can also reduce the interest burden caused by the company's borrowings from financial institutions. Based on NT\$1,927,910 thousand used to replenish operating capital and the average borrowing rate of 1.84% in November 2023, the interest expenses that can be saved in 2023 and subsequent years were NT\$2,956 thousand ($\text{NT\$1,927,910 thousand} \times 1.84\% \times 1/12$) and NT\$35,474 thousand ($\text{NT\$1,927,910 thousand} \times 1.84\%$). The interest saving effect has already become apparent.

(2) Investment in GTE, SECO, VRE, and DIHC companies

The company plans to invest NT\$161,920 thousand in GTE, NT\$161,920 thousand in SECO, NT\$186,560 thousand in VRE, and NT\$734,400 thousand in DIHC companies in the fourth quarter of 2023. The company has completed the related procedures for the investment in DIHC Company by October 2024, while the investments in GTE, SECO, and VRE companies have been delayed due to the Vietnamese government's incomplete review of the applications for these projects. As a result, the overall investment progress is 59.00%. In terms of benefits, since the Vietnamese government's review process for foreign energy investment projects is relatively complex, the company has not yet completed its investments in GTE, SECO, and VRE. Therefore, the originally anticipated investment benefits will begin to materialize after the investments are completed. The benefits of the investment in DIHC Company are explained as follows:

(Operational status of DIHC company)

Unit: Thousands of NT\$

Item \ Year	March 2025 (Actual)	Annualized actual profit and loss for the period ending March 2025	2025 (Estimated)
Operating revenue	64,746	258,984	253,721

Item \ Year	March 2025 (Actual)	Annualized actual profit and loss for the period ending March 2025	2025 (Estimated)
Operating gross profit	38,917	155,668	121,896
Net profit before tax	13,614	54,456	(29,346)
Gains (losses) on investment recognized by Shinfox Energy (Note 1)	4,765	19,060	(10,271)

Note: The exchange rate is based on the average exchange rate of the Vietnamese dong to the New Taiwan dollar in the first quarter of 2025, which is 1:0.0013, as referenced by the Taiwan Bank. The company's estimated investment loss for the DIHC Company in 2025 is NT\$10,271 thousand. As of March 2025, the actual investment gain is NT\$4,765 thousand, with actual operational performance exceeding the initially set expected benefits. This is primarily due to the company and DIHC Company renegotiating the financing interest rates for the hydropower plant with the bank, which led to a significant reduction in interest expenses. Since the company holds a 35% stake in DIHC Company, it can recognize investment income based on its ownership percentage. Therefore, this project to invest in DIHC Company not only serves as the company's first step in expanding its overseas renewable energy portfolio but also increases the company's investment income and effectively enhances shareholder equity. The benefits of this investment have already become evident.

(II) Cash capital increase plan for 2024:

1. Sources of funds, items, expected progress and expected potential benefits of the project

(1) Approval date and document number of the competent authority: Approved by the Financial Supervisory Commission on January 9, 2025 with the document number of 1130367875.

(2) Total amount of funds required for this project: NT\$5,000,000 thousand.

(3) Source of funds for the project:

The Company issued 50,000 thousand shares at a par value of NT\$10 per share for cash capital increase. The issuance price was issued at a premium of NT\$80 per share. The total amount of funds raised was NT\$4,000,000 thousand. The remaining funds of NT\$1,000,000 thousand required for this project will be paid with self-owned funds or bank loans..

(4) Planned projects and planned funding progress

Unit: Thousands of NTD

Planned project	Scheduled completion date	Total funds required	Scheduled progress of use of funds	
			2025	
			Second quarter	Third quarter
Reinvestment in Youde Wind Power Co., Ltd.	Second quarter of 2025	3,000,000	3,000,000	—
Reinvestment in Foxwell Energy Corporation Ltd.	Third quarter of 2025	2,000,000	—	2,000,000
Total		5,000,000	3,000,000	2,000,000

(5) Expected potential benefits

The total amount of funds required for this project is NT\$5,000,000 thousand, of which NT\$3,000,000 thousand is used for the reinvestment in Youde Wind Power,

and the remaining NT\$2,000,000 thousand is for the reinvestment in Foxwell Energy. The possible benefits from each project are described below:

① Reinvestment in Youde Wind Power

Of the total amount of funds required for this project, NT\$3,000,000 thousand was invested in Youde Wind Power. The main reason was because the Company obtained the offshore wind power block development phase 3-2 through the preparatory office of Youde Wind Power, with an allocated capacity of 700MW. On October 28, 2024, the Company officially established Youde Wind Power Co., Ltd. The offshore wind farm is expected to be completed and connected to the grid in 2029. In order to keep the project on schedule, the Company intends to increase the capital investment of Youde Wind Power in the second quarter of 2025, which will be used to support the expenses needed for the design and development of wind farm in 2025.

The Company expects that the offshore wind farm will be completed and connected to the grid by the end of 2029, and will start to generate electricity sales revenue in 2030. The Company is expected to recognize investment income and increase its earnings per share, effectively enhancing shareholders' equity.

② Reinvestment in Foxwell Energy

Foxwell Energy is mainly engaged in the development and construction of solar power plants and turnkey off-shore wind power plants. In June 2020, it was awarded the contract for the construction and operation and maintenance of the second phase of the Taipower's Offshore Wind Farm Project (hereinafter referred to as the Offshore Wind Farm Project) for a total contract price of NT\$59,893,333 thousand. In order to keep the project on schedule, the Company intends to increase the capital of Foxwell Energy to support the material purchase expenditures required for its operation.

After the completion of the project, the Company expects to recognize the reinvestment income of Foxwell Energy, and the inflow of the reinvestment income will be positive to the overall operation planning and development of the Company.

- (6) Details of the change plan, reasons for the change, benefits before and after the change, date of the change plan submitted to the shareholders' meeting, and date of the change plan posted on the Market Observation Post System: None.

2. Implementation status

Unit: Thousands of NTD; %

Planned project	Implementation		The first quarter of 2025	Cumulative implementation status
Reinvestment in Youde Wind Power Co., Ltd.	Amount used	Estimated amount	-	-
		Actual amount	-	-
	Implementation progress	Estimated amount	-	-
		Actual amount	-	-
Reinvestment in Foxwell Energy Cooperation Ltd.	Amount used	Estimated amount	-	-
		Actual amount	2,000,000	2,000,000
	Implementation progress	Estimated amount	-	-
		Actual amount	100%	100%
Total	Amount used	Estimated amount	-	-
		Actual amount	2,000,000	2,000,000
	Implementation progress	Estimated amount	-	-
		Actual amount	40.00%	40.00%

(1) Investment in Youde Wind Power

As of the first quarter of 2025, the company has not yet completed the investment in Youde Wind Power, mainly because the company plans to invest NT\$3,000,000 thousand in Youde Wind Power in the second quarter of 2025. After evaluation, there are no major abnormalities in the progress of the project implementation.

(2) Investment in Foxwell Energy

As of the first quarter of 2025, the company had completed the reinvestment in Foxwell Energy. The main reason is that the company wants to ensure the smooth completion of Foxwell Energy's offshore wind farm project. On March 28, 2025, proceeds from the cash capital increase were invested into Foxwell Energy. After evaluation, there are no major abnormalities in the progress of the project implementation.

3. Evaluation of potential benefits

(1) Investment in Youde Wind Power

The company plans to invest NT\$3,000,000 thousand in Youde Wind Power in the second quarter of 2025. However, the fund has not been raised, so the expected benefits have not yet materialized.

(2) Investment in Foxwell Energy

The company has invested NT\$2,000,000 thousand in Foxwell Energy in the first quarter of 2025. Foxwell Energy continues to carry out the offshore wind farm project to support the purchase of materials and expenditures required for its operations, but the offshore wind farm project has not yet been completed, so the expected benefits have not yet materialized.

Four. Operation Overview

I. Business Content

(I) Business Scope

1. The main contents of the Company's business

The Company is engaged in energy-related construction services, mainly in the areas of construction of renewable energy power plants, electrical and mechanical engineering, energy saving services, and equipment installation and other related turnkey projects. Construction services include various professional and technical services such as master planning, project management, engineering design, procurement, construction, equipment supply, construction supervision, commissioning and maintenance services. The Company's investee companies include Foxwell Energy Cooperation Ltd. (hereinafter referred to as Foxwell Energy), Shinfox Natural Gas Co., Ltd. (hereinafter referred to as Shinfox Natural Gas), Foxwell Power Co., Ltd. (hereinafter referred to as Foxwell Power), Kunshan Jiuwei Info Tech Co., Ltd. (hereinafter referred to as “Kunshan Jiuwei”), Jiuwei Power Co., Ltd. (hereinafter referred to as “Jiuwei Power”), Chung Chia Power Co., Ltd. (hereinafter referred to as “Chung Chia”), Elegant Energy Tech Corporation Ltd. (hereinafter referred to as Elegant Energy), Changpin Wind Power Ltd. (hereinafter referred to as Changpin), Fox Yuanshan Forest Natural Resources Co., Ltd. (hereinafter referred to as Yuanshan Forest), Global Way Electronics Co., Ltd. (hereinafter referred to as Global Way), Junewei Power Co., Ltd. (hereinafter referred to as Junewei), Shinwei Power Co., Ltd. (hereinafter referred to as Shinwei), Shinfox Far East Company Pte. Ltd. (hereinafter referred to as SFE), Eastern Rainbow Green Energy Environmental Technology Co., Ltd. (hereinafter referred to as Eastern Rainbow Green Energy), Eastern Rainbow Environmental Resources Co., Ltd. (hereinafter referred to as Eastern Rainbow Environment), Kunshan Eastern Rainbow Environmental Equipment Co., Ltd. (hereinafter referred to as Kunshan Eastern Rainbow), and Foxwell Certification Co., Ltd. (hereinafter referred to as Foxwell Certification), and Youde Wind Power Co., Ltd. Among them, Foxwell Energy provides a full range of green energy services for investment in solar power plants and wind power generation; Shinfox Natural Gas engages in the import and sale of liquefied natural gas; Foxwell Power provides management services for green electricity trading platforms; Kunshan Jiuwei engages in technical consulting for supply chain finance and new energy projects; Jiuwei Power engages in investment in gas-fired power plants; Chung Chia engages in businesses and services related to gas-power cogeneration; Elegant Energy provides energy technology services; Chang Pin engages in investment in wind power generation; Yuanshan Forest engages in afforestation-related businesses; Global Way, Junewei, and Shinwei engage in businesses related to solar photovoltaic power plants; SFE engages in marine engineering-related businesses; Eastern Rainbow Green Energy, Eastern Rainbow Environment, and Kunshan Eastern Rainbow engage in waste treatment-related businesses; Foxwell Certification engages in greenhouse gas inventory certification and other related businesses; and Youde Wind Power is engaged in offshore wind power plant related businesses.

2. Business proportion

Unit: Thousands of NTD; %

Year \ Product	2023		2024	
	Net operating revenue	Proportion (%)	Net operating revenue	Proportion (%)
Construction business	10,285,643	91.43	17,815,408	90.69
Service business	173,628	1.54	512,739	2.61
Electricity sales business	789,152	7.01	1,312,225	6.68
Others	1,159	0.02	4,355	0.02
Total	11,249,582	100.00	19,644,727	100.00

3. Current products (services) of the Company

A. Construction business

(A) Construction services

The Company provides power plant construction, electrical and mechanical engineering, server room construction, and project engineering as the main business items.

(B) Server room construction

The information server room is an important location for the operation of information equipment in each corporate unit. The IT units in various enterprises are faced with the problem of how to build a suitable environment for the operation of information equipment and ensure the stable operation of the environment. The five major systems in the construction of a server room, power, air conditioning, fire protection, security, and environmental control, are interdependent. Any electrical and mechanical problem will lead to the collapse of the above system and cause a bigger disaster. In view of this, the Company provides a dedicated and backup server room to improve quality, system integration, and professional management. It provides customers with a complete "Information Management Center" service plan, including complete electrical systems, air conditioning systems, fire protection systems, and environmental monitoring system equipment, where a momentary or short-term stoppage is not allowed, with emphasis on the humanized floor plan design and professional construction quality of the server room.

(C) Solar, wind and hydroelectric power plant construction

Solar, wind and hydroelectric power plant site development and turnkey projects, from site survey and evaluation, planning and design, document application, installation and construction, technician certification, project control, and utility grid connection.

B. Technical services

(A) Energy saving services

Our comprehensive energy saving service can solve the problem of power shortage in Taiwan, and energy saving is more effective than power generation. Take our energy saving projects in Hanshin Department Store and

Grand Hi-Lai Hotel in Kaohsiung as examples, we can optimize energy management by replacing with LEDs, inverter equipment, and intelligent energy saving system. Our full range of energy saving services are broadly divided into five categories: hot water energy saving, air conditioning energy saving, lighting equipment, inverter energy saving and intelligent monitoring.

(B) Maintenance of server room and power plant

Provide maintenance, warranty, long-term maintenance and management of server rooms and power plants.

(C) Design and development of solar, wind and hydropower sites

Solar, wind and hydroelectric power plant site planning and assessment, environmental impact assessment, engineering detail integrated design, equipment procurement, supervision and management, and document application services.

C. Electricity sales: Revenue from the sale of electricity generated from green energy.

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

A. Expanding the development of small hydropower power generation

Hydroelectricity is a clean, self-produced energy source. In line with government policy and the conclusions of the National Energy Conference, it is worthwhile to actively develop and promote environmentally friendly small-scale hydroelectric projects that make full use of water resources.

According to the report of the Water Resources Agency for 2008, there are 79 sites with small hydroelectric power potential, of which 47 are rivers and 32 are irrigation channels. In addition, the Irrigation Association also conducted a preliminary survey of 27 potential sites for micro-hydroelectric power generation.

B. Expanding the development of offshore wind power

According to the “23-year average wind speed observation” study by submarine cable consulting company 4C Offshore, 16 of the world's top 20 offshore wind farms are located in the Taiwan Strait, indicating that Taiwan has what is required for wind power development.

Taiwan's offshore wind power development is divided into three phases, with the first phase being demonstration wind farms, the second phase being potential wind farms, and the third phase entering block development, with an additional 1,500MW of wind farm opportunities per year starting from 2026. The Bureau of Energy, Ministry of Economic Affairs said that for the first five years of block development, the first phase will be from 2026 to 2027, with 2GW of capacity allocated for selection, and the second phase will be from 2028 to 2030, with 3GW allocated for release, and the eligibility for participation must pass the environmental assessment and meet the financial qualifications.

C. Development of offshore wind power turnkey projects and long-term maintenance market

There will be 1,500MW of engineering business opportunities worth hundreds of billions per year in offshore wind power equipment installation projects from 2026 to 2035. The power or model of offshore wind turbine is larger than that of onshore wind turbine, and the requirements for product reliability and technical quality are relatively higher. Offshore wind turbine installations mainly include near shore,

off shore and remote offshore, where the distinction is based on the distance from shore and the depth of the seabed. The water depth will also affect the planning of the unit, engine base selection, ship maintenance, operation reliability and return on investment. Taiwan's future will mainly depend on wind field advantages such as wind intensity and sea conditions.

The government promotes the localization of maritime operation and maintenance and the nationalization of key components to improve the national wind power technology energy and enhance the self-sufficiency rate of the domestic wind power industry. At the same time, the government will complement other green energy industries, stimulate the domestic market through vertical integration of the industry chain, strengthen the cultivation of professionals, further activate the domestic employment market, implement the application of the national green energy industry, and enhance national competitiveness.

