

# IV. Business Overview

## 1. Scope of Business

1.1 Current Product Lines and Their Revenue Proportions:

Business Scope	Sales %
Electrification and Automation Products	49.79%
Air Conditioning Products	10.94%
Electromechanical Engineering and Power Equipment	24.04%
Others	15.23%
Total	100.0%

1.2 Current Product (Service) Items

(a) Electrification and Automation Products

- Medium and high voltage motors (125–60,000 HP)
- Low voltage motors: Permanent Magnet Motors (1–400 HP); Induction Motors (1/4–1000 HP); Synchronous Reluctance Motors (5.5–55 kW); Hairpin Motors
- EV Powertrain Motors and Inverters (50–350 kW)
- Gear reducers
- Medium and high voltage Variable Frequency Drives (VFD) (200–12,000 HP)
- Low voltage Variable Frequency Drives (VFD) (0.25–800 HP)
- Explosion-proof motors
- AC/DC servo drive systems (SVO)
- Motion controllers and PLCs
- Industrial motor drivers (VFD/servo drivers)
- Mobile electrical house (VB-Skid)
- EV charging stations
- Transformers

(b) Air Conditioning Products

- AC products (residential, commercial, chillers, VRF, heat pump, energy-saving systems, AIDC Containerized Integrated Chiller System, Energy-Saving System Solutions )
- HVAC engineering (project management, design, construction, maintenance)
- Large appliances (refrigerators, washing machines, TVs)
- Small appliances (DC fans, air purifiers, vacuum cleaners, juicers, inverter microwaves, ovens)
- Refrigeration products (inverter condensing units, evaporators, brine chillers)

(c) Electromechanical Engineering and Power Equipment

- Turnkey electromechanical engineering (Providing integrated services including project management, design, procurement, construction, and maintenance (O&M).): data centers, renewable energy (offshore wind, solar), energy storage systems, microgrids, integrated infrastructure, public and transport projects, medical biotech and factories
- Power equipment: switchgears, generator sets, power distribution equipment, and advanced energy solutions including hydrogen fuel cell equipment, integrated service( planning, design, and construction of power transmission and distribution systems)
- Appliance products: applications spanning green energy, Taipower, residential, and industrial/commercial markets. Key products include MCCBs, SPDs, and fuses related to integrated Solar-Storage-Charging systems.
- High & low voltage power devices: 161/69 kV GIS, 15 kV overhead switches, 22.8 kV fused switches, electromagnetic switches, circuit breakers, smart meters, generators, outdoor PCS for commercial energy storage

(d) Others

- Home delivery and logistics services
- Communication product R&D, manufacturing, sales
- IT software, data processing, electronic services
- Real estate leasing
- Staffing services
- Residential/building development, leasing and sales
- Financial investments

### 1.3 Planned New Product Development

(a) Electrification and Automation Products

TECO aims to become a global driving force in electrification, intelligentization, and green energy development. The company is actively engaged in the advancement of technologies related to system energy efficiency and green energy, focusing on the development of the following new products and technologies:

Industrial High-Efficiency Power Systems: Development of High-Voltage High-Speed Inverter Motors, next-generation Insulation Systems, ultra-high efficiency IE5+ Hairpin Permanent Magnet Motors, IE5 Synchronous Reluctance Motors (SynRM), and NEMA Super Premium (IE4) efficiency motors.

A. Industrial High-Efficiency Power Systems:

Development of High-Voltage High-Speed Inverter Motors, next-generation Insulation Systems, ultra-high efficiency IE5+ Hairpin Permanent Magnet Motors, IE5 Synchronous Reluctance Motors (SynRM), and NEMA Super Premium (IE4) efficiency motors.

#### B. EV Powertrain Systems:

Development of Motors and Inverters (Powertrains) for electric buses and commercial vehicles, Traction Motors for rail vehicles, and power systems for Commercial Unmanned Aerial Vehicles (UAVs).

#### C. Renewable Energy & Green Technology (Net-Zero Trends):

Technical development of Offshore Wind Turbines, Offshore Wind Yaw Motors, and specialized Reciprocating Compressors for hydrogen energy applications.

#### D. Industrial Electrification - Transformers:

Development of grid-level transformers ranging from 69kV (Power Class) to 161kV (High-Voltage Grid Class), and R&D in Dry-Type Transformer technology.

### (b) Air Conditioning Products

Addressing consumer demand for clean air, we have developed a series of smart, energy-efficient HVAC systems centered on temperature, humidity, and air purity indicators. Furthermore, we provide comprehensive refrigeration and air-conditioning solutions to help customers achieve their energy-saving and carbon-reduction ESG goals.

#### A. Residential Inverter Products:

All residential inverter air conditioners achieve the government's CSPF Class 1 energy rating. Utilizing high-efficiency R32 refrigerant, these units enhance performance while reducing carbon emissions to mitigate global warming. Features include Anti-bacterial & Mold-resistant Self-cleaning functions and Ergonomic 3D Airflow technology.

#### B. Variable Refrigerant Flow (VRF) Systems:

Development of next-generation VRF systems with outdoor unit modularization. The entire series complies with CSPF Class 1 efficiency, with modular capacity reaching up to 72 HP, meeting the rigorous standards of Green Buildings and premium commercial office spaces.

#### C. Centrifugal Chillers & Smart Energy Management:

Development of the 1000RT Magnetic Levitation Centrifugal Chiller, featuring a multi-compressor, single-system design with a high IPLV (Integrated Part Load Value). This system ensures stable operation and precise constant temperature control even at 20% partial load. Simultaneously, we offer Smart HVAC Energy-Saving Solutions that integrate group control management for four major peripheral systems: Chilled Water Pumps, Cooling Water Pumps, Cooling Towers, and Air Handling Units (AHU), providing energy management and predictive maintenance diagnostics. We also offer High-IPLV DC Inverter PM Screw Chillers to provide diversified energy-saving options.

#### D. Cold Chain & Refrigeration Solutions:

Development of Inverter Condensing Units using eco-friendly R407H refrigerant and specialized Brine Chillers for Food Cold Chain applications. These products provide multi-temperature range solutions for convenience

stores, supermarkets, and the agriculture, fishery, and aquaculture industries.

E. Industrial & Specialized Commercial Air Conditioning:

Development of Commercial Fixed-speed and Inverter Air-Cooled Packaged Air Conditioners for industrial power plants, along with specialized Constant Temperature and Humidity systems for commercial applications.

(c) Electromechanical Engineering and Power Equipment

With the goal of integrating the Group's diversified industrial products and maximizing overall synergy, TECO is vigorously promoting the expansion of smart energy products. The planned development projects are as follows:

A. Grid Resilience and Low-Carbon Infrastructure:

Driven by the expansion of AI and semiconductor facilities, electricity demand in Taiwan has entered a phase of stable, long-term growth. The focus of power infrastructure has shifted from simple capacity expansion to building low-carbon, high-resilience power systems. During the current energy transition, key investment priorities over the next three years include gas-fired power generation, grid upgrades, and power dispatching technologies such as Energy Storage and STATCOM (Static Synchronous Compensator). As Taipower's "Grid Resilience Strengthening Plan" progresses, SF6-free Clean Air GIS technology has emerged as a critical solution for both grid upgrades and ESG carbon reduction. In the medium-voltage switchgear sector, TECO is actively promoting the development of 23kV E-GIS (Clean Air GIS) technology. The core technology has completed R&D and testing phases and is being gradually introduced to the market. As global power equipment transitions toward SF6-free technology, E-GIS will become a cornerstone of future grid equipment development.

B. Energy Storage Systems (ESS) and Integration:

In the field of Energy Storage Systems, TECO is continuously enhancing its integration capabilities for PCS (Power Conversion Systems) and battery systems, establishing a comprehensive portfolio for energy storage equipment and system integration. Technical evaluations and product planning for key equipment have been completed. Leveraging our extensive experience in power engineering and system integration, we are promoting ESS applications in grid dispatching and large-scale industrial/commercial sites. Moving forward, TECO will utilize the PCS as its core, integrating battery systems with power equipment to form a complete Energy Storage Power Solution. By aligning with grid upgrades and renewable energy trends, we aim to systematically expand our market opportunities in the energy storage sector.

## 1.2 Industry Overview

(a) Industrial status and development and association among industrial upstream, midstream, and downstream sectors

### a. Electrification and Automation Products

Upstream	Silicon steel sheet, copper wire, aluminum, insulating material, power chip, etc.
Midstream	Electromechanical system and automation equipment manufacturers Status and major manufacturers: TECO, Tatung, Shihlin, Fortune, ABB, SIEMENS, WEG, Delta, Yaskawa, Omron
Downstream	Corporate customers: Power plant, steelmaking plant, petrochemical, metallurgy, mining water treatment, automation equipment

### b. Air conditioning business

Upstream	Copper, aluminum, steel, electronic substrate, motor, compressor
Midstream	Air conditioner and home appliances manufacturers Status and major manufacturers: TECO, Tatung, Daikin, Hitachi, LG.
Downstream	Dealers, mass merchandisers, end customers, enterprises, government agencies, construction firms

### c. Electromechanical Engineering and Power Equipment

Upstream	Design & consulting, electromechanical materials, equipment suppliers, integrated software suppliers, installation firms
Midstream	Electromechanical engineering & electric equipment firms
Downstream	Applications span across energy infrastructure, data centers, public works, industrial plants, and various critical infrastructure markets. Key industry peers include Fortune Electric, Tatung, Shihlin Electric, Chung-Hsin Electric & Machinery (CHEM), Star Energy, CTCL, L&K Engineering, and Acter.

(b) Product Development Trends and Competitive Landscape:

#### a. Electrification and Automation Industry:

As a global leader in electromechanical systems, TECO is long committed to advancing "Green Products" and Smart Drive Systems. By integrating core technologies—including ultra-high efficiency motors, gear reducers, medium/low voltage VFDs, permanent magnet direct drive systems, servo systems, transformers, and hairpin motors—TECO provides comprehensive solutions encompassing power drives, energy management, and system integration. We empower our customers to achieve the goals of "Safety & Stability, Efficiency

With autonomous R&D and design centers in Taiwan, the U.S., and China, TECO possesses the design and manufacturing capabilities for a full range of low, medium, and high voltage motors from 1/4HP to 100,000HP. Our products are certified by international energy efficiency standards such as NVLAP (200378-0), TAF, and CSA. Notably, TECO is the only manufacturer in Taiwan capable of providing Integrated Full-Load Testing for motor-plus-drive systems, laying a solid foundation for high-reliability power systems.

In 2024, TECO acquired Sheng Chang Electric and formed a strategic alliance with SINTRA in Indonesia, strengthening our footprint in power systems and precision manufacturing. In 2025, we supported Sheng Chang in establishing a new production base in Chungli, adopting a "Short Lead-time, High Efficiency" supply chain model to penetrate the high-growth global AI Data Center (AIDC) market. This expansion fully supports global demands for data center construction, grid upgrades, and energy infrastructure modernization.

Leveraging our robust power system technology, TECO focuses on niche electric commercial vehicle markets, including e-buses, school buses, logistics vehicles, and trucks, as well as power systems for commercial UAVs in agriculture and logistics. We have successfully entered the Non-Red Supply Chain, expanding our presence in Taiwan and North American markets.

#### Energy Saving, Carbon Reduction, and Smart Automation

Combining our expertise in motor and VFD R&D, TECO provides integrated systems delivering high efficiency, energy savings, and high precision. Our newly launched VFDs feature enhanced Auto-tuning, High-speed Communication, Safety Protection, and Anti-noise Interference, widely applied in smart and automated environments. Furthermore, our next-generation Servo products, integrated with EtherCAT communication, are being promoted for innovative applications in Robotic Arms.

#### b. Air Conditioning Business:

##### Global Energy Efficiency Trends and Market Challenges

In response to the global trend toward energy saving and carbon reduction, government requirements for deep energy efficiency continue to rise. Various brands are consistently launching high-efficiency products, putting each manufacturer's technical prowess in Inverter technology, IPLV (Integrated Part Load Value), and GWP (Global Warming Potential) to the test. Furthermore, driven by supply chain price hikes, all manufacturers face significant cost pressures. Increasing product value to facilitate higher ASP (Average Selling Price) and mitigating margin compression have become critical challenges for every industry player.

##### Strategic Positioning in the Global Data Center Market

To address the trend of accelerated global data center construction, TECO provides comprehensive thermal management and HVAC solutions that comply with PUE (Power Usage Effectiveness) standards. By obtaining multiple international certifications, including AHRI, ASME, and UL, TECO has effectively enhanced the competitiveness of its Taiwanese brand in overseas markets.

##### Operational Optimization and AIDC Project Support

In line with market trends, the Air Conditioning & Smart Technology Business Group is integrating group-wide resources to focus on enhancing overall operational efficiency, strengthening customer service capabilities, expanding domestic and international market footprints, and deepening the

deployment of energy-saving and intelligent products. To address rapid market shifts and the shortening construction cycles in the high-tech industry, the company continues to drive process improvements and supply chain management optimization. These efforts include: improving production efficiency, strengthening schedule control, shortening lead times for critical materials, and enhancing supply chain collaboration. These measures effectively shorten delivery cycles and support the rapid deployment requirements of large-scale projects such as AIDC (AI Data Centers).

c. Electromechanical Engineering and Power Equipment Industry:

Professional Translation

Energy Infrastructure and Grid Resilience

Driven by energy transition, net-zero emissions, and the demand for grid resilience, the Electromechanical Engineering and Power Equipment industry is evolving toward green energy, intelligence, and system integration. In alignment with national policies for renewable energy and grid upgrades, the Company continues to deepen its presence in Offshore Wind, Solar PV, Energy Storage Systems (ESS), Microgrids, and large-scale electromechanical engineering projects. We actively participate in EPC (Engineering, Procurement, and Construction) turnkey projects for Offshore Wind Onshore Substations, leveraging supply chain resources to execute projects. By integrating our proprietary power equipment—including Transformers, Switchgears, Switchgear Components, Busways, and Generators—we enhance overall system integration efficiency while supporting national localization policies.

Power Equipment Market and Applications

Our power equipment portfolio, including Switchgears, Generators, Medium/Low Voltage Switchgear Components, and Busways, is primarily applied in construction, electronics, steel, public works, energy infrastructure, and critical infrastructure sectors. Facing market competition and shifting industrial environments, the Company continues to drive products toward High-Value, Intelligence, and Green Energy applications to meet market demands for quality, efficiency, reliability, and carbon reduction.

Electromechanical Apparatus and Components

In the electromechanical apparatus segment, our core products include Low-Voltage Switchgear Apparatus, Electromagnetic Switches, Circuit Breakers, and Motor Control Components, widely used in machinery, automation control, and various industrial equipment. Moving forward, we will continue to invest in the R&D of Automated, Energy-efficient, and Intelligent products to strengthen our competitiveness and expand our market footprint.

### 1.3 Technology and R&D Overview

- (a) In 2025, the Group invested NT\$1,170,184 thousand in research and development.

From January 1 to March 31, 2026, R&D expenditures amounted to NT\$307,551 thousand.

- (b) Recent Technological and Product Developments

a. Industrial Motor Category

- Ultra-High Efficiency IE5+ Hairpin Permanent Magnet Motors
- NEMA Super Premium (IE4) Efficiency Motors
- Ultra-High Efficiency Smart Permanent Magnet Direct Drive System for Cooling Towers
- IE5 Ultra-High Efficiency Synchronous Reluctance Motors and Drives
- High-Efficiency, High Power Density Cast-Iron Motors (T-Hipro+)
- Large-Scale 2-Pole Rigid-Shaft Smart Inverter Motors
- Next-Generation Insulation System Development
- Mobile Electrical Rooms (VB-Skid)

b. Automation and Intelligent Systems Category

- High-Performance Dedicated Inverter for Elevators
- JSDG3 High-Performance Precision Digital Communication AC Servo Drive System
- High-Power Density Energy-Saving Matrix Inverter Integrated Mechatronic Unit
- Rear-Connected Molded Case Circuit Breakers (MCCB)
- E710 Next-Generation Compact Inverter

c. Renewable Energy – Green Energy Category

- Waste heat recovery high-speed generator and inverter
- Offshore wind turbine technology development
- Yaw motors for offshore wind turbines

d. Automotive Power Systems Category

- 250kW electric bus motor and driver domestic production project
- 130kW commercial EV integrated power system solution
- SiC-based driver and high-performance motor system for electric vehicles
- Traction motors for railway vehicles

e. Refrigeration and Air Conditioning Category

- Full series of high-efficiency R32 inverter ACs exceeding top-tier CSPF, with self-cleaning features

- Next-generation breeze-sensitive inverter ACs and VRF systems with parallel connection capability
- Ultra-efficient IPLV magnetic levitation centrifugal chillers
- Ultra-efficient IPLV DC inverter permanent magnet screw chillers
- Commercial air-cooled fixed/inverter-type ACs and constant temperature/humidity ACs for industrial use
- 3–20HP R407H eco-refrigerant inverter condensing units for refrigeration
- Brine refrigeration systems designed for cold chain logistics
- Smart energy-saving air treatment products:
  - Inverter air purifying dehumidifiers
  - Air purifying fresh air machines
  - Bathroom heaters
  - Air conditioner purifying modules
  - TECO i-Air air management solutions (integrated AC/dehumidifier/air purifier/anti-bacterial systems)
  - Next-gen TaiSEIA-integrated and app-controlled smart solutions for residential and commercial ACs

#### f. Industrial IoT Category

- WiFi application systems
- Edge computing system applications
- Application Examples:
  - Edge computing applied in the VPI continuous furnace process at TECO Zhongli Plant for monitoring and automated production traceability
  - WiFi-based digital management system applied in the assembly lines at TECO Zhongli Plant
- Smart Air Conditioning Energy-Saving Control System:
 

Integrated intelligent hardware and software that enables proactive optimization and self-diagnostic capabilities, forming a dual-function system for energy efficiency and predictive maintenance in HVAC solutions

## 1.4. Short- and Long-Term Business Development Plans

### (a) Electrification and Automation Products

In recent years, global energy efficiency policies have accelerated, with enterprises increasingly prioritizing net-zero emissions as a core objective. In response to this trend, TECO continues to leverage its high-efficiency motor technology as its core strength, strengthening its global manufacturing footprint and cost competitiveness. Our long-term vision is to become one of the **top three leaders in global motor market share**. TECO will further expand its influence in power energy and **AIDC (AI Data Center)** infrastructure through strategies focused on energy saving, carbon reduction, electrification, and expansion into high-potential markets. Key development initiatives are as follows:

#### **Energy Conservation and Carbon Reduction:**

Driven by the continuous escalation of global energy efficiency regulations and the implementation of carbon fees and new electricity tariff structures, demand for high-efficiency equipment within the global manufacturing sector is surging. TECO is proactively launching a comprehensive suite of high-efficiency, energy-saving, and net-zero products, including:

##### A. Comprehensive Upgrade and Accelerated Promotion of IE4+ High-Efficiency Motors

- IE5 Ultra-High Efficiency Synchronous Reluctance Motors (SynRM)
- Rare-earth-free design to enhance supply chain resilience
- High-efficiency operation to effectively reduce customer carbon emissions

##### B. Integrating Group Resources to Create Energy-Saving System Solutions

- Focused on Deep Decarbonization: Combining smart electronic control with EMS (Energy Management Systems) to target large-scale energy-saving projects and VPP (Virtual Power Plant) initiatives for both public and private sectors.
- Industrial Drive & Energy-Saving Solutions: Assisting energy-intensive manufacturing industries in implementing integrated smart energy management and process automation solutions to enhance energy efficiency and drive the achievement of corporate ESG sustainability goals.
- Green Finance Integration: Developing partnership programs and integrating Green Finance to expand market influence and impact.