Taiwan currently lacks the ability to build its own installation and maintenance vessels, and in the medium to long term, it must still be researched, developed and produced by domestic vendors.

D. Technical challenges to overcome the intermittent power supply from renewable energy

Taiwan can respond through power grid systems, rapid response power units, and energy storage technologies. Establish a complete green energy ecosystem with industry, academia, and research, which covers academic research, industrial application, and technology development, in order to strengthen the competitiveness of renewable energy and promote economic growth.

Establish a complete power auxiliary regulation, including grid management, energy storage system, etc. At the same time, large scale power plants and local distribution plants are equipped with good two-way management, so as to maintain stable power supply by flexible electricity transmission or store energy during peak and off-peak periods.

(II) Industry Overview

(1) Current status and development of the industry

Although the global epidemic is still severe, the number of serious illnesses and deaths from the epidemic has declined significantly due to the continuous improvement in virus detection capacity and the gradual increase in vaccine coverage. Therefore, major countries are unlikely to implement the same strict preventive measures and the recovery of the global economy is expected to continue. However, the growth in manufacturing industries in different countries has slowed as a result of the interest rate hikes implemented to curb inflation. Due to factors such as the continuation of the Russian-Ukrainian War and the resurgence of the technology competition between the United States and China, major international forecasting agencies believe that the global economic and trade growth rate in 2025 will increase compared to 2024. According to the World Economic Outlook report released by the International Monetary Fund, the global economy is expected to grow by 3.3% in 2025. According to the latest forecast of Taiwan Institute of Economic Research, the growth rate of domestic economy in 2025 will be 3.42%.

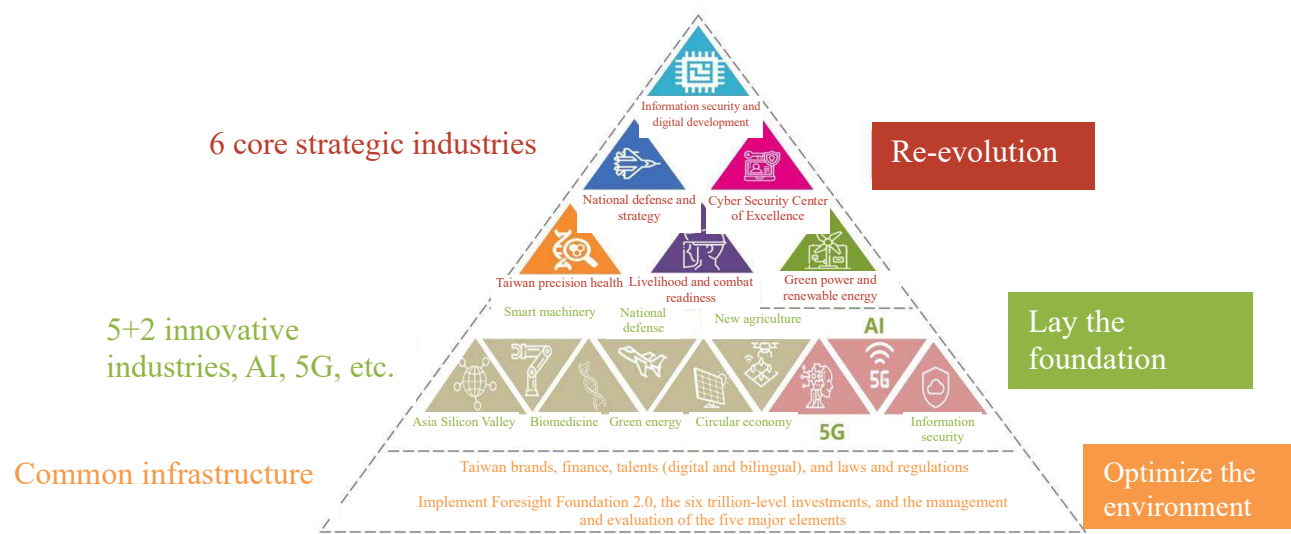
With climate change and limited resources, countries are becoming more aware of

environmental protection, leading to the rise of green economy such as environmental protection and energy saving. In order to strengthen energy security, innovate green economy, and promote environmental sustainability, Taiwan has set a policy target of renewable energy accounting for 20% of electricity generation by 2025.

In response to the deterioration of the environment, the world is entering a critical moment in the clean energy transformation. In order to achieve Taiwan's goal of 20% renewable energy power generation by 2025 and drive the development of emerging green energy industries, the government is promoting the “Green Energy Technology Industry Innovation Program” under the “5+2” industrial innovation framework. Based on domestic green demand, it will introduce large-scale domestic and foreign investments. With the promotion of major policies such as the 5+2 Industrial Innovation Plan, the Forward-Looking Infrastructure Plan, the Digital National Innovation Economy Development Program, and the Action Plan to Welcome Taiwanese Businessmen to Invest in Taiwan, it is expected to inject new momentum into Taiwan’s economic growth and accelerate the development of related industries.

The Executive Yuan approved the “Six Core Strategic Industries Promotion Plan” on May 21, 2021, and the revised version was agreed in principle by the Executive Yuan on March 25, 2024, which includes: information and digital, information security excellence, Taiwan's precision health, green power and renewable energy, national defense and strategy, and people’s livelihood and combat readiness. Based on the past 5+2 industry innovation, the industry is deployed ahead of time to enable Taiwan to seize the opportunities of global supply chain restructuring in the post-epidemic era. In the green energy and renewable energy industries, the Company will build a renewable energy industry area and R&D base, strengthen the green electricity participation system, and build an offshore wind power national team to enter the Asia Pacific wind power industry chain, so that Taiwan's wind power industry can be exported to the international market.

The six core strategic industries are based on the 5+2 industrial innovation and are illustrated as follows.





Source: National Development Council

For the six core strategic industries for the country's long-term development, the energy planning goal of the Taiwan government is to achieve “nuclear-free homeland” by 2025, and increase the proportion of gas to 50%, reduce coal to 30%, and reach 20% for renewable energy. At the same time, we will promote the decentralization of the power grid and accelerate the development and establishment of energy storage systems. Taiwan must continue to strengthen its energy resilience in order to align with the international goals set at COP 28 for global renewable energy to grow three times and energy efficiency to double by 2030, and to reach net zero emissions by 2050.

A. Electrical and Mechanical System Integration Engineering Service Industry

(A) Engineering contracting is moving towards turnkey and BOT service models

With the upgrading of industrial and commercial industries, the demand for engineering services is becoming more and more complex. In order to reduce risk and transaction costs, a single traditional electrical and mechanical engineering service can no longer meet the different needs of today's owners. The integrated engineering service company is capable of providing comprehensive and integrated professional engineering services to meet the market needs. How to integrate various complex electromechanical equipment in line with the development of new technologies to form an operating system and manufacturing environment that meets the overall needs of customers is an extremely professional and complex construction and management technology. In the future, the E&M industry market will be combined with construction, civil engineering,

mechanical and other industry-related professions through engineering consulting companies in a turnkey manner to compete for the market for each customer's unique needs and provide comprehensive, integrated and professional engineering services, instead of participating in the bidding process with a single E&M industry.

The integration of mechanical and electrical systems is still an emerging engineering service industry in the process of industrial development in China, and there is considerable room for future development. In the past, due to the advanced industrialization in Europe, America and Japan, the industrial structure and division of labor of E&M system integration services are more mature and have a long history of development, so their E&M system integration and construction capabilities are better than those of domestic vendors. As such, most of the advanced clean rooms and large plants and equipment connection in Taiwan were undertaken by foreign vendors. However, domestic players have made use of the opportunity of joint contracting with foreign vendors in recent years to learn their engineering and construction techniques and project management capabilities, and with the increasing number of projects undertaken, they have gradually accumulated their construction techniques. As a result, the quality of their construction and technical capabilities has gradually been recognized by customers, and they gradually gained the ability to independently undertake contracts for industrial electrical and mechanical facilities system integration projects.

In the area of public projects, in order to promote economic growth and enhance the overall competitiveness of the country, the government is committed to promoting infrastructure projects. In order to ensure the stability of government finances and reduce financial expenditures, the government relies on the efficiency of management and services of private enterprises, and thereby attracts private capital to invest in public construction. In recent years, most public projects have been awarded in the BOT (Build-Operate-Transfer) mode, in which the government proposes the demand, the private sector is responsible for planning, design, and construction, and the government grants the concession for a period of time, and then takes back the ownership. This approach has worked well in other countries.

(B) Trend toward joint contracting or cross-sector collaboration

Joint contracting can reduce the number of times they issue contracts to the owner and avoid the additional interface coordination work and responsibility of sub-contracting. Since most of the projects under joint contracting are too large for a single company to undertake, the combination of engineering units with different expertise and the opportunity for technology transfer agreements or exchanges and learning opportunities between them can not only increase the chance of winning the project but also reduce the risk by sharing the project. Therefore, the E&M integrated engineering industry tends to combine with the construction, civil engineering and machinery industries to jointly strive for

project contracting opportunities, instead of participating in bidding as a single industry, in order to reduce risks and increase contracting opportunities.

(C) Increasing emphasis on project quality

With the increasing complexity of construction projects, the integration of different engineering interfaces is increasing, and any poor construction or improper integration of systems will become an irreparable loss to the owner. In order to cope with the increasingly competitive market, the domestic E&M engineering industry must improve the quality of construction, professional division of labor and management strength in the future to meet the demands of the construction market. In the future, Taiwan's electromechanical engineering industry will operate under the principles of fairness and integrity to avoid vicious low-price bidding competition or high-price bidding to ensure project quality and progress, and achieve the goal of high-quality construction.

B. Power Plant Investment and Energy Services Industries

(A) Global Industry Overview

According to the Global Risk Report 2025 (GRR 2025) published by World Economic Forum on January 15, 2025. The Global Risks Report 2025 (GRR 2025) summarizes the results of the Global Risks Perception Survey (GRPS): Analyze the impact of crisis in the short term of 2 years, and the environment that will emerge and deteriorate rapidly in the long term of 10 years.

It divides global risks into short-term (the next two years) and long-term (the next ten years), with the spread of misinformation and fake news being the most serious risk in the next two years, highlighting that the rapid progress of AI technology is also creating new problems or worsening existing problems. The second and third major short-term risks are extreme weather events, armed conflicts between nations, social polarization, and cyber espionage and warfare. The severity of top ten risks over the next two years and 10 years in Global Risks Report 2023 was as follows:

Global risks ranked by severity

Please assess the possible impact (severity) of the following risks in the 2-year and 10-year periods.

Short-term (2 years)

1. Communication of false and incorrect messages
2. Extreme weather events
3. Armed conflicts between nations
4. Social polarization
5. Cyber espionage and warfare
6. Pollution
7. Inequalities
8. Involuntary resettlement or displacement
9. Geo-economic confrontation
10. Erosion of human rights and/or civil liberties

Long-term (10 years)

1. Extreme weather events
2. Biodiversity loss and ecosystem collapse
3. Major changes in the earth system
4. Shortage of natural resources
5. Communication of false and incorrect messages
6. The adverse consequences of artificial intelligence technology
7. Inequalities
8. Social polarization
9. Cyber espionage and warfare
10. Pollution

Risk category

● Economy ● Environment ● Geopolitics ● Society ● Technology

Source of data: World Economic Forum, Global Risks Perception Survey 2024-2025

Source: World Economic Forum

According to the World Economic Forum's 2025 Global Risk Report, the most frequently mentioned risks in the next two years are: Communication of false and incorrect messages, extreme weather events, armed conflicts between nations, social polarization, and cyber espionage and warfare. The most likely risks in the next decade include extreme weather events, major changes in the Earth systems, biodiversity loss and ecosystem collapse, shortage of natural resources, and the spread of misinformation and fake news.

Meanwhile, the division will intensify the international relationship. In the next few years, the global cooperation in different aspects will create a new low. Major powers are looking inwards to increasingly destabilizing economic and social tensions. When being asked about the characteristics of the global political prospects in the next decade, 64% of the respondents believe that we will face the order of multi-polarity or fragmentation. The major middle and large economies will compete with each other, setting and enforcing regional rules and norms. Compared to the previous year, the Company's response to this issue remains unchanged. The global order under the western dominance is expected to continue to decline in the next decade, but it will still be an important center

of power. The alternative energy hub may be enhanced, led not only by China but also by major emerging powers such as India and the Gulf states. In the next decade, it is increasingly important to face the complex global risks. In order to prevent the global citizens from suffering, the leaders will ultimately have no choice but to seek methods of dialogue and cooperation.

Although governments have invested resources to enhance social and economic adaption to risks, most global risks can only be resolved with effective global cooperation. In addition to governments, international organizations are also critical and governments should support cross-border initiatives.

The Intergovernmental Panel on Climate Change (IPCC) published four reports in 1990, 1995, 2001, and 2007, which clearly stated that human activities have significantly affected the global natural environment since the development of industrial civilization, and have increased rapidly since the 1950s. When the various impacts of human activities on the Earth's environment exceed the critical point of the Earth's dynamic equilibrium, it will cause a variety of rapid, non-linear, unpredictable physical, chemical, and biological changes, among which the atmospheric changes are the most significant, especially the phenomenon of global warming.

The signs of global climate change have already occurred. They mainly include the continuous increase of greenhouse gas emissions, the continuous change of atmospheric composition, the warming of the Earth, and the change of global climate operation patterns. Climate change will cause changes in the global hydrological cycle, with higher intensity of rainfall and evapotranspiration, and less chance of snow. In terms of temperature, the Earth's warming will increase the chance of heat waves and some regions will become more arid. In addition, the increased chance of tropical cyclones, combined with global sea level rise, could cause severe disasters.

As the effects of global climate change and the greenhouse effect become more apparent, the challenge of how to achieve a stable balance of natural systems in response to the impact of climate change must be faced and actively addressed. Since the greenhouse effect was discovered and alerted by scientists, the United Nations and various governments and non-governmental organizations have been working on various types of mitigation strategies, including energy conservation, improving energy efficiency, development of new and renewable energy sources, and development of greenhouse gas reduction technologies; however, the trend of global warming and climate change can no longer be avoided by reducing humans greenhouse gas emissions. According to the International Energy Agency's (IEA) 2012 Energy Technology Outlook report, the goal is to keep global atmospheric temperatures rise within 2°C by 2050, with energy efficiency improvement, renewable energy development, and carbon dioxide (CO₂) capture, storage, and reuse technology (CCSU) as the main reduction strategies.

According to the World Energy Outlook 2024 report released by the International

Energy Agency in October 2024, some of the urgent pressures caused by the global energy crisis have eased, but the energy market, geopolitics, and the global economy are still volatile, and the risk of further disruption always exists. Fossil fuel prices have fallen from their peaks in 2022, but the markets are tight and volatile. At present, the global average land surface temperature is about 1.2°C higher than the pre-industrial level, triggering heat waves and other extreme weather events, while greenhouse gas emissions have not yet reached the peak.

Under this complex background, the new clean energy economy led by solar photovoltaic and electric vehicles (EV) has emerged, igniting hope for future development. Since 2020, investment in the clean energy sector has grown by 40%. Emission reduction is the key reason, but not the only one. Matured clean energy technology is fully economical. Energy security is also an important factor, especially for fuel-importing countries; Industrial strategies and the willingness to create jobs in the clean energy industry are also important factors.