#### **Electrification: Aggressively targeting Electric Commercial Vehicles (ECVs), power equipment, and AIDC (AI Data Center) infrastructure.**

As the global trend toward vehicle electrification accelerates, TECO has penetrated the electric bus, retrofitted vehicle, commercial truck, and marine markets with its comprehensive powertrain systems. In the Taiwan market, bolstered by the government's DMIT (Design, Manufacture in Taiwan) policy, TECO's market share in e-bus powertrain systems has exceeded 80%. Simultaneously, we are aggressively expanding into international markets, including Europe, the U.S., India, and Mexico.

Following the acquisition of Anhui EV-Tech and the integration of its Hairpin Motor technology, TECO developed a highly integrated E-Axle system. This system targets the European and American commercial EV markets, aiming to capture a share of the multi-billion dollar electric drive industry. In North America, through Teco NexE, we have formed strategic alliances with regional enterprises and partnered with landmark school bus and retrofiting manufacturers to promote the adoption of TECO's green power and electrical products across the continent.

Beyond electric commercial vehicles, TECO is fortifying its power equipment supply chain to deepen its involvement in Grid Resilience and AIDC (AI Data Center) infrastructure. In 2025, TECO expanded its transformer production capacity at the Chungli Plant to support global demands for data center construction, grid upgrades, and energy infrastructure modernization.

## **Key Regions**

### **A. Middle East Strategic Launch**

TECO plans to establish a Middle East subsidiary in Dubai in 2026, officially launching its Middle East strategy. This initiative includes building a local sales and service network and forming a strategic alliance with Kanoo Energy to distribute electrification products and solutions, specifically targeting the burgeoning Middle East Data Center market.

### **B. North American Nearshoring & OEM Collaboration**

In September 2023, the Mexico Plant was inaugurated to provide short lead-time services to the North American, Mexican, and Central American markets. By integrating with our existing Mexican sales company, we have established strategic partnerships with local OEM customers, including major international pump equipment manufacturers, to strengthen our regional supply chain presence.

### **C. India Market Expansion and EV Ecosystem**

In November 2023, the newly established Bengaluru Plant in India officially opened. Combining the resources of our existing supply chain in Northern India and our strategic partner, Mitsui & Co., we are focused on expanding our local distribution network and aggressively penetrating the Indian EV market.

## **(b) Air Conditioning Products**

### **Strategic Vision and Market Expansion**

Our long-term business development goal is to become the leading air conditioning brand in Taiwan while aggressively expanding our international footprint. In alignment with the government's 2050 Net-Zero Emissions commitment, we have developed a comprehensive range of energy-saving AC products that exceed Level 1 Energy Efficiency standards. By collaborating with enterprises and government research institutes through energy and technology projects, we introduce cutting-edge technologies to enhance the global competitiveness of our Taiwanese brand.

### **Comprehensive Energy Solutions for Industrial & Commercial Users**

As a leader in commercial air conditioning, TECO provides large-scale energy consumers with complete Energy-Saving Solutions. Beyond high-efficiency

hardware, we offer integrated control systems that manage peripheral equipment (such as cooling towers and pumps). These systems dynamically adjust flow rates and motor speeds based on real-time load variations to maximize energy savings and prevent costly peak demand surcharges. Furthermore, TECO offers "one-stop" integrated services, including energy health diagnostics, visualized power management, and indoor air quality (IAQ) monitoring.

#### Entering the Cold Chain Market with AI and Inverter Technology

In response to the rising demand for cold chain logistics in the post-pandemic era, TECO has leveraged its proprietary DC Inverter technology to launch 3–20HP Inverter Condensing Units (for freezing and refrigeration). Our strategy integrates AI to provide energy-efficient systems, featuring Variable Multi-Temperature Zone Freezers capable of meeting diverse cooling requirements ranging from -55°C to +18°C.

#### The Best ESG Partner for Enterprise Decarbonization

Moving forward, our commercial AC strategy centers on Level 1 Efficiency Magnetic Bearing Centrifugal Chillers. We will focus on enhancing performance metrics such as IPLV, PUE, and low GWP (Global Warming Potential). By combining Big Data with our AI Energy Management Platform, we provide intelligent services such as energy optimization, anomaly alerts, and preventive maintenance. This enables TECO to act as the premier energy-saving consultant, assisting enterprises in meeting government mandates for Deep Decarbonization and achieving their ESG and carbon reduction targets.

### (c) Electromechanical Engineering and Power Equipment

#### Strategic Vision: Leading Brand in Smart Energy Engineering

Our long-term goal is to become the premier brand in domestic Smart Energy Engineering while continuously expanding our international footprint. Grounded in the core values of "Quality" and "Innovation," we leverage our extensive project track record, system integration expertise, and market experience to align with national energy transition policies. We remain deeply committed to key sectors including Offshore Wind, Data Centers (DC), Solar PV, Microgrid Systems, Energy Storage Systems (ESS), and large-scale electromechanical engineering.

#### Offshore Wind: Commanding Market Leadership

In the offshore wind sector, TECO has accumulated a track record of approximately 2.5GW in onshore substation engineering, representing a market share of around 35%. This underscores our established market position and competitive advantage in the smart energy engineering domain.

#### Data Centers (DC): Powering the Cloud Revolution

TECO has successfully delivered over 860MW of data center projects across Taiwan and overseas, supporting major cloud service providers in constructing large-scale data processing facilities. As the cloud industry flourishes, this sector has become a significant growth engine for TECO. We are actively expanding our overseas presence, with ongoing business development in Singapore, Indonesia, Malaysia, and Thailand.

## Energy Storage Systems (ESS): From Utility-Scale to Behind-the-Meter (BTM)

While the growth of the domestic Front-of-the-Meter (FTM) storage market has stabilized due to land resources and market maturity, TECO has delivered exceptional results through collective effort. A landmark project is the Longtan Energy Storage System—Taiwan's largest self-built ESS facility in collaboration with Taipower. Occupying 0.66 hectares with 25 containers, it features an installed capacity of 60MW and a total storage capacity of 80MWh (equivalent to a full day's electricity for nearly 8,000 households), accounting for 37.5% of Taipower's self-built storage capacity.

Our proprietary Energy Storage Management System (ESMS) provides real-time monitoring with 10-second data uploads. The system's total response time is under 0.4 seconds (surpassing the 1-second requirement), with an execution rate exceeding 99% (surpassing the 95% standard). Safety measures include gas detectors, isolation switches, and clean agent fire suppression systems.

### Future Focus: Tapping into the BTM Market

Moving forward, the Behind-the-Meter (BTM) market shows clear growth potential, driven by large energy consumers' needs for energy management, power dispatch, and supply stability. TECO will pivot its ESS strategy toward this sector. For projects ranging from 5MW to 30MW, our 1.5MW PCS (Power Conversion System) offers superior system flexibility and decentralized configuration advantages. Additionally, our 100kW small-scale PCS holds significant potential for diverse industrial and commercial applications. By aligning with policy shifts and market demands, we aim to increase product penetration and shipment scale to strengthen mid-to-long-term growth.

## 1.5. Intellectual Property Management Plan and Implementation

The Company's corporate vision is to "become a core driver of global electrification, digitalization, and green energy." Through the B2B2S (Business to Business to Sustainability) philosophy, we continuously provide integrated and innovative solutions to drive the sustainable development of our customers, society, and the environment. Our brand slogan, "Together, we empower the Future," encapsulates this mission.

To maintain competitive advantages, safeguard accumulated technical achievements, and ensure operational freedom (Freedom to Operate), the Company has established an intellectual property strategy that internally aligns with operational goals and R&D resources, while externally integrating corporate activities and brand image.

Through robust IP management, we support and implement the corporate values of being "Customer-Centric" and "Growth-Oriented," while highlighting our brand characteristics: "Reliable," "Professional & Innovative," and "Committed to Sustainability." Accordingly, our IP management plan, which is linked to the aforementioned operational goals, is reported to the Board of Directors at least once a year. The annual plan and its implementation status were most recently reported to the Board of Directors on December 12, 2025.