There are some high-profile examples showing that change is gathering pace. In 2020, one in every 25 sedans sold is an electric vehicle; In 2023, one in every 5 sedans sold is an electric vehicle. In 2023, the power generation by renewable energy will increase by more than 500 gigawatts (GW), setting a new record. The cost of solar energy deployment will exceed US\$1 billion per day. At present, the production capacity of key components of the clean energy system (including solar photovoltaic modules and electric vehicle batteries) is growing rapidly. Therefore, the International Energy Agency (IEA) concluded in its updated “Net Zero Roadmap” that limiting global temperature rise to 1.5°C will be difficult but not impossible.

1. The global oil market has experienced three years of turbulence. With the increase in oil supply and the significant slowdown of demand growth in developed economies, the benchmark price of crude oil has returned to below the pre-war level, and the price of refined petroleum products has fallen from the record high. Although the market may be significantly tightened in the next few months due to the slowing growth of global oil supply caused by “OPEC+” production cuts, the outlook is positive over the forecast period of 2022 to 2028. Although the peak for oil demand is not far away, due to the continuous growth of the petrochemical and air travel sectors, overall oil consumption will continue to increase throughout the forecast period. It is estimated that global oil demand will reach 105.7 million barrels per day in 2028, an increase of 5.9 million barrels per day from 2022. Crucially, however, the demand for the portion of oil used and burned as fuel (excluding biofuels, petrochemical raw materials, and other non-energy purposes) will peak in 2028, the last year of the forecast period, reaching 81.6 million barrels per day. The overall growth trends of gasoline and transportation fuels will reverse in 2023 and 2026, respectively. The factors driving these trends include the low-carbon energy transition triggered by the global energy crisis, policies

focusing on energy efficiency improvement, and the rapid growth of electric vehicle sales.

2. The annual output of aviation fuel in 2024 was about 1.5 million tons, which has doubled compared to that in 2023. However, compared to the global aviation fuel market demand in 2024, the supply only accounts for 0.53% of demand, which shows that the problem of oversupply is quite severe. It is likely to exceed US\$173.92 billion by the end of 2037, growing at a CAGR of over 46.2% during the forecast period (2025-2037). The scale of the sustainable aviation fuel industry is expected to be US\$2.56 billion in 2025. Although the net capacity increase will slow down from an average of 1.9 million barrels per day in 2022-2023 to 300,000 barrels per day in 2028, the new capacity increase will still keep pace with the growth of demand during the forecast period. By the end of the forecast period, the demand for petroleum-based high-grade road transportation fuels such as gasoline and diesel will be 1 million barrels per day lower than that in 2019. Additionally, strong petrochemical activities and the growth of natural gas liquids (NGL) supply will slow down. Meanwhile, the slowing strong petrochemical activities and growth of natural gas liquids (NGL) supply will push up the demand for liquefied petroleum gas and naphtha supplied by refineries.
3. In the face of energy shortages and high prices, governments of many countries (mainly developed economies) have so far committed to invest more than US\$500 billion to protect consumers from their immediate impacts. These governments have taken rapid actions as they attempted to secure alternative fuel supplies and adequate natural gas reserves. Other short-term actions included increasing oil and coal-fired power generation, extending the use of certain nuclear power plants, and accelerating the development of new renewable energy projects.
4. The *World Energy Outlook (WEO)* included global data for three modeled scenarios based on different assumptions about government policies. The Stated Policies Scenario (STEPS) describes the outlook based on the latest policy settings, including energy policy, climate policy, and related industrial policies. The Announced Pledges Scenario (APS) assumes that the national energy and climate targets set by the government are fully achieved on time. However, more progress is needed to achieve the Net Zero Emissions (NZE) Scenario (limiting global temperature rise to 1.5°C) by 2050. In addition to the main scenarios, we also explore some of the key uncertainties that may affect future trends, including structural changes in China's economy and the pace of global deployment of solar photovoltaic business.
5. New policies in major energy markets help propel annual clean energy investment to more than US\$2 trillion by 2030, an increase of more than 50% from today. Clean energy becomes a huge opportunity for growth

and jobs, and a major arena for international economic competition. By 2030, annual solar and wind capacity additions in the United States grow two-and-a-half-times over today's levels, while electric car sales are seven times larger. New targets continue to spur the massive build-out of clean energy in China, meaning that its coal and oil consumption will both peak before 2030. The European Union needs to explore new economic and industrial advantages beyond Russian natural gas will further accelerate the deployment of renewable energy and improve energy efficiency. As a result, the European Union's oil and gas demand will fall by 20% and coal demand will fall by 50% in the decade from 2020 to 2029. Japan's Green Transformation (GX) program provides a major funding boost for technologies including nuclear energy, low-emissions hydrogen, and ammonia, while Korea is also looking to increase the share of nuclear energy and renewable energy in its energy structure. India makes further progress towards its domestic renewable capacity target of 500 gigawatts (GW) in 2030, and renewables meet nearly two-thirds of the country's rapidly rising demand for electricity.

The total emissions reductions announced by more than 50 countries would cover only 20% of the total global emissions reductions needed by 2030, and would reduce global carbon emissions from energy production by only 40% in 2050, resulting in a temperature rise of 2.1°C in 2100. If industrial development is taken into account, the carbon reductions from the energy sector would be offset by new carbon emissions from steel, cement and transportation industries, resulting in a temperature rise of 2.6°C in 2100. Renewable energy is the backbone of any energy transition towards net-zero emissions, and as the world moves further away from carbon-emitting fossil fuels, understanding the current role of renewable energy in decarbonization across multiple sectors is key to ensuring a smooth transition towards net-zero emissions.

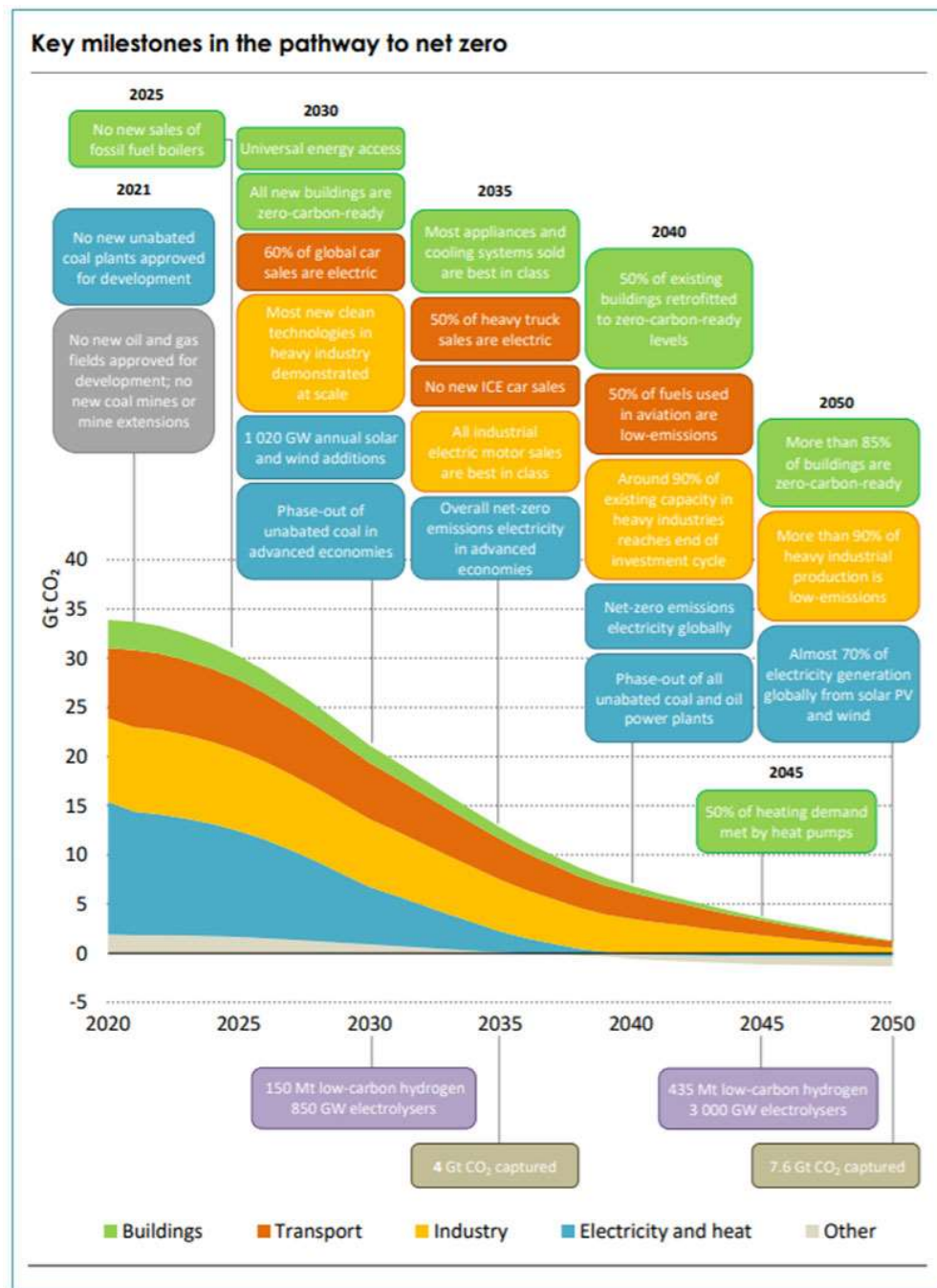


Figure: “Net Zero Emissions by 2050: A Roadmap for the Global Energy Industry”

By 2025, the share of renewable energy in total electricity generation will reach 35% globally and electricity consumption in Asia will account for half of all electricity consumption.

China is currently the world’s largest electricity consumer at 31% of global demand in 2022. Its share of the global electricity consumption will increase from one quarter in 2015 to one-third by 2025. According to forecasts of the International Energy Agency (IEA), global electricity demand growth is set to

rise from 2.6% in 2023 to an average increase of 3.2% in 2024 and 2025. By 2025, demand will increase by 2,500 TWh from 2022 levels, which is roughly equivalent to that of the United Kingdom and Germany. By 2025, renewable energy generation will account for 35% of global electricity generation, exceeding the share of coal-fired and gas-fired power generation.

(B) Overview of the industry in Taiwan

Taiwan relies on imports for 98% of its energy, and its energy supply is vulnerable to changes in the global energy landscape and the impact of international greenhouse gas reduction agreements. The international political and energy situation is volatile, and for Taiwan, which is highly dependent on imports, it is more important to formulate the countermeasures as soon as possible, and how to improve energy diversification and autonomous development, and to ensure the supply of energy system, maintain the stability of energy prices and take into account the reduction of greenhouse gases, which are the issues and challenges that Taiwan needs to actively face.

In response to the current international development trend of climate change and to ensure that the energy transition process can take into account the balanced development of energy security, green economy, environmental sustainability and social equity in Taiwan, the government completed the revision of the “Energy Development Agenda” in April 2017 to serve as the upper-level program principle for national energy development and as the policy guideline for various departments to formulate relevant policy plans, guidelines and action plans for energy transformation. The amendment to the “Electricity Act” announced in January 2017 not only confirms that green electricity should be prioritized, but also specifies that all nuclear power generation equipment should cease operation by 2025. Since 98% of Taiwan’s energy depends on imports and is an independent power grid, the reserve capacity has been decreasing year by year in recent years, both in terms of the number of days when the reserve capacity rate is below 6% and the number of days when it is below reserve capacity rate of 900,000 kilowatts (power rationing warning standard), they are increasing year by year. Although the demand side has promoted measures including planned and temporary reduction of electricity consumption, demand bidding and customer group representation to suppress low peaks, while the supply side has also promoted measures such as adjusting the annual maintenance schedule and early grid connection or delayed decommissioning of thermal power plants, as well as actively replacing coal-fired power plants with ultra-supercritical generating units, it will be more challenging to ensure stable power supply as nuclear power plants are decommissioned one after another in the future. In addition to promoting the renewable energy certificate system by the government, the Legislative Yuan amended the “Renewable Energy Development Act” in May 2019 to allow green power operators to “two-way conversion” and switch between bulk purchase (selling to Taipower) and direct supply and resupply

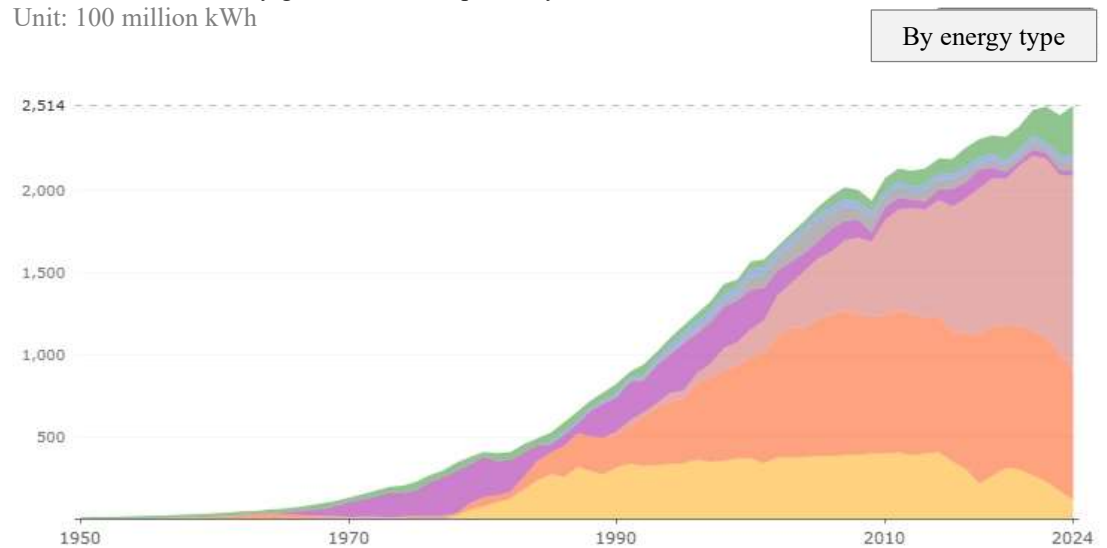
(selling to customers) and to freely enter and exit. At the same time, it also requires large consumers with 800 kilowatts or more to use a certain percentage of green electricity (about 10%), to participate in the installation of renewable energy-related equipment and purchase of renewable energy certificates, to simplify the procedures for small-scale green energy above 2MW, to include demonstration incentives for citizens' power plants, to increase green energy revenue, and to formulate a 2-year plan for photovoltaic power generation and a 4-year plan for wind power generation from 2017 to 2020. It is hoped that in the short term, a perfect renewable energy development environment will be established and the growth of renewable energy will be greatly revitalized, thereby activating Taiwan's green power trading market.

As the world is in the critical era of energy transformation, green energy will be the new engine driving economic development in the future. In order to enhance our country's energy independence, emerging green energy industry, and gradually reach the goal of nuclear-free homeland, the Ministry of Economic Affairs (MOEA) has passed the "Green Energy Technology Industry Innovation Program", one of the "5+2" innovative industries, on October 27, 2016, based on the domestic green demand, to bring in large-scale domestic and foreign investment, increase quality employment and drive Taiwan's green energy technology and industry. With the three visions of "green energy promotion", "industrial development" and "technological innovation", through the comprehensive promotion of policy-oriented measures including energy saving, energy creation, energy storage, smart system integration and electricity industry reform, the target volume of solar photovoltaic will reach 8.7GW by 2020 and 3 million low-voltage households will be equipped with smart meters by 2024. In order to meet the target of generating 20% of electricity from renewable energy by 2025, the long-term target of promoting renewable energy is set at 27GW (27 million kilowatts) or more by 2025, including 20GW of cumulative installed capacity of solar power (expected to generate 25 billion kWh annually), 1.2GW of land-based wind power (expected to generate 2.76 billion kWh annually), 5.5GW of offshore wind power (expected to generate 19.8 billion kWh annually), 2.15GW of hydropower (expected to generate 6.6 billion kWh annually), and biogas to implement energy transformation, gradually reduce the proportion of nuclear power generation, and achieve the vision of a non-nuclear homeland by 2025.

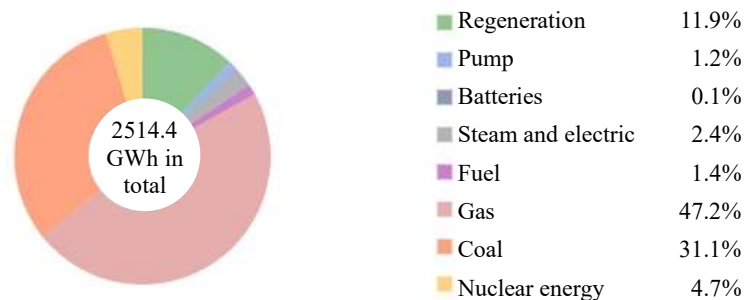
In addition, according to the statistics on the proportion of electricity purchased in 2024 released by Taiwan Power Company, the proportion of renewable energy generation purchased was 11.9% in 2024, including 31.1% coal-fired generation, 1.4% fuel-fired generation, 47.2% gas-fired generation, and 2.4% steam-electricity co-generation (excluding waste and biogas), 1.2% pumped storage hydropower generation, and 4.7% nuclear energy generation.

It is clear that renewable energy is the future trend of power generation in Taiwan

The historical electricity generation of Taipower system
Unit: 100 million kWh



Structure of Electricity Generation and Purchase in 2024



Source: Taiwan Power Company

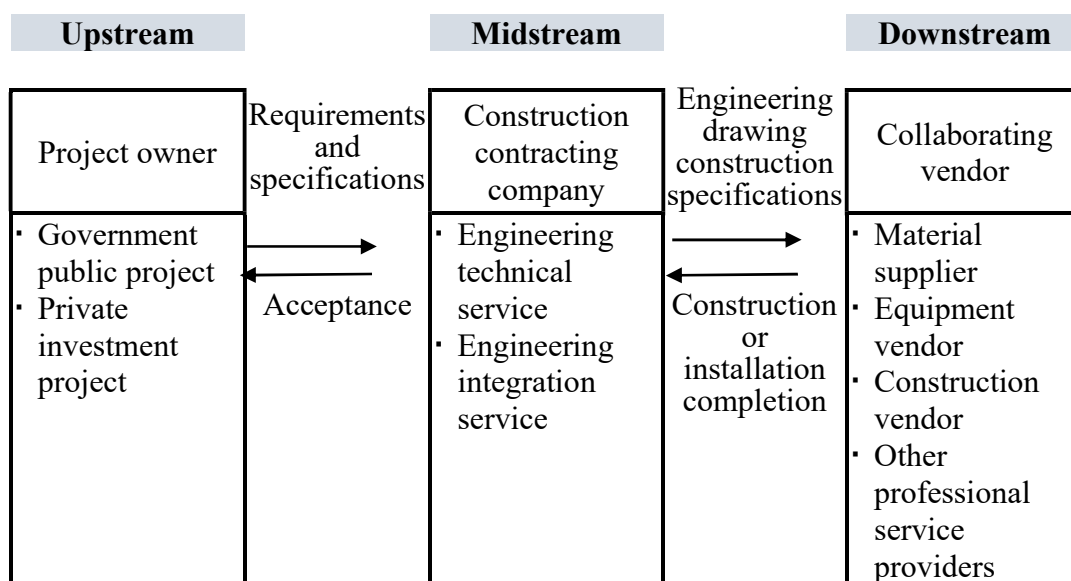
Encouraged by domestic and international government policies, solar power has become one of the major focuses of green energy development. With the continuous improvement of technology and efficiency, the overall cost of power generation has dropped, and the price of solar power has gradually closed the gap with the price of conventional power. The global solar market is growing year by year, driving the increasing demand for solar-related industries. As of December 2024, the installed capacity of solar photovoltaic power generation is 290,700 kW, and the power generation is 404,169 kilowatt-hours (only the capacity of the power business license issued and the equipment registered in accordance with the Electricity Business Act is counted). Therefore, the number of solar power systems to be installed each year will be even greater than in previous years. Therefore, the industry environment is very favorable for solar power system builders, and there will be breakthrough growth in domestic solar EPC business opportunities until the target of 20GW of solar photovoltaic installations is achieved in 2025.

The structure of Taiwan's renewable energy development plan is in line with the international trend of REN21 report, which emphasizes multiple issues such as

target, market, regulation, investment, industry, and system integration, etc. The progress of renewable energy development is also included in the international key information report by REN21 research institute, which shows that Taiwan's current renewable energy policy and development direction is not only closely in line with the international trend, but also attracts global attention.

(2) The correlation among the upstream, midstream and downstream industries
A. Construction business industries

The electrical and mechanical engineering integration service industry is between the owner's customers (demand side) and material suppliers, equipment suppliers, labor subcontractors and other related industries (supply side), integrating technical services from different professional fields to provide the owner's customers with the best construction performance and progress, ensure project quality, and meet the owner's production needs. The Company mainly provides feasibility analysis, planning, design, procurement services, equipment supply, construction and commissioning services for customers' projects, and is in the midstream of the industry. Upstream of the industry are owners with construction needs, and turnkey companies are in the midstream of the industry. Downstream of the industry are third parties such as material and equipment suppliers and construction companies, which are the partners of midstream companies for contracting. The following diagrams illustrate the correlation between the upstream, midstream, and downstream industries:



The Company is a professional electrical and mechanical turnkey engineering company, mainly engaged in electrical and mechanical engineering, telecommunications equipment room, energy-saving equipment installation and renewable energy and other related energy turnkey projects. The Company converts the customer's requirements into relevant engineering drawings (including design and construction drawings) through the basic detail design process by our professional engineers, and then further combines with the relevant third parties to complete the construction work according to the engineering drawings. In addition

to continuous discussions with the clients during the contract period, we also need to confirm the supply of all materials and equipment, as well as construction standards, specifications and other items, to ensure compliance with the requirements and the completion of the work within the deadline and the quality required by the clients.

B. Solar energy, wind power plant investment and energy services industries

The owner (land owner) builds a renewable energy power plant system by himself or rents it to an investor through EPC engineering general contracting, which means that the company engaged in engineering general contracting accepts the owner's commission and, after signing a contract with the owner, contracts the entire process or several stages of the project, including feasibility study, investigation, design, procurement, construction, and trial operation (completion acceptance) in accordance with the contract agreement. Enterprises engaged in EPC are fully responsible for the quality, safety, schedule and cost of contracted projects. The owner will sell the electricity generated from renewable energy sources to Taiwan Power Company or the buying operators according to the sales contract.

Upstream	Midstream	Downstream						
<table><tr><th>Owner</th></tr><tr><td> ▪ National land (National Property Administration) ▪ Private land </td></tr></table>	Owner	▪ National land (National Property Administration) ▪ Private land	<table><tr><th>Energy service company</th></tr><tr><td> ▪ Green power plant development, appraisal, design, planning and construction services ▪ Green power plant </td></tr></table>	Energy service company	▪ Green power plant development, appraisal, design, planning and construction services ▪ Green power plant	<table><tr><th>Electricity purchaser</th></tr><tr><td> ▪ Taiwan Power Company ▪ Electricity seller </td></tr></table>	Electricity purchaser	▪ Taiwan Power Company ▪ Electricity seller
Owner								
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Electricity purchaser								
▪ Taiwan Power Company ▪ Electricity seller								

The Company's subsidiary is a green power plant, which requires a large initial expenditure in the early stage. It usually chooses to finance 70% of the initial construction cost from banks and 30% from its own capital, and repays the interest on the bank loan and rent from the stable monthly electricity revenue after the grid system is connected.

(3) Various development trends and competition of products

A. Various development trends of products

(A) Engineering business industries

As industries continue to upgrade and project requirements become more complex, the contracting industry is no longer bidding as a single industry in order to reduce risks and increase contracting opportunities. "Turn Key" refers to the combination of design and construction, equipment supply, installation and after-sales maintenance in the same procurement contract for tendering. The

contractor must provide a series of integrated solutions from planning, design, construction and project management to meet the customer's requirements for timeliness and quality. In the future, the electromechanical industry market will use engineering consulting companies to combine with relevant professionals in the construction, civil engineering, machinery and other industries in a turnkey manner to provide all-round, comprehensive and professional engineering services.

In addition, the government has been actively planning to expand comprehensive infrastructure investment in recent years, with the goal of creating the infrastructure needed for national development over the next 30 years. The “Forward-Looking Infrastructure Plan” consists of eight major infrastructure projects: construction of safe and convenient railways, water environment construction in response to climate change, green energy to promote environmental sustainability, digital construction to create a smart nation, urban and rural construction to enhance regional balance, construction of child-friendly parenting spaces in response to the declining birth rate, food safety, and human resource development to promote employment. According to the National Development Council's public construction budget statistics, the government's public construction budget shows a growing trend every year, and the Company, as a professional electrical and mechanical turnkey engineering company, has a development niche and advantage for the government's future expansion of public construction.

(The government's public construction budget statistics table)

Unit: NT\$100 million

Year	Central Public Affairs	Special Forward-Looking Budget	Special budget for flow and other	Operating and non-operating funds	Total
2014	1,779	-	33	1,548	3,360
2015	1,791	-	93	1,295	3,179
2016	1,812	-	141	1,416	3,369
2017	1,776	138	157	1,245	3,316
2018	1,643	747	147	1,254	3,791
2019	1,604	866	88	1,294	3,852
2020	1,575	1,005	-	1,798	4,378
2021	1,236	1,041	-	2,735	5,012
2022	1,380	2,230	-	1,522	5,132
2023	1,630	832	-	3,408	5,870
2024	1,846	844	-	3,114	5,804

Source: National Development Council, Key Statistics Manual (November 2024)

(B) Power Plant Investment and Energy Services Industries

In response to the international trend of developing green energy to mitigate climate change, the Ministry of Economic Affairs (MOEA) has been actively promoting green energy in Taiwan with great success by transforming into a green economy, enhancing independent energy, and building a good living environment in Taiwan, with fruitful results. To promote the 6 principles of target planning (national energy autonomy, acceptability of electricity price, technical feasibility, cost-benefit orientation, phased and balanced development, and driving industrial development), priority is given to promoting renewable energy with mature technology and low cost of power generation, while more forward-looking, not yet commercialized technology, and investment in related research and development are given priority. The promotion targets and proportion of renewable energy are reviewed on a rolling basis. In Taiwan, wind power (including land-based and offshore wind power), solar photovoltaic, biomass power, and geothermal power are the main projects to be promoted.

a. Increase the targets of renewable energy

In line with the target of 20% of renewable energy by 2025, the amendment will set the long-term target of promoting renewable energy at 27GW (27 million kilowatts) or more by 2025, including 20GW of solar power, 5.5GW of offshore wind power, 2.08GW of hydropower, and biogas, etc. The promotion target and its development plan will be reviewed and announced every two years to facilitate market identification and investment by vendors. To promote the development of renewable energy by the private sector and the government, with the effect of setting clear targets.

b. Encourage green electricity to move towards free trade market

The Legislative Yuan passed the third reading of the amendment to the Renewable Energy Development Act this year to gradually move green electricity to the free market. With respect to the current government green electricity guaranteed purchase (bulk purchase) system, this amendment allows the bulk purchase and direct transfer to be interchangeable, and guarantees that green electricity going to the free market can be transferred back to the bulk purchase, and the bulk purchase rate is retroactive to the announced rate when the equipment first provides electricity.

c. Establish obligations for large users of electricity

The Legislative Yuan passed the third reading of the amendment to the Renewable Energy Development Act this year, specifying that large electricity users in Taiwan will be given the obligation to increase the proportion of renewable energy use, and if the contracted capacity is greater than a certain amount, users must install renewable energy or energy storage equipment of a certain capacity, and those who are unable to do so must purchase green electricity (renewable energy certificates) or pay a fee instead. This is the so-called “large user clause”.

Large electricity users must use Taipower's contract capacity of 5,000 kilowatts as the threshold and build green electricity of 10% of their contract capacity, or 500 kilowatts of installed capacity, within five years. If the installation is not possible, energy storage, purchase of renewable energy certificates, and cash payment can still be used instead. The Bureau of Energy estimates that 1.05GW of installation capacity can be created if all green electricity is installed.

B. Competition situation

(A) Product competition

a. Construction business products

The Company has carried out important projects, including the integration of the MRT electrical and mechanical systems of the Green Line of Taichung MRT (Wuri-Wenxin-Beitun Line), which was the earliest line built by Taichung MRT, including power supply, signal and traffic control, communication, track and maintenance of the plant, and the construction of the 161kV GIS transformer, cable and 25kV distribution panel, cable equipment and telecommunication equipment room of the Changbin waterfront solar power plant construction project. Our experience in this field has been recognized by the owners and is highly advantageous. With the best construction quality and highly professional technology, we provide customers with a complete set of consistent engineering management services from planning, design, procurement, manufacturing, installation, testing, verification to acceptance and delivery, maintenance, etc. We have professional technology and engineering track record in related E&M technology engineering projects, and are competitive in expanding and obtaining future case opportunities.

b. Power plant investment and energy service products

According to government plans, solar power installation capacity will reach 20GW in 2025, with rooftop type and ground type accounting for 3GW and 17GW, respectively. By the end of December 2024, the system's solar photovoltaic installation capacity was 14GW.

Wind power is a very important part of the development of renewable energy in Taiwan. Since 2000, Taiwan has been actively promoting the development and application of wind power. Through resource exploration, technical guidance, research and investigation, demonstration subsidies, and promotion, Taipower and private companies have been investing in the development of land-based and off-shore wind farms. As of the end of December 2024, the installed capacity of wind power equipment in the system has reached 43.92 kilowatts.

The Company and its subsidiaries have installed approximately 130MW of solar photovoltaic power, 29MW of onshore wind power and 300MW of

offshore wind power. The Company continues to develop and invest in large-scale solar photovoltaic and wind power plants, and plans to set up SPVs (Special Purpose Vehicle) to hold sites in order to improve operating and capital efficiency, and plans to dispose of the SPV equity to recover capital and realize profits in advance. The capital will be used to expand solar power plants or develop other new businesses to achieve the goal of continuous growth.

(B) Industry competition

a. Construction business industries

In terms of competition in the industry, the Company has adopted a stable strategy - customer orientation - to provide more efficient and satisfactory services to specific customers. When serving a specific customer, the Company is able to maintain its overall market share with its inherent limitations, such as maintaining the organization's past return on investment by achieving both low cost and differentiation within this specific customer range. The Company's expertise and engineering track record in the integration of related electrical and mechanical engineering systems and energy technology engineering makes it superior to the general industry in terms of expanding and obtaining future case opportunities.

b. Power plant investment and energy services industries

The Company is positioned as an expert in power integration, with engineering experience in heavy power equipment, wind turbines, and substations, as well as power plant operation and maintenance engineering technology. The integration technology in solar photovoltaic system engineering is derived from our original operation technology. In the future, the government will promote solar energy and wind power stations, which will invariably support the growth of the industry.