### 1. Intellectual Property Management Policy

**System Upgrade:** Drive the overall advancement and upgrading of the Company's IP management system.

Operational Freedom: Prioritize IP management to safeguard the Company's Freedom to Operate (FTO).

Brand Image & Competitive Edge: Enhance corporate image through IP management to maintain a leading competitive advantage in the industry.

ESG Alignment: Align patent and IP planning with ESG goals to stay synchronized with global trends.

Corporate Governance: Strengthen corporate governance by disclosing IP information, enabling shareholders to understand the Company's IP management system and achievements.

Supplier Management: Emphasize the IP management of suppliers to foster long-term collaborative relationships.

Customer Relations & Sustainability: Protect the Company's IP while prioritizing customer relationships and sustainable operations.

## 2. Intellectual Property Management Objectives

Training: Enhance IP education for employees by conducting at least two training sessions per year.

R&D Documentation: Periodically audit the usage and compliance of the R&D Logbook system.

Transparency: Regularly update the Company's official website with the IP management plan and its implementation status.

Contractual Audit: Periodically review the execution and compliance of IP-related contracts.

Trademark Audit: Regularly audit the usage and status of corporate trademarks.

## 3. IP Management Implementation and Achievements (2025)

### (1) Intellectual Property Training

A. TIPS Training: On June 19, 2025, the Company held a 1-hour session on "Auditor and Auditee Techniques" (TIPS Personnel Training) with 12 participants. On July 16, 2025, a 1-hour session on "Introduction to Patent and Trademark Basics and Case Studies" (TIPS Organizational Training) was held with 185 participants.

B. Patent Training: On March 14, 2025, a 1-hour session on "Patent Search and Analysis" was conducted, reaching 241 participants.

### (2) TIPS Certification

A. Successful Audit: On March 26, 2025, the Company successfully passed the on-site spot audit for the "Taiwan Intellectual Property Management System (TIPS) (Trademarks and Patents)" conducted by the Institute for Information Industry (III).

B. Certificate Validity: The Company began implementing TIPS (Trademarks) in 2021 and achieved certification that same year. In 2024, the Company passed the re-certification for TIPS (Trademarks and Patents). The current certificate is valid until December 31, 2026.

### (3) Cumulative Achievements (as of Q3 2025)

- A. Patents: Based on annual performance targets for each business unit, the Company actively files for patents. As of Q3 2025, the total number of granted and active global patents is 371, with 11 global patent applications currently in progress.
- B. Trademarks: As of Q3 2025, the total number of granted and active global trademarks is 471, with 15 global trademark applications currently in progress.

## 2. Market and Sales Overview

### 2.1 Market Analysis

#### (a) Electrification and Automation Products

##### a. Primary Sales Regions

The Company's electromechanical and automation products are primarily sold in North America, Europe, Australia, Japan, Southeast Asia, Mainland China, and the Taiwan domestic market. We are also aggressively expanding into emerging markets, including Mexico, India, and the Middle East.

##### b. Market Share

The Company holds a nearly 50% market share in the domestic general-purpose motor market. Internationally, we maintain a dominant presence in North America, Southeast Asia, and Australia. For special-purpose and custom-specification motors, we offer tailored solutions with induction motors reaching up to 30,000 HP. TECO currently ranks 5th in global motor market share.

##### c. Future Supply-Demand Outlook and Growth Potential

##### A. Global Energy Transition and High-Efficiency Motor Trends

According to the International Energy Agency (IEA), 46% of global electricity is consumed by motor systems. In the industrial sector, motors account for 70% of electricity usage. Amid rising energy costs and net-zero pressures, high-energy-consuming industries (steel, electronics, chemicals) are implementing low-carbon strategies.

Market data from Omdia indicates that IE4+ motors currently account for 9.2% of the global market (approx. \$1.4 billion) and are projected to grow at a CAGR exceeding 10% (2023–2028), significantly outperforming the 5.5% average growth rate of the general low-voltage motor market. This trend is further propelled by stricter MEPS (Minimum Energy Performance Standards) worldwide. TECO led the market with IE4 motors in 2015 and continues to advance IE5 ultra-high efficiency technology. Having completed MEPS registration for its full 0.75–200kW range in 2024, TECO is well-positioned to capture the surge in demand for energy-saving equipment.

## B. Accelerating Electrification: Commercial Vehicles, Charging Solutions, and UAV Powertrains

Commercial Vehicle Electrification: Driven by the DMIT policy, TECO's powertrain system market share exceeds 85% in Taiwan. We are targeting the Euro-American markets with our Hairpin motor technology and E-Axle layouts, having already secured our first European orders.

North American Charging Infrastructure: Teco NexE provides a "one-stop" charging station solution encompassing hardware, software, communication, and commissioning to meet the rapidly growing EV infrastructure demand in North America.

Commercial UAV Powertrain Systems: Entering the "Non-Red" (non-China) supply chain, TECO plans to launch the self-developed T-Power Air OD128LR low-rare-earth, high-thrust UAV motor in Q2 2026. Utilizing hairpin technology and high power density, it is ideal for agricultural spraying and logistics, targeting the Taiwan and North American markets.

## C. Supporting Energy and AIDC Growth:

The global grid transition has triggered unprecedented growth in the Transformer market, expected to reach a historical peak starting in 2025. TECO's expertise in high-efficiency power-grade transformers will enable us to capture significant opportunities in the expansion of energy and AIDC (AI Data Center) infrastructure.

## d. Competitive Advantages, Future Outlook, and Mitigation Strategies

### A. Favorable Factors (Strengths & Opportunities):

Strong R&D and self-manufacturing capabilities with high customization flexibility.

Leading position in production scale and market share.

High brand reliability and premium corporate image.

Comprehensive product depth; special-spec motors are fully certified.

Extensive global sales channels.

Ready-to-market IE4/IE5 portfolio to meet surging demand for high-efficiency products.

Global supply chain resilience through new plants in Mexico and India to shorten lead times.

### B. Unfavorable Factors (Weaknesses & Threats):

Market saturation in Taiwan and aggressive price-cutting by international competitors.

Tier-1 global manufacturers leveraging massive capital for expansion through acquisitions.

Low barriers to entry for small motors leading to price wars and market share erosion from local manufacturers and low-cost dumping from Asia.

Shift toward Total Solutions and system-based sales by global competitors.

Fluctuating prices of raw materials (copper, silicon steel) impacting production costs and profitability.

C. Countermeasures (Strategies):

Operational Excellence: Continuously reduce costs and lead times to enhance competitive edge and market share.

Value Innovation: Accelerate R&D of high-value-added products and optimize global horizontal division of labor.

Market Expansion: Expand overseas marketing hubs and establish efficient service networks.

Project Acquisition: Collaborate with global EPC clients and engineering firms to secure large-scale project orders.

Geopolitical Resilience: Shift production bases to Vietnam, India, and Mexico to localize supply chains and mitigate risks associated with international tariffs (e.g., U.S. tariffs).

(b) Air Conditioning Products

a. Primary Sales Regions

The primary sales regions for our air conditioning and smart climate products are Taiwan (domestic), China, and Australia. We are also progressively expanding into international markets, including the United States, Southeast Asia, and Indonesia.

b. Market Share

The Company is one of the top three air conditioning manufacturers in Taiwan, with an estimated domestic market share of approximately 10% across various product lines

c. Future Supply-Demand Outlook and Growth Potential

TECO continues to deepen its presence in the energy-saving sector, launching a new series of AC products that exceed current Level 1 Energy Efficiency standards by 20%. These products feature smart connectivity and the industry's first "Immersion Comfort" technology. Guided by ESG principles, we developed the industry's only solar-powered air conditioner, achieving a significant edge in carbon reduction.

The Ministry of Economic Affairs has allocated a NT\$6.8 billion budget to promote energy-saving subsidies for residential and commercial sectors, which will continue through 2026. This policy covers equipment replacement (Level 1 efficiency) or system-wide energy-saving projects across 22 counties, targeting retail, dining, medical institutions, schools, and government agencies. TECO's full product range—from small split-type units to large-scale Chiller Systems—meets Level 1 standards. We anticipate this subsidy policy will trigger a significant replacement wave and drive sales growth.

#### d. Competitive Advantages, Future Outlook, and Mitigation Strategies

##### A. Favorable Factors (Strengths & Opportunities):

**Re-platforming Synergy:** Leveraging Group resources to transfer industrial motor drive technology to commercial HVAC and cold chain applications, creating high-efficiency, innovative products.

**Inverter Common Platform:** Utilizing a unified inverter control logic across different products to accelerate innovation and ensure high-efficiency performance.

**ESG Leadership:** Leading the industry by adopting R32 refrigerant and eco-friendly materials, producing "Made in Taiwan" (MIT) premium models that exceed national efficiency standards.

**Smart Home Integration:** As a member of the Smart Appliance R&D Alliance, TECO pioneered Cloud AC featuring schedule control, power visualization, remote access, and "forgot-to-turn-off" reminders.

**HVAC Solutions:** Offering comprehensive commercial solutions that integrate cloud control with peripheral equipment, energy health diagnostics, and Indoor Air Quality (IAQ) monitoring.

**AI-Driven Cold Chain:** Implementing AI technology for active management and preventive maintenance in cold chain systems, optimizing food safety and cooling flexibility.