The Company and its subsidiaries integrate the competitive relationship between upstream material and equipment vendors and downstream contractors to reduce the overall construction cost and gain an advantage in the return on investment for investors, not only as a source of business for initial construction, but also to extend the battle line to the maintenance stage, even under the promotion of the liberalization of the electricity industry, from before or after the expiration of Taipower's contract to the time of moving to the liberalized market in the future. There are still expectations in the future market. From the time before or after the expiration of Taipower's contracts to the time of the future transition to a liberalized market, there is still expectation in the market in the future.

Due to the amendment of the Electricity Act to liberalize the power generation industry and encourage the development of renewable energy, the market opportunities have increased, but so have the number of competitors. The Company will invest in the related business with excellent management team, quality and technology to enhance the Company's interests.

(III) Technology and R&D Overview

Research and development expenses and technologies or products successfully developed by the Company in the most recent year and in the current year up to the date of publication of the annual report:

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

Item	2024	The first quarter of 2025
R&D expenses	NT\$10,288 thousand	(Note)
As a percentage of the revenue for the year	0.05%	(Note)

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

2. Successfully developed technologies or products:

- (1) Foxwell Power

It has received a subsidy from the Ministry of Digital Affairs, and cooperated with the Administration for Digital Industries to develop an innovative digital subsidy platform program, and it will implement FOXWELL CLOUD green power sharing cloud service.

- (2) Foxwell Certification

It has received a subsidy from the Ministry of Digital Affairs, and developed verification software to simplify verification procedures in support of Taiwan's 2050 net-zero transition goal, and integrates public clouds and existing cloud platforms, to provide verification services through the API architecture and functional modules.

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

- (1) Short-term development plan

- A. Gradually accumulate engineering experience and achievements

Build or strengthen the optical, wind, and hydroelectric teams with construction technology and maintenance capabilities, and to strive for announced tenders for onshore substations for offshore wind power projects, electrical and mechanical works for highway projects, and other public projects.

- B. Cooperate with the government to promote renewable energy policy

Continue to invest in the development and construction of clean energy such as solar, wind, geothermal, and hydroelectric power, and continue to search for excellent sites and plants, and strive to win tenders for solar, wind, thermal, and small hydro power generation from Taipower.

- C. Enter the market of free electricity sales from the power generation industry

Under the liberalization of the electricity industry, we can provide various structures and services to meet future needs. Through green energy sales and the accompanying renewable energy certificates, we can add value to the renewable energy business opportunities and expand new business models and customer sources.

- D. Increase the product items of energy saving services and expand similar products to

different suppliers to provide customers with more diversified choices.

Continue to provide energy saving and emission reduction services to large shopping malls, department stores, and factories by using energy-saving lighting, inverter technology, network monitoring, and contract power consumption.

(2) Long-term development plan

A. Integrate various renewable energy industry chain

In addition to the continuous investment in the development of domestic renewable energy and clean energy, we are actively integrating the various renewable energy industry chains, from development, construction, maintenance and operation, to free trade of electricity, and obtained the license for electricity sales in December 2019. In terms of operation strategy, we adopt five major directions, such as “light, wind, water, air, and large platform”, and cultivate professional fields in various strategies.

B. Develop natural gas market

With development of natural gas market, we are the second company in Taiwan to obtain a natural gas import license and the only privately owned natural gas import company in Taiwan, and will continue to develop market plans to explore business opportunities for “clean energy” that replaces heavy oil or coal as fuel.

C. Expand overseas markets

Actively participate in international bidding projects, evaluate overseas investment potential, and utilize the experience of domestic power plants in Southeast Asia to establish the Asian market.

II. Overview of the market, production and sales

(I) Market analysis

1. Major product sales regions

Unit: Thousands of NTD; %

Item	Year	2024		2023	
		Amount	%	Amount	%
Taiwan		19,575,699	99.65	11,235,594	99.88
China		69,028	0.35	13,988	0.12
Total		19,644,727	100.00	11,249,582	100.00

2. Market share

The Company's renewable energy services mainly the domestic market, and our construction business covers a wide range of wind, hydroelectric, and solar power generation projects, as well as various types of EPC contracts for substations, utilities, fire protection systems, and whole-plant construction projects. All current construction businesses have been carried out in Taiwan. Since system integration engineering services cover various fields, such as factories, public construction, residential

buildings and commercial office buildings, etc., and the nature of the engineering fields in which the domestic electrical and mechanical engineering companies currently engaged in this industry specialize varies greatly, the market share cannot be reflected by a single market or a single product, and each engineering service company has its own specialized service field. The market share of the Company cannot be calculated on the same basis as the market share of a single market or a single product, and the market share of the Company cannot be calculated on the same basis as its output value.

3. Future market supply and demand and growth

A. Construction business

Currently, there are many companies engaged in E&M system integration in Taiwan, but E&M system integration service depends on a long-term accumulation of technology and experience, and in specific markets, there are often barriers to entry due to personnel expertise, company reputation and engineering performance, making the Company one of the few professional electromechanical system integration engineering service manufacturers. As the Company serves customers in various fields, including plants, public construction, wind, water and solar power generation projects, etc., the Company is always planning to expand plants and develop new projects in public construction. The government is actively planning to expand comprehensive infrastructure investment, with the goal of creating the infrastructure needed for national development in the next 30 years, the demand for E&M system integration services can still maintain some room for growth.

B. Power plant investment and energy services

According to the plan of the National Development Council of the Executive Yuan to promote solar energy and photovoltaic power, in order to comply with the international trend that countries make energy saving and carbon reduction a priority in their policies and use renewable energy to drive the development of a green economy, and considering that 98% of Taiwan's energy comes from imports and is an independent power grid system, it is really important to enhance energy autonomy and diversification. In order to take into account energy security, green economy and environmental sustainability, the government has included the green energy industry as one of the "5+2" industry innovation projects, which include: "Smart Machinery", "Asia-Silicon Valley", "Green Energy Technology", "Biomedical Industry", "National Defense Industry", "New Agriculture" and "Circular Economy".

In this wave of green revolution, our country has set the goal of energy transformation by 2025, and has made the development of renewable energy and non-nuclear home as an important direction of governance. The Executive Yuan passed the promotion plan on October 27, 2016, and is committed to achieving the target of 20% of renewable energy generation by 2025, with 66.3% of the highest capacity of solar power installations, and a clear target and promotion path: 6.5GW of installation capacity in the short term (until 2020) and 20GW in the long term

(until 2025) (including 3GW of rooftop and 17GW of ground-mounted). We hope that the promotion of the green energy technology industry will serve as a new engine for energy transformation and economic development in Taiwan. The Green Energy Technology Industry Innovation Promotion Plan proposes three major visions of “green energy promotion, industry development, and technology innovation” and through four main axes of “energy creation, energy storage, energy saving, and intelligent system integration”.

4. Competitive advantage

A. Wide range of engineering services and excellent engineering performance

Since its establishment, the Company has undertaken a wide range of projects, including the integration of the MRT electrical and mechanical systems of the Taichung MRT Green Line (Wuri-Wenxin-Beitun Line), which was the earliest line built by Taichung MRT, including power supply, signal and traffic control, communication, track and maintenance of the plant, and the construction of the 161kV GIS transformer, cable and 25kV distribution panel, cable equipment and telecommunication equipment room of the Changbin waterfront solar power plant construction project. We are one of the few engineering service companies in Taiwan that can work in different industries at the same time.

B. Professional and stable management team and specialized technical personnel

We provide engineering services mainly on a project basis and control the progress and quality of construction at any time according to the needs of the owner and the contract. The Company has a professional team with many years of accumulated technology and rich experience, and we are constantly refining our professional technology. The management is composed of experienced professionals in the industry, who are able to master the key technologies of the products. The rest of the engineering staff are all undergraduates with specialized knowledge, supplemented by complete education and field practice, forming a high quality service team. Therefore, we can fully respond to the overall market changes and maintain a good competitive advantage.

C. Most of our customers are well-known domestic companies, which enhances our competitiveness in the market

The Company's customers are many well-known domestic companies whose engineering capabilities and product quality have been verified and recognized by domestic vendors. This is one of the company's advantages in future market competition.

D. One-stop integration service

In addition to our energy service management team, we have extensive experience in the construction and maintenance of power plants. We specialize in the investment and development of renewable energy plants, and are responsible for the turnkey construction and maintenance of power plants, from site investigation and evaluation, planning and design, document application, installation and construction, technician licensing, project control, utility grid connection, to post-

completion warranty, maintenance and management with one-stop integration service.

E. Cost control ability and sound financial structure

Our ability to control costs determines the profitability of a project. We maintain good and long-term cooperative relationships with our suppliers and keep abreast of changes in procurement and outsourcing prices, and through bulk purchasing and long-term contracts, we effectively reduce the risk of changes in procurement and outsourcing prices, improve management efficiency, and create reasonable profits. The E&M system service provider must have sufficient capital to meet the capital requirements for bid deposits, performance bonds, material and equipment payments, outsourcing payments, and warranty payments required for large-scale E&M system integration projects. The Company's financial structure has been sound since its establishment and is sufficient to meet the operating capital requirements for project operations.

5. Advantages and disadvantages of development prospects and corresponding countermeasures

A. Favorable factors

(A) The Industry has development potential

Due to factors such as unstable international political and economic situation, fluctuations in financial markets, and falling international oil prices, the global economic situation is not optimistic. In order to stimulate the domestic economy, the government has taken the lead in leading industrial innovation and promoting forward-looking plans for public investment and construction, especially transportation construction. The Company already has a good track record in this area, which will have a positive impact on the Company's future operations. In addition, with the consensus of countries to promote green energy in order to reduce global warming, solar power has become a long-term stable growth industry. According to data from various research reports, the share of solar power in the global electricity supply will increase year by year, so the long-term demand of solar power industry is promising and has the business value of sustainable operation and long-term development.

Renewable energy is energy that comes from nature, such as solar energy, wind power, tidal energy, geothermal energy, etc. It is an inexhaustible source of energy that will be automatically regenerated and is a kind of energy compared to non-renewable energy that will be exhausted. In the first half of this year, the share of electricity generated from renewable sources in the EU exceeded that of fossil fuels for the first time, according to a new analysis by climate research firm Ember. Wind, solar, hydropower and bioenergy accounted for 40% of total electricity generation in the 27 member states, compared to 34% for fossil fuels. Renewable energy generation overtaking fossil fuels is now a certainty.

- (B) In response to government policies and major public infrastructure development

Major public infrastructure development For example, the metropolitan rapid transit projects and the undergrounding and rapid transit projects of railroads are projects with higher technical and financial capacity thresholds, and there are more opportunities to contract for the integration of electrical and mechanical systems. In addition, the government is promoting the “4-year Wind Power Promotion Plan”, which plans to install 5.7GW of offshore wind power by 2025, with an annual power generation capacity of 21.5 billion kWh, develop green electricity, gradually amend the Electricity Industry Act and liberalize the electricity industry and nuclear-free homeland, and other green energy policies, etc., which will continue to expand the renewable energy target and help the development of renewable energy business.

- (C) Continued consolidation of solar energy enterprises is beneficial to maintaining the order of industry

In recent years, the solar industry has been facing the phenomenon of overcapacity and oversupply, and the recessionary trend has forced uncompetitive vendors to exit the market. Companies are expanding their economic scale through mergers and acquisitions in order to centralize and integrate resources to reduce costs. In the future, manufacturers in the solar energy industry can gain the advantages of economies of scale, reduce production costs and maintain industrial order through mergers and acquisitions, which will help maintain normal market prices. In addition, the domestic demand in Taiwan will remain stable. According to the latest survey by TrendForce EnergyTrend, Taiwan’s module manufacturers have gradually adjusted their sales strategies in the domestic and overseas markets in the past two years, increasing the proportion of domestic sales to over 60%. The global demand for modules in 2024 was about 469-533 GW, representing a year-on-year growth of approximately 15-20%. Although the growth rate will slow down compared to that of this year due to constraints such as a higher price over the base period, grid capacity, and localization, driven by the significant decline in module prices, we are still optimistic about the growth of the solar energy market next year. It is expected that global solar energy demand will reach 492-568 GW in 2025, an increase of 5%-7% compared to 2024.

- (D) Accumulated technical strength over many years

Our management team has extensive experience in related industries and is well versed in the operation, management, and market demand judgment of solar energy industry. In addition, with the accumulated years of engineering and technical experience, we have been able to fully master all kinds of projects, and the quality of our products has successfully gained the trust and recognition of our customers.

B. Unfavorable factors and countermeasures

(A) Fierce competition in the market and pressure to reduce prices

In recent years, the general environment is sluggish and the market competition is fierce. In addition, the domestic market is becoming increasingly saturated, resulting in the competition among the electrical and mechanical system engineering industry to cut prices and the chaotic situation of low price bidding.

Countermeasure

The Company has accumulated a lot of engineering practice and experience over the years, and has a better grasp of equipment and material suppliers and better bargaining power, so that we can provide owners with suggestions on alternative construction methods and effectively reduce customers' costs through value engineering. We also improve our construction management capabilities and quality of engineering services to control project risks and costs in order to enhance our competitive edge with our peers.

(B) Increase in engineering production and manufacturing costs

Since the engineering production process requires more technical manpower, and it takes a long period of time to cultivate talents in order to make the technology take root, and the cost of production has increased after the fluctuation of raw materials and the amendment of the Labor Standards Act, which led to a relative increase in manufacturing costs.

Countermeasure

The Company has the advantage of integrating the upstream, midstream and downstream, and outsourcing to experienced vendors to expand the supply channels of raw materials and establish a database for raw material procurement in order to effectively control production costs. The Company keeps an eye on the development of engineering-related technologies and government regulations, and adjusts its business execution to comply with policies and laws and regulations.

(C) It is not easy to obtain sites for solar power plants

Taiwan has a total area of 36,188 square kilometers, excluding the mountainous areas (about 70% of the total area of Taiwan), which are not suitable for solar power plants, and the eastern land area of Taiwan, which is not suitable for solar power plants, even if the policies are supportive, the capacity is limited. The feed-in tariff is about to enter its 10th year, and it is estimated that the cases that solar system vendors can undertake will reach saturation in another 3 to 5 years.

Countermeasure

There are still many areas unfavorable to farming, salt flats, state-owned lands, and Taiwan sugar lands in Taiwan that have not yet been fully released. In addition, there are fishery-electricity symbiosis and agricultural-electricity

symbiosis that can coexist and prosper in the future. the Company will take active measures for development and construction while taking into account the ecology. After reaching the economies of scale, the Company's revenue in the next 20 years will mainly come from system maintenance and operation, which will be listed as one of the key operating projects. More than 90% of the cases can maintain maintenance revenue for at least 20 years. In addition to the projects developed by the Company, the power plants abandoned by system providers that have withdrawn from the market will also be one of the priorities of the Company's acquisition.