**Eco-friendly Refrigerants:** Pioneering the use of R448A (Ultra-low GWP) in the Taiwan cold chain market to reduce food spoilage and carbon emissions.

##### B. Unfavorable Factors (Weaknesses & Threats):

**Market Saturation:** The residential AC market is saturated, with Japanese brands holding over 50% market share. Traditional distribution channels face intense pressure from hypermarkets and retail chains.

**Trade Barriers:** The rise of regional Free Trade Agreements (FTAs) poses challenges to the export competitiveness of Taiwanese products.

**M&A Competition:** Mergers and acquisitions among major Japanese and American brands have intensified the impact on domestic Taiwanese brands.

##### C. Countermeasures (Strategies):

**Cost Optimization:** Strategically utilizing lower-cost hardware manufacturing through SKD (Semi-Knocked Down) assembly models to combine Taiwan's innovation with large-scale cost advantages.

**Supply Chain Diversification:** Introducing products manufactured in Thailand to satisfy different channel characteristics and maximize channel efficiency through cross-regional supply chain configurations.

**Service Transformation:** Transitioning commercial AC dealers toward inverter-based products and expanding direct sales of energy-saving systems. Utilizing cloud diagnostic technology to automatically optimize chiller parameters.

One-Stop Service: Integrating commercial AC and cold chain offerings for complex facilities to provide one-stop integrated services and expand market share.

(c) Electromechanical Engineering and Power Equipment

a. Primary Sales Regions

Our Electromechanical Engineering and Power Equipment business is primarily focused on the Taiwan market, while actively expanding into Japan, Southeast Asia, Europe, and North America. Currently, low-voltage apparatus such as circuit breakers and electromagnetic switches are mainly sold domestically, with ongoing strategic expansion into Southeast Asia to enhance overseas sales scale and long-term growth momentum.

b. Market Share

As a leading supplier of low-voltage switchgear components—including Circuit Breakers, Electromagnetic Switches, ACB (Air Circuit Breakers), RCS, and ATS (Automatic Transfer Switches)—TECO's brand is widely utilized across residential, industrial/commercial buildings, public works, machinery, and Taipower-related infrastructure. We currently hold a domestic market share of approximately 20%. Moving forward, we will continue to deepen our presence in electrical distribution channels to further increase market penetration and share.

c. Future Supply-Demand Outlook and Growth Potential

The Company continues to deepen its presence in renewable energy, grid upgrades, and smart energy applications, securing multiple domestic and international contracts. Driven by the global energy transition and the demand for grid resilience, market needs for Energy Storage Systems (ESS), power infrastructure, and system integration engineering are expected to grow consistently.

In the Southeast Asian market, for example, Malaysia will mandate that large-scale solar farms be equipped with 4-hour energy storage systems starting January 2026. This policy is estimated to generate an annual storage market opportunity of over 2GWh, providing a significant tailwind for TECO to expand its equipment and system integration business in the region.

d. Competitive Advantages, Future Outlook, and Mitigation Strategies

A. Favorable Factors (Strengths & Opportunities):

**Extensive Experience:** Over 20 years of proven track record in large-scale engineering projects and system integration.

**Financial Strength:** A robust financial position capable of supporting the operational and capital requirements of major projects.

**Sustainable Brand:** A strong corporate image, evidenced by 10 consecutive years of sustainability awards.

**Specialized Expertise:** Deep expertise in DC (Data Center) engineering and power systems.

**Market Leadership:** A leading position in Taiwan's Offshore Wind Substation market.

Proven Track Record: Established market advantages and successful implementation of Taipower ESS and STATCOM (Static Synchronous Compensator) projects.

Integrated Solutions: A comprehensive proprietary product line covering Transformers, High-Voltage Switchgear, Distribution Panels, Busways, AC Systems, and Emergency Generators, enabling "one-stop" total solutions.

B. Unfavorable Factors (Weaknesses & Threats):

Labor Shortages: Industry-wide labor shortages, particularly for engineering and supervisory talent with both foreign language proficiency and technical expertise.

Price Volatility: Fluctuating prices of raw materials and high-voltage equipment, increasing cost-control pressures.

C. Countermeasures (Strategies):

Talent Development: Strengthen technical and foreign language training for engineering personnel to enhance overall project execution capabilities.

Risk Mitigation: Incorporate price adjustment clauses into contracts to mitigate the impact of raw material price volatility on project profitability.

Procurement Optimization: Strengthen collaboration with major material suppliers to negotiate competitive pricing and ensure stable supply conditions.

Supply Chain Stability: Establish long-term cooperation mechanisms or long-term agreements (LTAs) with key suppliers to enhance cost management and supply chain resilience.

## 2.2 The Production Procedures of Main Products

### Electrification and automation products

Products	Use	Production Process
<p>High-efficiency &amp; energy-saving motors, IE5 Synchronous Reluctance Motors (SynRM), Single-phase motors, Low-voltage three-phase motors, High-voltage three-phase motors, Synchronous machines, Explosion-proof motors, Brake motors, Pole-changing motors, Gear motors, Crane motors, High-temperature smoke exhaust motors, Inverter-duty motors, High-thrust motors, Steel-plate motors, Aluminum-frame motors, Eddy current motors, Wound-rotor motors, Submersible motors, DC motors, Ventilators, Wind turbines, Transformers.</p>	<p>Providing primary motive power for industrial production.</p>	<p>Casting, Stamping, Electrical engineering, Machining, Assembly, Design, Planning, Integration, Packaging.</p>
<p>Permanent Magnet (PM) motors for EV powertrain, Hairpin motors, Induction motors for EV powertrain, Permanent Magnet motors, Synchronous Reluctance Motors (SynRM), AC PM servo motors, EC (Electronically Commutated) motors, Integrated high-efficiency IE3/IE4 motor-drive units, Commercial UAVs (Unmanned Aerial Vehicles).</p>	<p>Power systems for industrial and electric vehicle (EV) applications</p>	<p>Stamping, Electrical engineering, Machining, Magnet bonding, Assembly, Design, Planning, System integration, Packaging.</p>
<p>Inverters (Variable Frequency Drives - VFD), Servo drives.</p>	<p>Drives for three-phase induction motors, Permanent Magnet (PM) motors (including servo motors), and Synchronous Reluctance Motors (SynRM).</p>	<p>Planning, Design, Assembly, Packaging, System integration.</p>

Air Conditioning Products:

Products	Use	Production Process
CSPF Level 1 energy-efficient AC units, Eco-friendly refrigerant inverter AC (Single-split to Multi-split), Smart air conditioners, Energy-saving commercial inverter refrigerators, High-efficiency refrigerators, Direct-drive inverter washing machines, Dehumidifiers, Dryers, Small home appliances, Low-temperature delivery roll cages, Elevator air conditioning, Machine tool chillers, Cold chain logistics insulated boxes, PC host cooling modules, etc.	Residential, commercial, and industrial use.	Design, Planning, Assembly, Packaging.
LED Display, small home appliances	Home Entertainment	Design, Planning, Assembly
Central Chiller Systems, Inverter packaged AC units, Inverter air-cooled split AC units, Variable Refrigerant Flow (VRF) inverter AC, Train air conditioning systems, Magnetic Bearing Centrifugal Chillers, IPLV (Integrated Part Load Value) chiller solutions.	Industrial and commercial sectors, factories, transportation systems, and AIDC (AI Data Center).	Design, Planning, Assembly, Packaging.

## Electromechanical Engineering and Electrical Equipment

Products	Use	Production Process
Offshore wind substations, Data Centers (DC), Energy Storage Systems (ESS), Solar PV systems, Microgrid systems, and Turnkey (EPC) projects.	Energy industry and power system applications.	System design, Engineering planning, Equipment procurement, Assembly and wiring, Engineering construction, Construction supervision, and Maintenance & repair.
Medium and low-voltage switchgear, Power equipment, Generator sets, Medium and low-voltage distribution panels, Busways, Gas Insulated Switchgear (GIS), Low-voltage electrical switches, and PCS (Power Conversion Systems) for energy storage.	Power systems, data centers, and various types of critical infrastructure.	R&D and design, Material procurement, Manufacturing and assembly, Wiring and testing, Quality inspection, Delivery and distribution. Field installation, system integration, commissioning, and maintenance & repair are provided based on project requirements.

### 2.3 Main Material

	Main Material	Main Source	Supply
Electromechanical products	Silicon Steel	At home and abroad	Centralized Procurement by season
	Aluminum Ingot	At home and abroad	Centralized Procurement by season
	Rod Iron	At home and abroad	Procurement by Contract
	Copper Wire	At home and abroad	Procurement by Contract and Order Placing
	Bearing	At home and abroad	Procurement by Contract
	Engine	Abroad	Procurement by Contract

### 2.4 Major Clients (each commanding 10%-plus share of annual order volume) Information for the Last Two Calendar Years : None.

### 3. Human Resources

Year	2024		2025		March 31 2026		
	TECO	Global	TECO	Global	TECO	Global	
Number of Employees	2,384	12,968	2,424	12,858	2,421	12,564	
Average Age	44.8	43.0	45.5	43.4	45.6	43.8	
Average Years of Service	15.8	10.3	14.5	10.3	14.5	10.6	
Education	Master above	14.6	7.2	15.7	7.4	16.3	7.6
	Colleague	57.5	51.8	57.5	53.6	56.8	54.0
	Senior high	23.6	30.9	22.5	29.5	22.6	29.2
	Junior high and below	4.1	10.1	4.1	9.5	4.3	9.2

Note: Employees mentioned here refer to those people who are hired by the entities under consolidated financial statements.