The 3 main reasons why Taiwan needs offshore wind power generation are environmental protection (air pollution and carbon reduction), energy autonomy and Taiwan's wind energy potential, but it is challenged by typhoons, salt winds, high temperature and humidity, technical barriers, fishery environment and marine ecology, etc. It can slow down land development, prevent residents' lives from being disturbed by wind turbine noise and light, reduce CO2 emissions, reduce energy dependence on other countries and increase employment opportunities. The Taiwan Strait is favored for its world-class wind farms and potential for offshore wind power development, which is considered very favorably by the outside world. The Company has conducted the evaluation of the third phase of offshore wind power site development bidding.

(D) Significant capital expenditures

According to the 20GW solar photovoltaic policy target for 2025, 17GW and 3GW are targeted for ground-mounted and rooftop solar installations, respectively, so the future market will focus on construction of ground-mounted solar installations, and 25,500 hectares of land are required for 17GW of ground-mounted solar installations. The government has already identified more than 20,000 hectares of land and will complete the integration in the next 1 to 2 years, which will lead to the release of large-scale land for ground-mounted solar energy construction, indicating that ground-mounted solar energy systems will be the main development force in the future. The self-financing of the system engineering operators has doubled. As a result, only large players can be expected to thrive in the system engineering industry. The development of the Company's power plants requires large capital expenditures and higher capital costs due to borrowing.

Countermeasure

Although the investment in solar power plants has a stable income for up to 20 years, the payback period for capital expenditure is relatively long. In order to improve the operation and capital efficiency, the Company adopts an "asset-light" financial structure to invest in solar power plants, and plans to set up SPVs (Special Purpose Vehicle) to hold solar energy sites, and plans to sell SPV equity after completion to recover funds in advance and realize profits, and use the capital to expand solar power plants or develop other new

businesses to achieve the goal of continuous growth.

In response to the developments in the industry, the Company has actively formed strategic alliances with solar power plant investors to increase the scale of contracted solar power plants. In addition, the management team also set plans for public listing to raise capital in the capital market in the future. It will rapidly increase shareholders' equity and improve the capital structure to enhance corporate competitiveness. In addition, the Company uses the Group's advantages to borrow funds with lower capital costs.

(II) Important application and production process of major products

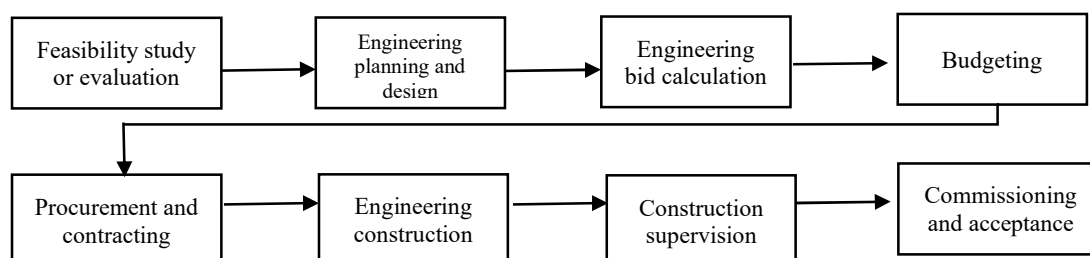
(1) Important application of major products

Major products	Application
Construction revenue	Provide construction turnkey services, including various professional and technical services, such as feasibility studies and planning, engineering design, equipment supply, equipment fabrication, construction, construction supervision, commissioning, etc.
Technical service revenue	Evaluate and plan to provide energy saving and emission reduction services to large shopping malls, department stores by using energy-saving lighting, inverter technology, network monitoring, and contract power consumption. Provide maintenance services for various power plants, substations, and telecommunication equipment rooms, etc.
Revenue from electricity sales	The electricity generated is supplied through the Taipower grid to meet various electricity needs, including industrial electricity and household electricity.

(2) Product production and manufacturing process

A. Construction business

After the Company obtains the project, we start to outsource the procurement of materials and equipment, water and electricity, air conditioning, fire protection and other projects, and then clarify the integration interface of each system. After the project is completed, it will be reported as completed after the owner's acceptance. The entire project is now completed and enters the warranty period.



B. Technical services

Evaluate and plan to provide energy saving and emission reduction services to large shopping malls, department stores by using energy-saving lighting, inverter technology, network monitoring, and contract power consumption.

Provide regular maintenance and repair services for power plants, substations and telecommunication equipment, and to provide rigorous testing of electrical and mechanical equipment to help keep the safety and performance of power plants, substations and telecommunication equipment in the best condition.

C. Electricity sales

The installation of solar and wind power systems is mainly developed by the business department of the power plant, or the system vendor may recommend a suitable site for installation. After the detailed evaluation of the Finance Department is submitted for approval, the system vendor will be entrusted to carry out the construction and installation. After the construction is completed, then apply to the relevant units for registration of the meter and then it can start operations. The Company's power plants are equipped with monitoring system to monitor the power generation status at any time, and we will dispatch staff to investigate any power plants with abnormal power generation and carry out module cleaning and maintenance according to the power generation status of each power plant to ensure good power generation efficiency.

(III) Supply of major raw materials

Major raw materials	Name of supplier	Supply condition
Offshore wind farm wind turbine equipment	P-02	Good
Manufacturing and supply contract for the sub-structure, miscellaneous electrical and mechanical equipment, and steel plates	P-04	Good
	P-10	
Offshore wind farm ship leasing/offshore wind farm nearshore marine engineering	P-15	Good
Onshore engineering of offshore wind farms	P-16	Good
Solar power electricity procurement	P-17	Good
Offshore wind farm shipbuilding and maritime engineering transportation and installation	P-18	Good
Materials and equipment for offshore OSS power generation	P-19	Good
	P-20	Good
Energy storage equipment supplier	P-21	Good

(IV) The names of customers and their purchase (sales) amounts that accounted for more than 10% of the total purchase (sales) in any of the last two years and proportion, and explain the reasons for the increase or decrease

1. Information on major suppliers in the most recent 2 years

Unit: Thousands of NTD

Item	2023				2024			
	Corporation's name	Amount	As a percentage of net purchase amount (%)	Relationship with the issuer	Corporation's name	Amount	As a percentage of net purchase amount(%)	Relationship with the issuer
1	-	-	-	-	P-18	5,296,455	26.00	None
2	-	-	-	-	P-02	5,122,521	26.00	None
3	P-10	2,068,358	22.00	None	P-10	4,273,508	21.00	None
4	P-14	1,032,885	11.00	Yes	P-14	1,752,696	9.00	Yes
2	P-04	4,188,958	44.00	None	P-04	1,061,725	5.00	None
5	P-01	141,188	1.00	None	P-01	78,840	0.39	None
	Others	2,106,513	22.00	-	Others	2,404,832	12.61	-
	Net purchase	9,537,902	100.00	-	Net purchase	19,990,577	100.00	-

Reasons for the increase or decrease:

Except for raw material procurement, the Company's engineering cost also includes the subcontracting of a single project to the subcontractor. The selection of suppliers depends on the nature of each project, the needs of the owner, the location of construction, and the manufacturer. If the quality of workmanship and coordination vary, changes in the objects of purchase should be reasonable.

2. Information on major sales customers in the most recent two years

Unit: Thousands of NTD

Item	2023				2024			
	Corporation's name	Amount	As a percentage of net sales (%)	Relationship with the issuer	Corporation's name	Amount	As a percentage of net sales (%)	Relationship with the issuer
1	Taiwan Power Company	9,908,572	88	None	Taiwan Power Company	16,528,678	84	None
2	Shinfox Electricity Inc.	222,980	2	None	Shinfox Electricity Inc.	265,215	1	None
3	Others	1,118,030	10	-	Others	2,850,834	15	-
Total	Net sales	11,249,582	100	-	Net sales	19,644,727	100	-

Reasons for the increase or decrease:

The Company's business source is mainly to provide project-based electromechanical system integration engineering services and technical services. The engineering service relationship between us and the project owners is handled on a project basis. Compared with general manufacturing industries, we do not have fixed customers. The construction period is stipulated in the contract for all the projects we undertake, and if there are no special factors, the construction will be carried out according to the progress of the project. Therefore, when the construction of the projects with higher total contract prices is at its peak, the revenue from

engineering services will be more concentrated on certain customers during the period, and it is reasonable that the sales targets will change after the completion of the projects.

- III. The number of employees for the most recent 2 years, and during the current year up to the date of publication of the annual report, their average years of service, average age, and education distribution.

Year		2023	2024	The current year up to March 31, 2025
Number of employees	Management staff	15	16	16
	General staff	304	408	429
	Total	319	424	445
Average age		40.08	43.09	43.11
Average years of service		2.06	2.73	2.91
Education distribution (%)	Doctor	1.57%	1.18%	0.90%
	Master	29.15%	29.95%	28.99%
	University	62.38%	64.62%	64.27%
	Junior college	5.96%	1.65%	3.15%
	Senior high school or below	0.94%	2.59%	2.70%

IV. Information on environmental protection expenditures

- (I) In accordance with the provisions of the law, those who are required to apply for a pollution facility installation permit or a pollution emission permit, pay pollution prevention fees, or establish a special environmental protection unit shall apply for, pay, or establish a special environmental protection unit.

The Company does not belong to the type, scope and scale of the business that should be registered for water pollution prevention and control measures, and is not required to register for water pollution prevention and control measures; the amount of wastewater generated does not exceed the relevant laws and regulations, and is not required to set up specialized personnel for wastewater treatment. In addition, the Company is not in the industries or processes listed in the announcement of stationary pollution sources that should apply for installation, modification and operation permits, and is not required to set up relevant facilities and pollution prevention plans. Therefore, there is no dedicated unit and staff.

- (II) For the most recent two years and for the current year up to the date of publication of the annual report, the amount of loss incurred by the company due to environmental pollution (including compensation and environmental protection audit results of violations of environmental protection laws and regulations, which should specify the penalty date, the penalty number, the provisions of the regulation violated, the content of the regulation violated, and the penalty content should be stated) and the estimated amount of current and potential future losses and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated and countermeasures: No such situation.

V. Labor relations

- (I) Employee welfare measures, education, training and retirement systems and their implementation, as well as agreements between employers and employees and measures to protect the rights and interests of employees:

Excellent professional staff is the most important asset of the Company, and harmonious labor relations are the cornerstone of corporate development. The Company and its subsidiaries have harmonious and stable labor relations. In addition to improving employee welfare, treatment and working environment, the Company also maintains smooth communication channels between employees and employers, and through the joint efforts of all employees, we are able to give full play to our individual expertise so that our employees and the Company can grow together and create a bright future together.

(1) Employee welfare measures and implementation

In addition to the health insurance and labor insurance policies under the Labor Standards Act of the R.O.C. and the local government regulations in Mainland China, the Company and its subsidiaries also provide employee group insurance and contribute to individual pension accounts for employees to protect their benefits. The measures and their implementation are as follows:

- A. Employees are entitled to special leave in accordance with the law, contributes to pension funds, and establishes an employee welfare committee to coordinate welfare activities and protect labor rights and interests.
- B. In addition to participating in labor insurance and national health insurance in accordance with the law, all employees are provided with employer's compensation liability insurance and employee group accident insurance to enhance the protection of employees' livelihood.
- C. Monthly birthday parties and occasional employee travels are held to enhance the quality of leisure life and promote the exchange of friendship among employees.
- D. There are various subsidies such as gifts and travel allowances for Dragon Boat Festival, Mid-Autumn Festival and birthdays.
- E. Provide a hygienic and good environment and facilities in the staff cafeteria to improve the quality of staff meals.

(2) Education and Training

In order to enhance employees' professional skills, work efficiency and attach importance to product quality, the Company conducts education and training in accordance with the annual education and training schedule. Internal training and external training are conducted simultaneously to strengthen the professional capability of employees in each functional area. Our training is listed as follows:

- A. Pre-employment training for new employees: Provide courses on the Company's corporate culture, business items, work rules, employee benefits, rewards and sanctions, etc., so that new employees can have a basic understanding of the Company.
- B. On-the-job employee training: We arrange internal and external training courses according to the work requirements.
- C. Professional function training: Sending employees to relevant organizations for training according to the needs, so that they can obtain professional certification.

(3) Retirement system and its implementation

The Company and its subsidiaries in R.O.C. contribute 6% of monthly salary to the employees' personal accounts at the Bureau of Labor Insurance to protect the rights and interests of employees. Employees may also choose to contribute 0 to 6% of their monthly salaries to their individual pension accounts. The employees' pension payments are made in the form of monthly pensions or lump-sum pensions, depending on the amount of the employees' individual pension accounts and accumulated earnings. The Company's subsidiaries in Mainland China contribute a certain percentage of local employees' salaries to their pension accounts each month in accordance with the pension system established by the local government. Each employee's pension is managed and coordinated by the government and the Group has no further obligation other than to make monthly contributions.

- (4) Agreements between labor and management and various measures to protect employees' rights and interests

All regulations of the Company are in accordance with the Labor Standards Act. The Company has always placed great importance on employee rights. The Company holds regular labor-management meetings to provide a smooth communication channel between supervisors and employees to exchange opinions and maintain a good interaction between labor and management; therefore, the Company's maintains a harmonious labor-management relationship, with no major labor disputes or losses having occurred.

- (II) For the most recent year and for the current year up to the date of publication of the annual report, the amount of loss incurred by the company due to labor disputes (including labor inspection results of violations of the Labor Standards Act, which should specify the penalty date, the penalty number, the provisions of the regulation violated, the content of the regulation violated, and the penalty content should be stated) and disclosure of the estimated amount of current and potential future losses and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated and countermeasures: No such situation.

VI. Cyber security management

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

- (1) Information and communications security risk management framework

The Information Office of the Company's Administration Department is responsible for planning, implementing, monitoring and improving information security management, and establishing relevant management methods and handling guidelines for compliance and processing. The Company has also established layers of control and protection mechanisms for system servers, operating systems and network systems to prevent abnormal disasters, data damage and confidential theft, in order to effectively control the risks of corporate information systems and maintain sustainable operations. In order to ensure the security of information use and to establish a reliable information use environment, the Company's information security implementation principles are as follows:

- A. Comply with legal requirements and promote information security awareness.
- B. Emphasize risk management and protect data security.
- C. Require all employees to participate and pursue continuous improvement.

The above framework is adjusted by the Information Office of the Administration Management Department based on actual conditions and the implementation status is reported to the Board of Directors each year.

(2) Information security policy

The Company insists on strengthening the information security of the Company to ensure the confidentiality, integrity and availability of information, and has formulated the following information security policies:

- A. Establish a solid information security system.
- B. Create a good environment to ensure information security.
- C. Develop the information security capabilities of the team.
- D. Provide quality products and services.

Our goal is to keep information 100% safe to protect the rights and interests of our customers, shareholders, employees and suppliers, and to fulfill our social responsibilities.

(3) Specific management plan

- A. Adopt a defense-in-depth architecture, endpoint protection and network gateway protection, together with network access control, file permission management, and computer hardware device control mechanisms, to prevent network attacks from the outside and leakages from the inside.
- B. Establish access control for sensitive areas, authentication of system users, password control, access authorization, and periodic scanning of system vulnerabilities, and install anti-virus software, update factory security patches, and establish a system redundancy mechanism to strengthen endpoint protection.
- C. The Company has set up an information security system to prevent hackers and computer viruses or malicious programs from affecting information system services or snooping on confidential information to steal or extort confidential data.
- D. The Company conducts annual information security education training and tests and e-mail social engineering exercises for employees at irregular intervals to strengthen their awareness of information security risks.
- E. Review information security measures and regulations annually, pay attention to information security issues, and develop response plans to ensure their appropriateness and effectiveness.