### 4. Environmental Protection Expenditure Information

This section outlines the most recent year's environmental performance and, up to the date of this annual report's publication, any losses (including compensation), penalties, future response plans, and potential expenditures resulting from environmental pollution.

4.1 Losses from Environmental Pollution: None.

4.2 Response Measures:

(a) Planned Improvements

a. Environmental Equipment Improvement Plans

Solar Green Energy Deployment:

To reduce greenhouse gas emissions and fulfill its corporate social responsibility, TECO has implemented solar power systems at its Guanyin and Zhongli plants in Taiwan. In parallel, solar energy deployment has also begun at plants in Mainland China and Southeast Asia. In 2024, solar systems were additionally installed at TECO Jiangxi and TECO Wuxi plants. The company will continue expanding its overall solar energy initiatives in the future.

Equipment and Process Improvements:

Domestic and overseas plants have simultaneously launched process improvements to reduce greenhouse gas emissions. In addition to significant improvements regarding SF6 at the Hukou Plant, the Guanyin Plant has also substantially reduced refrigerant leakage and continues to introduce eco-friendly refrigerants. Meanwhile, leveraging the improvement experience from Taiwan plants, the Company is assisting overseas facilities in enhancing their refrigerant leakage control.

By leveraging TECO's existing system control and motor technologies, the company provides consumers with green and energy-efficient products. It is also replacing outdated, energy-intensive equipment with newer, energy-saving alternatives. Maintenance and waste reduction measures are being strengthened to improve workplace conditions. TECO actively promotes resource conservation, such as the reuse of cooling water at its foundries.

Nearly 100% of waste silicon steel generated during production is recovered and remelted by in-house foundries for reuse in new products—both enhancing resource recycling and lowering production costs.

b. Management Improvement Plans

TECO actively and continuously implements the ISO 14001 Environmental Management System to control and manage the environmental impact across all operational activities—including production, sales, product use, and post-use disposal—throughout the product life cycle. The company identifies key environmental impacts and opportunities for improvement, with the goal of reducing environmental impact and enhancing environmental performance.

TECO is fully committed to promoting the adoption of the more environmentally friendly R32 refrigerant in household appliances, thereby helping end-users adopt greener refrigerants. The company has also integrated ESG performance into daily management KPIs, with quarterly performance reviews to ensure that environmental improvement actions are effectively implemented. Since 2023, TECO has introduced a digital management system that allows real-time monitoring of greenhouse gas emissions across the company. Any irregularities are immediately addressed with corrective actions. This system is being gradually expanded to cover the Group's major overseas manufacturing facilities.

c. Ongoing Greenhouse Gas Inventory and Reduction Initiatives

In response to global climate change trends, the Company has implemented greenhouse gas (GHG) inventory practices since 2005. We have obtained third-party certification for our annual GHG emissions (ISO 14064-1), with a scope covering major overseas production sites, including plants in China, Vietnam, Italy, and the United States. Furthermore, we have mobilized all personnel to continuously drive energy-saving and carbon-reduction initiatives, establishing a dedicated energy-saving task force to provide and implement feasible action plans.

TECO has established its corporate vision to "become a core driver for global electrification, intelligence, and green energy development". Whether in the research, development, and production of various products, or in the aspects of raw materials, manufacturing processes, and marketing, the Company is committed to the mission of "Energy Conservation and Emission Reduction". Furthermore, new business expansion is strategically oriented toward the green energy industry. Through the Foundation's various technological and cultural activities, TECO promotes the practice of ECO values internally and continues to lead the organization toward the goal of sustainable operations.

d. Projected capital outlay for environmental protection in the next three years(including overseas plants)

i. Planned procurement of anti-pollution equipment and outlays

(i) Plans in next three years

2026	2027	2028
The continued promotion of solar energy systems, energy-efficient equipment, and other energy-saving solutions will be pursued.	The continued promotion of energy-efficient equipment, and other energy-saving solutions will be pursued.	The continued promotion of energy-efficient equipment, and other energy-saving solutions will be pursued.
Introduce eco-friendly spray painting systems to increase the ratio of environmental paints	Maintenance, improvement, or expansion of air pollution prevention for painting equipment and continuous furnaces	Maintenance, improvement, or expansion of air pollution prevention for painting equipment and continuous furnaces
Replacement of consumables such as activated carbon, filters, filter balls, and organic solvent process improvement	Replacement of consumables such as activated carbon, filters, filter balls, and organic solvent process improvement	Replacement of consumables such as activated carbon, filters, filter balls, and organic solvent process improvement
Improvement of the manufacturing environment around the factory	Improvement of the manufacturing environment around the factory	Improvement of the manufacturing environment around the factory
Implement smart air compressor systems to improve high efficiency	Continue implementing energy-saving equipment to improve efficiency	Continue implementing energy-saving equipment to improve efficiency
Continue improving systems to reduce energy consumption	Continue improving systems to reduce energy consumption	Continue improving systems to reduce energy consumption

(ii) Projected outlays (Unit: NT\$thousand)

2026	2027	2028
\$ 117,773	\$ 81,816	\$ 116,111

i. Expected Improvements

- (i) Solar power not only reduces greenhouse gas emissions and lowers electricity costs but also mitigates potential competitive threats from the upcoming implementation of carbon taxes.
- (ii) The Company has introduced eco-friendly water-based paints, with the adoption rate reaching 85% by the end of 2025. Compared to the 2015 baseline, the total emissions of volatile organic compounds (VOCs) have been reduced by 72%.
- (iii) A remote monitoring system has been installed to track air pollution emissions in real time, ensuring compliance with environmental regulations. TECO also collaborates with domestic industrial associations to identify opportunities for improving air pollution and wastewater treatment.
- (iv) The company is promoting industrial waste reduction by decreasing waste generation, enhancing waste recycling mechanisms, and exploring opportunities for material reuse. Since 2022, waste reduction has been formally included in management indicators, making energy saving, emission reduction, and waste minimization a shared responsibility for all employees. A dedicated unit reviews performance improvements monthly, which are also included in each department's quarterly KPI assessments.
- (v) Each business group has initiated planning for energy-saving and carbon-reduction projects based on the greenhouse gas inventory baselines of

each subsidiary to achieve a 50% reduction in emissions between 2021 and 2030. The ESG Promotion Office, which reports directly to the Board of Directors, is closely tracking the implementation status of these initiatives.

- (vi)TECO is committed to reducing greenhouse gas emissions through the development of energy-saving and environmentally friendly products. The company uses its proprietary control systems and energy-efficient technologies to offer green household appliances, and is advancing the full adoption of eco-friendly refrigerants to reduce CO<sub>2</sub> emissions, aligning with its corporate social responsibility and climate action goals.

#### e. Impact After Improvements

##### i. Impact on Net Income

- (i) The introduction of solar energy is estimated to generate 10.6 million kWh of electricity annually, reducing electricity costs and yielding an estimated annual cost benefit of approximately NT\$50 million.
- (ii) Recycling and reuse of industrial waste help reduce material costs and lower outsourced waste treatment expenses.
- (iii) Improvements in air and water pollution control help avoid penalties and related losses.
- (iv) Prevents public disputes caused by environmental pollution.
- (v) Avoids losses from forced production shutdowns due to environmental violations.
- (vi) Reduces environmental management expenses through waste minimization and pollution prevention, thus lowering overall costs.

##### ii. Impact on Competitive Position

- (i) The solar power system directly reduces greenhouse gas emissions and aligns with international emission reduction trends. Once carbon taxes are implemented, this will lessen trade barriers and cost pressures, increase product sales opportunities, and enhance product competitiveness.
- (ii) Strengthening in-house capabilities in solar system deployment will expand the company's business potential.
- (iii) Recycling and reuse of industrial waste reduce production costs and increase product competitiveness.
- (iv)Enhancing the company's image and fulfilling stakeholder expectations.
- (v) Leveraging existing technical capabilities to develop online power monitoring systems that optimize electricity distribution, identify energy-saving opportunities, and create external business opportunities.

(b) Items Without Mitigation Measures

- a. Reasons for not taking improvement measures: None.
- b. Pollution status: None.
- c. Potential losses and compensation amounts: None.

## 5. Employer-Employee Relations

The Company provides diverse and open communication channels to encourage labor and management to create a win-win environment built on harmony and mutual trust. The Company entered into a collective bargaining agreement with the labor union as early as 1982 and has maintained a positive relationship ever since. To ensure stable labor relations and foster harmony, both parties signed a revised collective bargaining agreement on February 21, 2023. The agreement is valid for three years from its effective date; upon expiration, if a new agreement has not yet been signed, the validity will automatically extend for another three years, and so forth.

Several provisions in the agreement exceed statutory labor requirements, including:

**Full-pay Personal/Sick Leave:** The Company commits to providing full-time union members with over three months of service up to three days of fully paid leave annually (combined total of personal and sick leave).

**Recuperation Leave:** In the event of hospitalization due to injury or illness, union members are entitled to recuperation leave equivalent to the number of days hospitalized.

**Natural Disaster Leave:** If a union member is unable to provide labor due to natural disasters, the Company shall provide fully paid leave.

**Attendance Allowance:** Should the Company require union members to work during a natural disaster, an attendance allowance shall be paid in accordance with holiday overtime regulations.

**Non-Occupational Death Benefit:** In the event of a non-occupational death, union members are eligible for insurance benefits under the Company's group insurance policy; the total compensation shall not be less than NT\$300,000.

**Enhanced Severance Pay:** If the Company dismisses employees under the "Mass Placement of Labor Protection Act," an additional month of severance pay will be provided on top of the amount required by the Labor Standards Act.

The scope of this collective bargaining agreement covers all employees of the Company who hold union membership.

We firmly believe that talent is the cornerstone of the Company's sustainable operations. Harmonious labor-management relations help strengthen talent development, create a "Happy TECO" workplace, achieve corporate sustainability, and build a top-tier employer brand. We hope our employees can achieve self-development and fulfillment at work; therefore, we have established an open career development environment alongside welfare measures that balance work and family, allowing employees to strive and grow together with the Company.

## 5.1 Career Development and Self-Fulfillment

To cultivate proactive and innovative talent and provide a stage for their professional fulfillment, we offer comprehensive onboarding training and adaptation support for new hires. Furthermore, we guarantee open channels for career progression. In 2025, investment in employee training (including internal and external programs) accounted for 0.03% of total revenue, with a total of 16,179 participants. Key initiatives include:

### (a) Internal Recruitment Priority

To activate and streamline talent development, the Company mandates that all job vacancies must prioritize internal recruitment. This provides employees with voluntary and autonomous career development opportunities. The application process is strictly confidential to ensure fair treatment. Successful candidates transition into their new roles through systematic handover procedures.

### (b) Key Talent Program

Key Talent refers to high-potential employees below the manager level. To enhance cultivation and retention, we have shifted the review and selection cycle from biennial to annual. Post-selection, the development and retention of these individuals are set as Key Performance Indicators (KPIs) for their respective units. Supervisors collaborate with key talents to formulate customized Individual Development Plans (IDPs). In 2025, out of 66 key talents, two graduated by being promoted to Grade 9 Senior Manager. Of the remaining 64, 21 individuals (32.8%) received promotions, were confirmed in their roles, or assumed supervisory positions.

### (c) Future Leadership Training

To build leadership and management capabilities, we design a series of training courses for junior and mid-level management trainees. Candidates must complete these relevant training modules to be eligible for promotion to supervisory roles, ensuring a foundational standard of leadership competence.

### (d) Succession Evaluation

To develop talent capable of driving sustainable growth, the Company conducts semi-annual evaluations for promotions to mid-level management and above. Candidates must articulate their perspectives on various aspects of corporate operations before a panel comprising top executives and academic and industry experts. This rigorous, multidimensional mechanism encourages talent to develop a high-level strategic mindset.

### (e) Professional Skill Development

We cultivate new internal instructors annually and enhance the teaching expertise of existing ones to ensure the transfer of specialized technical know-how through OJT and internal courses. Additionally, annual skill certifications are held at our factories to elevate technical standards, reward expertise, and develop multi-skilled workers. In 2025, 140 employees passed these skill certifications.

### (f) Mentor Program

To deepen organizational capabilities, high-level executives serve as Mentors for potential successors, providing guidance based on 360-degree

management competency assessments. Furthermore, a select group of potential successors from mid-level management is directly mentored by the President. This program fosters high-level strategic thinking and cross-business unit collaboration. Mentors and Mentees hold regular group sessions to provide substantive feedback, facilitating holistic talent development.

(g) Digital Transformation and Talent Development

a. Digital Learning:

We launched the "TECO e-Academy," a new learning platform enabling blended (online and offline) learning. In 2025, total training reached 34,944 hours, with online courses accounting for 8,187 hours (23.4%).

b. Digital Seed Training Program:

Following the implementation of the M365 collaboration platform, we selected "Digital Seeds" from various units to master tools such as RPA and Power BI for process automation and visualization. To date, we have trained 171 individuals in advanced M365 tools and 38 digital project management professionals.

c. Digital Competitions:

To prepare for the integration of a Data Mid-End (Data Platform), the Company held an internal "Idea Pitch" project competition. Teams progressed from proposal to coaching and final sharing. Five projects were approved for execution, accelerating our digital transformation.

## 5.2 Employee Rights and Benefits

(a) Job Application and Employment Security

In compliance with the Personal Data Protection Act, the company ensures the confidentiality of job applicants' personal data and does not use such data for any purposes other than recruitment without the applicant's consent. All employment practices follow applicable labor laws and TECO's Human Rights Policy, which emphasizes fairness, non-discrimination, the prohibition of child labor, and the prevention of forced labor.

(b) Gender Equality Protection

TECO actively promotes gender equality by narrowing gender gaps through institutional measures. The company has established the "TECO WAO! (Women's Ability Organization)" club, offers diverse and inclusive types of leave, fosters a family-friendly workplace, and hosts educational campaigns supporting gender diversity. In 2024, TECO received the Silver Award for Workplace Gender Equality Certification from the Taipei City Government and was also nominated for the DEI (Diversity, Equity, Inclusion) Award by Womany.net.

(c) Competitive Compensation Policy

TECO continuously monitors market compensation levels to remain competitive and reviews its internal compensation policies regularly to attract and retain top talent. To recognize employees' contributions, the company offers special duty allowances for unique job requirements and multiple bonus

programs including: Sales bonuses, Patent bonuses, Task-based incentives, Proposal incentives, Skill certification awards.

To retain key talent, TECO has implemented supporting reward mechanisms and provides comprehensive salary and benefits to ensure peace of mind for employees. Since 2023, all employees have been eligible to join the Employee Stock Ownership Trust, per the program's charter. The company offers matching contributions to encourage long-term shareholding, aligning employees with company success and building a co-ownership culture.

(d) Retirement System and Implementation

In accordance with relevant laws and regulations, the Company has established the "Labor Retirement Regulations." The retirement systems and their implementation status are as follows:

(1) Defined Benefit Plan (The Old System):

Under the Labor Standards Act, the Company contributes a monthly retirement fund based on the total monthly salary of employees enrolled in the "Old System." These funds are deposited into a dedicated account at the Bank of Taiwan. At the end of each year, the Company reviews the account balance and ensures any necessary funding is fully contributed before the end of March of the following year. This process guarantees sufficient funds to meet the retirement claims of employees under this plan, thereby safeguarding their rights. In 2025 (Year 114), the Company contributed NT\$85,533 thousand to the Bank of Taiwan retirement fund account.

(2) Defined Contribution Plan (The New System):

Pursuant to the Labor Pension Act, the Company contributes 6% of each employee's monthly insurable wage to their individual pension accounts at the Bureau of Labor Insurance. In 2025 (Year 114), the contributions under the "New System" were as follows: The Company's contribution totaled NT\$83,790 thousand, and voluntary contributions by employees totaled NT\$27,728 thousand.

(3) Deferred Retirement and Re-employment Policy:

In alignment with recent amendments to the Labor Standards Act, the Company may negotiate deferred retirement with employees aged 65 or older, based on operational requirements. Furthermore, we have established "Re-employment Guidelines for Retired Personnel." This initiative aims to facilitate the transfer of professional expertise and maintain the stability of organizational operations through the continued engagement of experienced retirees.

(e) Communication Channels and Employee Feedback Surveys

TECO is committed to building strong communication bridges with its employees. The company has received numerous awards, including: National Award for Excellence in Labor-Management Relations (by the Council of Labor Affairs), Model Labor-Management Conference Award, Taoyuan County Award for Outstanding Labor-Management Relations.

(f) Employee Satisfaction Survey

TECO is committed to creating a safe, healthy, and inclusive working environment. To promote employee well-being and continuous organizational improvement, the Company conducts an Annual Global Employee Opinion and Satisfaction Survey. Through anonymous responses, we systematically collect feedback on organizational operations, work experiences, and employee engagement. This survey serves as a critical foundation for TECO to strengthen operations and implement robust human capital management.

In 2025, the survey was executed simultaneously across domestic and overseas affiliates, covering four core dimensions: satisfaction, engagement, well-being, and work-related stress. The global response rate reached 52%, surpassing 2024 levels and indicating an increase in employee participation. Regarding overall satisfaction, the global average score was 74, reflecting high confidence among global employees in our corporate culture, governance direction, and future development. Among all categories, "Personnel Communication" received the highest rating, demonstrating smooth cross-departmental collaboration, strong interpersonal relationships, and an atmosphere of openness and trust. Feedback also indicated that employees recognize the effectiveness of measures such as organizational transformation, core business advancement, operational management optimization, and hierarchical delegation of authority.

To address employee needs and fulfill our commitment to welfare, TECO implemented several employee care and support measures in 2025, including:

- (1) Stakeholder Engagement: Hosting employee seminars and establishing regular communication mechanisms to enhance engagement.
- (2) Workplace Optimization: Improving the working environment and benefits policies to enhance workplace friendliness and employee happiness.
- (3) Strengthening EAPs: Enhancing Employee Assistance Programs (EAPs), including psychological counseling, stress management resources, and health promotion schemes to support holistic physical and mental health.
- (4) Leadership Cultivation: Promoting leadership and management training to build a more supportive and resilient organizational culture.