(4) Resources invested in information security management

The Information Office of the Company's Administration Department has five information security management specialists. In 2023, the Company invested NT\$1.06 million in information security management, and the key information security management system includes:

- A. Completed the introduction of ISO 27001 and assisted the Company to

establish, implement, maintain and continuously improve the Information Security Management System (ISMS). The established management procedures include: Information Security Manual, Information Security Organization Management Procedure, Management Procedure for Information Risk Assessment, Management Procedure for Personnel Information Security and Confidentiality, Information Asset Management Procedure, IT Equipment Maintenance and Management Procedure, Management Procedure for Account Password and Access Control, Information Security Incident Management Procedure, Software Usage Management Procedure, Cyber Security Management Procedure, Physical Environment Management Procedure, Management Procedure for Information Operation Outsourcing, Continuing Operations Management Procedure, Management Procedure for System Development and Maintenance, Corrective and Preventive Measures Handling Procedure, Review Procedure for Legal Compliance, which can not only enhance the security of the Company's system, but also raise employees' information security awareness.

- B. Completed the introduction of the privileged account management system (CyberArk), which controls and records the behavior of system administrators on all internal system servers, and automatically changes system passwords every day. We enhanced the security of information access and passwords and reduced hacker infiltration and system blackmail attacks.
- C. Completed the introduction of the Company's file data access audit system (NetWrix). Currently, all important documents and data of all departments have been uploaded to the file server, so that colleagues who work in the Company and remotely from home can perform NetWrix file audit control, with both the convenient access to the Company's data and the security of data permission control.
- D. The Company has completed the introduction of the endpoint protection system (UPAS) to control and manage data and security for employees' information devices connected to the internal network (computers, mobile phones, USB drives). The functions include network access control, IP address management, identity management, mobile device management and information asset management. It is expected to prevent the risk of virus attacks and data leakage, and improve the efficiency of information security management.
- E. Continue to use the Intrusion Prevention System (IPS) of Chunghwa Telecom to help the organization identify malicious traffic and block malicious packets from entering its networks. And monitor traffic to check for vulnerabilities and intrusions.
- F. In the first half and the second half of 2024, the Company will conduct one email social engineering drill. The Information Office will send a variety of false internal phishing emails to all employees, record and count the clicks and interaction patterns of employees, and conduct employee education training after the drill is completed.

The Company has adopted the ISO 27001 information security management system since 2023, and has obtained the certificate from AFNOR Asia Ltd. The current certificate is valid from December 1, 2023 to October 31, 2025. The introduction of the ISO 27001 information security management system strengthens the ability to

respond to information security incidents, and protects the assets and security of the Company and its customers.

2. List the losses, possible impacts suffered from major cyber security incidents in the most recent year and as of the printing date of the annual report and countermeasures, and if it is impossible to reasonably estimate, state the fact that it is not reasonably estimable: No such situation.

VII. Important contracts

Nature of contract	Counterparty	Contract start and end date	Main content	Restrictive terms
EPC Contract	Taiwan Power Company	2020/06/15~2030/12/31	Phase II Offshore Wind Power Project	Non-transferable, Breach Clause, Confidentiality Clause
EPC & Procurement Contract	Company IA	2021/06/03~Until warranty expiry	Phase II Offshore Wind Power Project - Engineering & Procurement	Non-transferable, Breach Clause, Confidentiality Clause
EPC & Procurement Contract	Company IB	2024/10/11~Until termination	Installation Contract & Equipment Procurement Contract	
Credit Facility Agreement	CTBC Bank	2025/03/03~2026/03/03	Credit facility amounting to NT\$2 billion	
Credit Facility Agreement	E.SUN Bank	2025/03/07~2026/03/07	Credit facility amounting to NT\$2 billion	
Credit Facility Agreement	Chailease (Singapore)	2024/03/25~2025/03/24	Financing amounting to USD 1.05 billion	
Credit Facility Agreement	CTBC Bank / Bank of Taiwan	2024/01/08~2024/06/30	Credit facility amounting to NT\$3.36 billion	
Credit Facility Agreement	CTBC Bank and other participating banks	2024/06/28~2026/03/31	Credit facility amounting to NT\$21.475 billion	
Credit Facility Agreement	King's Town Bank	2024/07/26~2026/01/25	Credit facility amounting to NT\$2.3 billion	
Credit Facility Agreement	KGI Bank	2024/04/12~2024/12/31	Credit facility amounting to NT\$3 billion	

Five. Review and analysis of financial position and financial performance and risks

I. Review and analysis of financial position

Unit: Thousands of NTD

Item \ Year	2023	2024	Discrepancy	
			Amount	Percentage (%)
Current assets	22,854,710	34,685,933	11,831,223	51.77
Property, plant and equipment	5,101,985	10,837,183	5,735,198	112.41
Intangible assets	249,307	150,711	-98,596	(39.55)
Other assets	1,081,715	4,187,634	3,105,919	287.13
Total assets	29,287,717	49,861,461	20,573,744	70.25
Current liabilities	12,106,378	12,161,411	55,033	0.45
Non-current liabilities	4,862,455	24,004,450	19,141,995	393.67
Total liabilities	16,968,833	36,165,861	19,197,028	113.13
Stock capital	2,161,500	2,246,429	84,929	3.93
Additional paid-in capital	8,197,827	9,038,544	840,717	10.26
Retained earnings	885,574	1,354,763	469,189	52.98
Other equity	(87,347)	14,261	101,608	(116.33)
Non-controlling interests	1,161,330	1,041,603	-119,727	(10.31)
Total equity	12,318,884	13,695,600	1,376,716	11.18
1. The major reasons for the significant changes in assets, liabilities and equity (changes between the previous and subsequent periods of 20% or more and changes amounting to NT\$10 million) in the most recent 2 years and their effects, as well as future countermeasures if the effects are significant, should be explained: (1) Current assets and total assets: Due to the increase in contract assets resulting from the continuous construction of offshore projects and payments were made according to schedule but had not yet reached the stage of collecting payment. (2) Property, plant and equipment: Mainly due to the increase in property resulting from the purchase of marine equipment by the subsidiaries. (3) Other assets: Due to the increase in time deposits in 2024 as collateral for performance guarantee. (4) Non-current liabilities: Due to the syndicated loan for the offshore construction projects in 2024. (5) Retained earnings: Due to the increase in profit in 2024. (6) Other equity: Due to the exchange rate differences on translation of the investee company resulting from the fluctuations of foreign currencies. 2. Future countermeasures for those with significant impact: The above changes do not have a significant adverse impact on the Company, and there is no significant abnormality in the Company's overall performance; therefore, no contingency plan should be formulated.				

II. Review and analysis of financial performance

Unit: Thousands of NTD

Item \ Year	2023	2024	Difference	
			Amount	Percentage (%)
Operating revenue	11,249,582	19,644,727	8,395,145	74.63
Operating costs	10,082,064	17,606,967	7,524,903	74.64
Operating gross profit	1,167,518	2,037,760	870,242	74.54
Operating expenses	496,251	843,926	347,675	70.06
Operating profit	789,378	1,193,834	404,456	51.24
Non-operating income and expenses	(17,125)	-254,028	-236,903	1,383.38
Net profit before tax	772,253	939,806	167,553	21.70
Income tax expense	148,675	279,393	130,718	87.92
Net profit for the period	623,578	660,413	36,835	5.91
Other comprehensive income for the period (net amount after tax)	(107,265)	120,190	227,455	(212.05)
Total comprehensive income for the period	516,313	780,603	264,290	51.19
1. The major reasons for the significant changes in operating revenue, operating net profit and net profit before tax (changes of 20% or more in the last two years and changes amounting to NT\$10 million) and their effects: (1) Operating revenue and gross operating profit: Mainly due to the recognition of project revenue and gross profit in 2024 as the construction progress grew. (2) Operating expenses: Mainly due to the increase in expenses related to the expansion of operations. (3) Non-operating income and expenses: Mainly due to the increase in interest expenses caused by the increase in financing needs in 2024. (4) Net profit before tax, net profit for the period, and total comprehensive income for the period: Mainly due to the increase in operating income as the construction progress grew in 2024. (5) Income tax expenses: Mainly due to the increase in income tax expense as the profit in this period increased compared with last year. 2. Expected sales volume and basis: The expected sales volume and basis are not applicable because the Company has not prepared and announced the financial forecast. 3. Possible impact on the Company's future financial operations and countermeasures: The Company is still financially sound, and related expenses are covered by long-term funding sources, so there should be no shortage of funds. The above changes will not have any significant adverse impact on the Company, and the Company's overall performance has not been significantly abnormal, so there is no need to formulate a contingency plan.				

III. Review and Analysis of Cash Flow

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

Unit: Thousands of NTD

Accounting item \ Year	2024	2023	Increase (decrease) in changes	
			Amount	Percentage (%)
Cash inflow (outflow) from operating activities	(3,857,014)	(5,500,465)	(1,643,451)	(29.88%)
Cash inflow (outflow) from investing activities	(11,800,653)	(324,541)	11,476,112	3,536%
Cash inflow (outflow) from financing activities	16,554,769	7,924,117	8,630,652	108.92%

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

- (1) Operating activities: The change to cash outflows in 2024 and 2023 was due to the construction fees and prepayments paid by the Company and its subsidiaries for projects undertaken in 2024 and 2023.
- (2) Investing activities: The cash outflow in 2024 increased compared to 2023 mainly due to investment of the Company's subsidiary in shipbuilding in 2024, and the increase in the amount of pledged time deposits in order to increase the bank's credit line.
- (3) Financing activities: The cash inflow in 2024 increased compared to 2023 mainly due to the Company's additional bank loans in 2024 for the construction of projects and the purchase of equipment.

2. Improvement plan for liquidity shortage in most recent years: If the working capital of the Company and its subsidiaries is insufficient, banks will provide financing, so there is no liquidity risk due to the inability to raise funds.

3. Analysis of cash flows for the coming year (2025)

Unit: Thousands of NTD

Cash balance at the beginning of period ①	Estimated annual net cash flow from operating activities②	Estimated annual net cash flow from investing activities③	Estimated annual net cash flow from financing activities④	Cash balance at the end of period ①+②+③+④	Estimated cash shortfall remedies	
					Financing plan	Investment plan
4,820,258	(5,896,559)	(11,354,366)	20,627,368	8,196,701	Bank loan, issuance of corporate bonds	-

1. Analysis of changes in cash flows in the coming year:

- (1) Operating activities: Since the construction peak beginning from 2024, additional construction funds are expected in 2025, resulting in net cash outflow from operating activities for the year.
- (2) Investing activities: The estimated net cash outflow is due to the capital increase of subsidiary and the purchase of new equipment.
- (3) Financing activities: The estimated cash inflow is due to the increase in borrowings for the construction of projects.

2. Remedies for estimated cash shortage and liquidity analysis: In addition to actively using the cash inflow from operating activities to pay for the shortage, if the cash shortage, the Company will resort to bank loans and issuance of corporate bonds.

IV. The impact of significant capital expenditures on finance and operations in the most recent year:

The Company has no significant capital expenditure in the most recent year; therefore, there is no significant adverse impact on the Company's finance and business.

V. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year

1. Reinvestment policy

The Company's reinvestment policy is based on the consideration of sustainable management and operating growth, and the "Procedures for the Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" established by the competent authority is used as the basis for the Company's reinvestment business, in order to grasp the related business and financial situation. In addition, in order to enhance the supervision and management of the Company's investees, the Company has established control and management rules for its subsidiaries in its internal control system, and set up relevant regulations for information disclosure, finance, business, inventory and financial management, so that the Company can maximize the effectiveness of its investees.

2. The main reasons for the profit or loss of the investees in the most recent year and the improvement plan

Unit: Thousands of NTD

Reinvestment business	Main business items	Investment gain or loss recognized in 2024	The main reasons for the profit or loss	Improvement plan
Foxwell Energy Corporation Ltd.	Energy Service Management	1,211,292	Mainly due to the income from solar power generation and the income from offshore projects undertaken by Taipower	-
Shinfox Natural Gas Co., Ltd.	Energy Service Management	2,523	Mainly due to the increase in the scale of natural gas supply business	-
Foxwell Power Co., Ltd.	Energy Service Management	65,863	Mainly due to revenue from energy conservation, energy storage services, and electricity sales	-
Jiuwei Power Co., Ltd.	Natural gas power generation	(5,940)	Mainly due to investment in and construction of a gas-	With the completion of the construction of the future natural gas-

Reinvestment business	Main business items	Investment gain or loss recognized in 2024	The main reasons for the profit or loss	Improvement plan
	business		fired power plant in the preparatory stage	fired power plant, future gas-fired power generation revenue will be recognized
Elegant Energy Tech Co., Ltd.	Energy technical services	(92,964)	Mainly due to the provision of energy saving project services	Recognize service revenue as the renewable energy power plant begins to develop business and perform its duties
Yuanshan Forest Natural Resource Co., Ltd.	Afforestation	(14,628)	Mainly due to the early stage of operation	The Company will invest in the construction and operation of the business based on the future promotion status
Changpin Wind Power Ltd.	Power generation business	(33,162)	Mainly due to investment in and construction of wind farms in the preparatory stage	With the completion of the construction of the future wind farms, future wind power generation revenue will be recognized
Global Way Electronics Co., Ltd.	Power generation business	(394)	Mainly due to investment in and construction of solar power plants in the preparatory stage	With the completion of the construction of the solar power plants, future solar power generation revenue will be recognized
Shinfox Far East Company Pte Ltd	Marine engineering business	(216,864)	Mainly due to the operation and promotion stage in the early stage of operation	The Company will invest in the construction and operation of the business based on the future promotion status
Junewei Power Co., Ltd.	Power generation business	(3,586)	Mainly due to investment and construction of small hydropower plants in the preparatory stage	With the completion of the construction of small hydropower plants, solar power generation revenue can be recognized in the future
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Energy technical services	(58,909)	Mainly undertake the installation of machine and equipment	Improve the Company's operating efficiency
Ubilink.AI CO., Ltd.	Computer software	(945)	Mainly due to the operation and promotion	Profits will be contributed based on

Reinvestment business	Main business items	Investment gain or loss recognized in 2024	The main reasons for the profit or loss	Improvement plan
	services		stage in the early stage of operation	business promotion status
Youde Wind Power Co., Ltd.	Power generation business	(232)	Mainly due to investment in and construction of wind farms in the preparatory stage	With the completion of the construction of the future wind farms, future wind power generation revenue will be recognized
Fox Nam Energy Co., LTD.	Power generation business	196	Mainly invest in and build solar power plants	-
DakPsi Investment and Develop Hydroelectric Joint Stock Company	Power generation business	10,403	Mainly the revenue from hydro power generation	-
Shinwei Power Co., Ltd.	Power generation business	4,983	Mainly the revenue from solar power generation	-
Foxwell Certification Co., Ltd.	Energy technical services	(10,984)	Mainly due to the operation and promotion stage in the early stage of operation	The Company will invest in the construction and operation of the business based on the future promotion status
Cheng Shin Digital Co., Ltd.	Energy technical services	(15,669)	Mainly due to investment and construction of energy storage sites in the preparatory stage	As the construction of the site is completed, revenue can be recognized in the future
Eastern Rainbow Environmental Resources Co., Ltd.	Energy technical services	103	Mainly undertake the installation of machine and equipment	-
SFE Hercules Company Corporation	Marine engineering business	445,288	Mainly engaged in large ship rental business	
Shinfox Far East (Taiwan) Co., Ltd.	Marine engineering business	(550)	Mainly engaged in large ship rental business	Once the ship is completed and built, the rental revenue can be recognized in the future
SFE Developer Company Corporation	Marine engineering business	-	Mainly engaged in large ship rental business	-
Kunshan Jiuwei Info Tech Co., Ltd.	Supply chain financial energy service management	2,282	Mainly due to the provision of related energy saving project services	-
Kunshan Eastern Rainbow Environmental Protection Equipment	Energy technical services	(9,373)	Mainly undertake the installation of machine and equipment	Improve the Company's operating efficiency

Reinvestment business	Main business items	Investment gain or loss recognized in 2024	The main reasons for the profit or loss	Improvement plan
Co., Ltd.				
Chengdu Xinfuwei Energy Co., Ltd.	Power generation business	(503)	Mainly due to investment in and construction of solar power plants in the preparatory stage	With the completion of the construction of the solar power plants, future solar power generation revenue will be recognized

3. Investment plans for the coming year: The Company will implement investment plans in accordance with the Company's business strategy and will make appropriate announcements in accordance with the laws and regulations as the investment progresses.

VI. Risks

- (I) The impact of changes in interest rates, exchange rates, and inflation on the Company's profit and loss and future countermeasures:

- (1) The impact of changes in interest rates on the Company's profit and loss and future countermeasures

The interest expenses of the Company and its subsidiaries for 2023 and 2024 amounted to NT\$41,603 thousand and NT\$436,461 thousand, respectively, accounting for 0.37% and 2.22% of net operating revenue, respectively. Interest expenses had a certain impact on the Company's profits and losses, primarily because bank loans served as the main source of funding for the Company's renewable energy engineering projects. In addition to regularly evaluating bank loan interest rates, the Company will adopt corresponding measures in response to market interest rate fluctuations, maintain good communication with long-term financial partners to stay informed of future interest rate trends, and also access the capital market to diversify funding sources. These funds will be used to enhance working capital, appropriately adjust capital utilization and the ratio of financial liabilities, and obtain more favorable interest rate terms from banks to reduce the impact of interest rate fluctuations on the Company's profitability. In addition, the Company has a sound financial position and good credit standing, and its capital planning is based on the principle of conservatism and prudence. It is expected that future changes in interest rates will not have a significant impact on the Company's overall operations.

- (2) The impact of changes in exchange rates on the Company's profit and loss and future countermeasures

The net foreign exchange gains (losses) of the Company and its subsidiaries for 2023 and 2024 were NT\$(53,432) thousand and NT\$131,660 thousand, respectively, accounting for (0.47%) and 0.67% of annual net operating revenue, respectively, indicating a minimal proportion of operating revenue. This shows that exchange rate fluctuations had a relatively minor impact on the Company's overall profit and loss. The exchange gains and losses mainly resulted from exchange rate fluctuations on U.S. dollar and Euro-denominated positions held for procurement transactions. The Company collects information on foreign exchange market movements and closely liaises with financial institutions to keep abreast of the trends in exchange rate movements and takes timely measures to reduce the risk of exchange rate movements.

- (3) The impact of changes in inflation on the Company's profit and loss and future

countermeasures

As of the printing date of the annual report, the Company and its subsidiaries have not experienced any significant impact on finance and operations due to inflation. In order to maintain stable supply prices, the Company and its subsidiaries keep abreast of global political and economic changes and market price fluctuations, maintain good interaction with suppliers and customers, and reflect the latest project-related costs and estimated project gross profit before bidding, so that the Company and its subsidiaries should be able to cope with the impact of future changes in economic conditions such as inflation, and their operations will not be significantly affected. In the future, the Company and its subsidiaries will continue to closely monitor the changes in price indices and global inflation, and maintain good interaction with the Company's suppliers and customers to reduce the Company's exposure to inflationary pressure.

(II) Policies on high-risk, high-leverage investments, lending funds others, endorsement and guarantee, derivatives transactions, the main reasons for profit or loss, and future countermeasures:

(1) Policies on high-risk, highly-leverage investments, the main reasons for profit or loss, and future countermeasures

The Company and its subsidiaries focus on the operation of their core businesses and do not engage in high-risk, high-leverage investments based on the principle of conservatism and prudence.

(2) Policies on lending funds others, endorsement and guarantee, derivatives transactions, the main reasons for profit or loss, and future countermeasures

As of the most recent fiscal year and up to the date of publication of this annual report, the Company and its subsidiaries, in the course of business operations, have engaged in lending of funds to others, provided endorsements and guarantees, and participated in derivative transactions. The Company and its subsidiaries have established related operational procedures, including the “Operational Procedures for Endorsements and Guarantees”, “Operational Procedures for Lending of Funds to Others”, and the “Procedures for Acquisition or Disposal of Assets”, in accordance with relevant laws and regulations of competent authorities. These procedures have been approved by the shareholders’ meeting. All such transactions are carried out in accordance with the relevant operational procedures.

(III) Future research and development plans and estimated investment in research and development expenses:

(1) Future R&D plans

Taiwan's energy system will develop in the direction of multi-energy coexistence, decentralization, and regionalization, with the goal of creating zero-emission renewable energy power plants and clean energy necessary for energy transformation. The future research and development of the Company and its subsidiaries will focus on the establishment of “distributed energy resources (DES)”, which covers solutions for various renewable energy generation, energy storage and energy monitoring.

In the short term, we will study the supply and demand of various renewable energy sources for power generation, energy storage, and energy monitoring, and at the same time, we will plan to establish a smart energy system platform, which will cover the system integration of energy storage system, demand bidding mechanism, and energy saving technology services.

Medium and long-term goals: The Company actively promotes the cooperation mechanism between industry, government, academia, and research institutions as the

driving force for industrial development and promotes a regional smart platform for diversified, localized, and clean electricity supply, in order to establish a diversified application model for renewable energy and smart energy systems in the region.

①Foxwell Power

It has received a subsidy from the Ministry of Digital Affairs, and cooperated with the Administration for Digital Industries to develop an innovative digital subsidy platform program, and it will implement FOXWELL CLOUD green power sharing cloud service.

②Foxwell Certification

It has received a subsidy from the Ministry of Digital Affairs, and developed verification software to simplify verification procedures in support of Taiwan's 2050 net-zero transition goal, and integrates public clouds and existing cloud platforms, to provide verification services through the API architecture and functional modules.

(2) Estimated investment in R&D expenses

It is estimated that the R&D expenditure in 2025 will account for 0.01% of the Company's estimated operating revenue for that year.

(IV) The impact of significant domestic and foreign policy and legal changes on the Company's finance and business matters and the corresponding countermeasures:

The operations of the Company and its subsidiaries comply with relevant domestic and international laws and regulations. The Company continuously monitors policy developments at home and abroad, including changes in energy-related laws and regulations such as the “Renewable Energy Development Act” and the “Electricity Act”. The Company also keeps a close watch on announcements from the Bureau of Energy under the Ministry of Economic Affairs and Taiwan Power Company, and pays particular attention to the feed-in tariffs for renewable energy electricity set annually by the Bureau of Energy. Various financial sensitivity analyses are conducted to ensure that, under the current and anticipated future feed-in tariff rates, the Company can maintain profitability by independently developing power plants, optimizing plant designs, selecting components and products with high cost-performance ratios, reducing costs, and responding in a timely manner to changes in the market environment with appropriate strategies. For the most recent year and the current year up to the publication of the annual report, the Company and its subsidiaries have taken appropriate measures to respond to major domestic and international policies and legal changes, which have not yet had a significant impact on the Company's finance and operations.

(V) The impact of technological changes and industry changes on the Company's finance and business matters and countermeasures:

1. The Company and its subsidiaries are always aware of the changes in technology and technological development related to the industries in which they operate, and continue to upgrade engineering technology in line with the industry and market trends, and strive to assist customers in the integration of engineering technology and technology enhancement. The Company and its subsidiaries also monitor changes in technology or equipment development in the renewable energy industry, such as solar photovoltaic and wind power generation, collect and grasp market trends, and adjust the strategic cooperation with renewable energy equipment or component vendors such as solar photovoltaic and wind power generation to ensure a competitive advantage in the market. For the most recent year and as of the date of the annual report, the Company and its subsidiaries have not been affected by changes in technology and industry changes that affect the Company's finance and operations.
2. Information security risk assessment:

The Company has established a cybersecurity policy to strengthen cybersecurity management and ensure the confidentiality, integrity and availability of its information assets in order to provide an information environment for the Company's ongoing business operations that are free from internal and external intentional or accidental threats. The Company has also established cybersecurity risk assessment operating procedures and conducts regular assessments every year.

(1) Scope of cybersecurity policies

- A. Personnel management and information security education and training
- B. Network and computer system security management
- C. System Access Control, development and maintenance security management
- D. Information asset security management
- E. Physical and environmental security management
- F. Business continuity planning and management

(2) Authority and responsibility of cybersecurity policies

- A. The Company's information unit is responsible for coordinating the promotion of matters related to cybersecurity management.
- B. The Company's managers at all levels shall actively participate in and support the information security management system and implement this policy through the relevant standards and established procedures.
- C. All of the Company's personnel, outsourced service providers and visitors shall comply with this policy.
- D. When all personnel of the Company and outsourced service providers discover information security incidents, they shall report them to the information security team contact person and notify the person in charge of the information security team, and the information security contact person shall report the information security incident or the vulnerability found through the reporting mechanism and record it.
- E. Any behavior that endangers the cybersecurity shall be subject to civil, criminal and administrative liability or dealt with in accordance with the Company's relevant regulations, depending on the severity of the circumstances.
The Company has implemented the relevant procedures to ensure the integrity and security of data, and the results of the cybersecurity risk assessment are still good. Therefore, there is no significant adverse impact on the Company's information and communication security and no significant operational risk in the most recent year and as of the date of publication of the annual report.

(VI) Impact of corporate image change on corporate crisis management and countermeasures:

The Company and its subsidiaries have been operating in a professional and honest manner, emphasizing corporate image and risk management. For the most recent year and as of the date of the annual report, the Company has not faced any crisis management due to the change in corporate image.

(VII) Expected benefits and possible risks of the merger and acquisition and countermeasures:

The Company and its subsidiaries have no other plans to conduct mergers and acquisitions for the most recent year and as of the date of the annual report. However, if there is a merger and acquisition plan in the future, it will be handled in accordance with the relevant laws and regulations and the relevant management rules established by the Company and its subsidiaries to ensure the

protection of the Company's interests and shareholders' equity.

(VIII) Expected benefits of factory expansion and possible risks and countermeasures:

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

(IX) Risks associated with the concentration of purchases and sales and countermeasures:

(1) Purchases

The purchases of the Company and its subsidiaries are mainly related to equipment and contracted projects for the construction of renewable energy power plants. In 2023, P-04 was commissioned to perform underwater foundation engineering and a payment of NT\$4,188,958 thousand was requested in 2023 according to the progress of the project, accounting for 43.92% of the total purchase amount. In 2024, the proportion of purchases from a single supplier was less than 30%, which shows that the Company's procurement is still dispersed and there should be no concerns about concentrated purchases.

(2) Sales

The Company and its subsidiaries are principally engaged in the engineering services related to renewable energy. The main areas of business development are the construction of renewable energy power plants, electrical and mechanical engineering, energy saving services and equipment installation and other related turnkey projects. As the construction period of the contracted projects is set in the contract, when the contracted projects with higher total price are completed, the project revenue will be concentrated in certain customers during the period, which is a characteristic of the industry. The concentration of sales by customers with 20% or more of sales in each year is described as follows:

- A. In 2023 and 2024, the sales proportion of subsidiary to Taiwan Power Company (hereinafter referred to as Taipower) reached 88.08% and 84.14%, respectively. Prior to 2020, 100% of the sales to Taipower came from electricity sales revenue, which has been growing year by year with the increase in scale of power plants. In June 2020, Foxwell Energy Corporation Ltd. was awarded the "Offshore Wind Power Phase II Wind Farm Property Procurement and Installation Project" by Taipower and the total contract price was NT\$59,893,333 thousand (the equipment procurement project contract and operation and maintenance contract were NT\$53,893,333 thousand and NT\$6,000,000 thousand, respectively). Due to the large scale of the project, the project revenue was recognized according to the progress of completion, resulting in an increase in the sales proportion to Taipower.
- B. In 2020, the Company was awarded the turnkey project of Starpro Electricity solar power generation system, with a total contract price of NT\$4,263,798 thousand (including NT\$387,618 thousand for development technology services and NT\$3,876,180 thousand for turnkey engineering construction). Due to the large scale of the project, we recognized technical service revenue when the performance obligations were met in accordance with the contract provisions, and recognized engineering revenue based on the progress of completion.

The relatively high proportion of sales attributable to a single customer or a single project

during various periods by the Company and its subsidiaries is a characteristic inherent to the engineering industry. The Company is actively expanding its presence in the renewable energy and green electricity sectors and continues to build capabilities in power plant operation and maintenance services to reduce the concentration of sales resulting from one-time project revenue recognition. Furthermore, as the operational scale of the Company and its subsidiaries grows, related engineering projects continue to be secured and progressed through development, construction, completion, and maintenance stages. Consequently, the reliance on a single client during any given period is expected to improve accordingly. After evaluation, the Company and its subsidiaries are not currently exposed to significant risks due to reliance on any single customer.

(X) The impact on the Company and the risk and countermeasures of a substantial shift or change in shareholding of directors, supervisors or major shareholders holding more than 10 percent of the shares: There were no such cases in the most recent year and up to the date of publication of the annual report of the Company.

(XI) The impact of the change in management rights on the Company, the risks and countermeasures:

There was no change in the Company's management rights for the most recent year and up to the date of publication of the annual report. The Company has strengthened various corporate governance measures and established an Audit Committee to enhance the overall protection of shareholders' rights and interests.

(XII) Litigation or non-litigation events:

The Company shall disclose the facts in dispute, the subject amount, the commencement date of the litigation, the main parties involved in the litigation, and the current handling status of any litigation, non-litigation or administrative dispute that has been determined or is currently under investigation in the most recent two years and up to the date of publication of the annual report, if the results may have a significant impact on shareholders' equity or securities prices: No such situation.

(XIII) Other significant risks and countermeasures

The Company and its subsidiaries have no other significant risks as of the date of the annual report, except for the above-mentioned risk assessment.

VII. Other important matters:

Financial information transparency and training status of personnel involved:

Year	Organizer	Course name	Course hours	Number of participants from the Company
2024	Accounting Research and Development Foundation	Beginning Education Course for Accounting Supervisors of Securities Issuers and Stock Exchanges	30	1

Six. Special Matters

I. Information on affiliates:

Please refer to the MOPS/Basic Information/Electronic Books/Three Documents of Related Companies and Financial Statements, website address: <https://mopsov.twse.com.tw>.

II. Private placement of securities in the most recent year and the current year up till the publication date of this annual report: None.

III. Other matters that require additional explanation: None.

IV. Any of the situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, which has occurred during the most recent year or during the current year up to the date of publication of the annual report Matters with significant impact: None.

Shinfox Energy Co., Ltd.



Chairman: Tai-Ciang Guo