TECO will continue to uphold its "People-Oriented" philosophy, increasing investment in human capital and fostering a high-quality workplace culture. We will leverage scientific data and employee feedback mechanisms to drive continuous improvement, ensuring every colleague grows within a safe, healthy, and progressive environment.

### 5.3 Work-Life Balance

#### (a) Comprehensive Leave Policy

To support employees in balancing their work and personal lives, the company strictly enforces leave policies in compliance with labor regulations. In addition, the utilization rate of annual leave is reviewed and included as an evaluation indicator for supervisors' annual performance assessments.

#### (b) Volunteer Leave

To encourage employee participation in social welfare and community engagement, TECO grants three days of paid volunteer leave per year. This leave does not affect the employee's performance evaluation and reflects the company's commitment to corporate citizenship.

#### (c) Wellness Leave

TECO offers three days of paid wellness leave annually to help employees maintain a healthy work-life balance and attend to personal or family needs.

#### (d) Birthday Leave

Recognizing birthdays as a special occasion, TECO grants employees a flexible birthday leave during their birth month, allowing them to enjoy and celebrate their special day with personal arrangements.

#### (e) Physical and Mental Wellness Initiatives

To safeguard the health and well-being of its employees, TECO provides nutritious and delicious group meals, and assigns professional nurses at each factory site. Medical consultation rooms are also available, with regular visits from certified physicians to ensure health and safety in the workplace. The company promotes various health and wellness programs, supports employee recreational and sports clubs, and employs visually impaired massage therapists to provide on-site stress relief services.

#### (f) For maternal health

TECO has made significant efforts to build a mother-friendly workplace. Since 2019, the nursing room at TECO's Nangang headquarters has consistently received certification from the Taipei City Government. The company also provides maternity health consultations and ten days of paid prenatal checkup leave, exceeding statutory requirements to help employees feel secure in starting and raising families.

#### (g) Since 2023, TECO's Nangang headquarters has installed two Automated External Defibrillators (AEDs) and earned the AED-Safe Location Certification from the Taipei City Government, enhancing workplace health and safety protection.

## 5.4 Employee Conduct and Code of Ethics

To uphold order in the workplace and clearly define the rights and obligations of both labor and management, the company has established “Employee Work Rules” in accordance with legal requirements. These rules have been submitted to and approved by the relevant authorities and are publicly disclosed. They provide a standardized framework for managing employees, with clear provisions covering areas such as positions, appointments, leave, compensation, rewards and penalties, evaluations, promotions, benefits, severance, occupational injury compensation, and retirement.

TECO expects every employee to do their utmost to achieve the company’s highest operational goals while upholding the highest standards of personal integrity. For this purpose, the company has implemented the “Code of Conduct and Ethical Business Operation Procedures and Guidelines.” A summary of its core content is as follows:

### (a) Avoidance of Conflicts of Interest

Employees must avoid using their position at the company to obtain improper benefits for themselves, their spouses, parents, children, or any other related individuals.

### (b) Confidentiality and Trade Secrets

All internal information related to TECO’s business interests—whether technical, financial, commercial, or otherwise—shall be regarded as trade secrets. Employees are obligated to keep such information strictly confidential. They must not exploit it for personal gain or disclose it to unauthorized parties.

Even after leaving the company, employees must continue to honor their confidentiality obligations and may not leak or use TECO’s trade secrets for illegal or unfair competitive purposes.

### (c) Fair Dealing with Clients

Employees must comply with all laws and internal company regulations. They must avoid offering or accepting improper gifts or benefits in any form. All interactions with customers and suppliers must be conducted fairly, transparently, and professionally.

### (d) Political Contributions

Employees are prohibited from making political contributions or sponsorships to any candidates on behalf of the company or its affiliates.

### (e) Charitable Donations

Employees must ensure that all charitable donations or sponsorships have a legitimate and clearly defined purpose. Donations must not be used as a disguised form of bribery.

### (f) Reporting and Whistleblower Obligations

TECO encourages open communication between employees and third parties. Any concerns, complaints, or reports related to unfair treatment or violations of company policies may be submitted through designated fraud and ethics reporting mailboxes. Malicious or false accusations are strictly prohibited. Reports of unlawful activity will be handled confidentially, and the company will protect the identity and rights of those involved in the investigation.

Status of the company's staffers related to financial-information transparency in securing certificates designated by the regulator.

License	Number of People	
	Financial Accounting	Auditing
CPA (ROC)	3	0
CPA (US)	1	0
Certified Internal Auditor	2	1
Senior Securities Specialist / Securities Specialist	5	0
Securities Investment Trust and Consulting Professional	2	0
Futures Specialist	1	0
Bond Specialist Professional Competency Certificate	1	0
Total	16	1

Losses suffered by the Company due to labor disputes during the most recent fiscal year and up to the date of publication of the annual report: (Including details of any violations of the Labor Standards Act as a result of labor inspections, specifying the date of disposition, disposition reference number, statutory articles violated, substance of the violation, and the content of the disposition). The disclosure must also include estimated amounts and countermeasures for current and potential future occurrences. If a reasonable estimate cannot be made, the facts of why it cannot be estimated must be explained. None

## 6. Information Security Management

(l) Cyber Security Risk Management Framework, Policies, Concrete Management Plans, and Resources Invested in Cyber Security Management:

### 1. Cyber Security Risk Management Framework:

In January 2021, the Company established the "Cyber Security Committee" under the Board of Directors' Corporate Governance and Sustainability Committee. The President serves as the Chairman and the Chief Information Security Officer (CISO), responsible for overseeing corporate information security policies and governance. In 2024, the Cyber Security Office was established under the President's Office, comprising one Director and three specialists dedicated to information security management. This office executes operational security planning, maintains the Information Security Management System (ISMS), and coordinates policy formulation, execution, and compliance audits.

Through semi-annual management review meetings, the Cyber Security Committee periodically audits security operations and implements defensive measures to ensure the suitability, adequacy, and effectiveness of the ISMS. The 2025 work plan and implementation status were reported to the Corporate Governance and Sustainability Committee on January 22 and August 6, and subsequently presented to the Board of Directors on February 21 and August 13.

## 2. Cyber Security Policies and Concrete Management Plans:

To strengthen security management and safeguard sustainable operations, TECO has formulated a Cyber Security Policy, disclosed on the official website under "Corporate Governance." Based on this policy, we have built an ISMS to protect all information assets (including documents, data, systems, equipment, and personnel) from unauthorized alteration, disclosure, destruction, or loss due to external threats or internal misconduct, adhering to the core principles of Confidentiality, Integrity, and Availability (CIA).

Our policy covers all employees and relevant third parties (including contractors and suppliers). We utilize a Plan-Do-Check-Act (PDCA) continuous improvement cycle, incorporating regular security audits, business continuity drills, incident reporting protocols, and training. Information security is integrated into performance appraisals, and annual training is mandatory. In 2025, we enhanced network detection and response (NDR), privileged access management (PAM), website security, and application security mechanisms.

## 3. Quantitative Data on Resources Invested in Cyber Security Management:

TECO conducts business continuity verification at least once every six months. In 2025, drills were performed for the ERP system, global order systems, and core operations. The Cyber Security Committee held two meetings in 2025, executing a special security budget of NT\$22,000,000 for the following improvements:

- (1) Legacy & Backup System Upgrades: AD authentication and authorization upgrades; backup equipment expansion, software host updates, and cloud backup drills.
- (2) System Implementation: Deployment of IT asset management and log management systems.
- (3) Defensive Drills: Implementation of NDR (Network Detection and Response) and social engineering drills (to be conducted annually).
- (4) Professional Development: Security consultancy and employee training.
- (5) Threat Detection: Malware detection and scanning.
- (6) High Availability: Implementation of Firewall HA (High Availability) and business continuity exercises.

## 4. ISO 27001 and CNS 27001 Certification:

TECO achieved ISO 27001 (ISMS) certification in 2021. In 2024, we successfully transitioned to the new standards, obtaining ISO 27001:2022 and CNS 27001:2023 certifications. The certification is valid until November 2027 and is disclosed on our official website.

## (II) Losses, Potential Impacts, and Countermeasures Due to Major Cyber Security Incidents:

During the most recent fiscal year and up to the date of publication of the annual report, specify any losses incurred from major cyber security incidents. If a reasonable estimate cannot be made, state the facts.

Status: No major cyber security incidents occurred in 2025.

## 7. Material Contracts

Agreement	Counterparty	Period	Major contents	Restrictions
1. Distributorship Agreement	Ya-Kuang Co., Ltd. and 1,020 other distributors	One year from the date of signing/delivery. The contract automatically extends for another year unless a written objection is provided by either party one month before expiration.	Defines rights and obligations for the distribution of home appliances, motors, heavy electrical products, industrial control products, power equipment, and AC products.	None
2. Construction Contract	Taoyuan International Airport Corp.	From signing on July 31, 2019, until the end of the warranty period.	Public utilities construction project (Phase I) for Taoyuan International Airport Terminal 3.	None
3. Construction Contract	Taoyuan International Airport Corp.	From signing on August 30, 2021, until the end of the warranty period.	Electromechanical engineering for the main terminal building of Taoyuan International Airport Terminal 3.	None
4. Construction Contract	Copenhagen Infrastructure Partners (CIP)	From signing on July 9, 2019, until the end of the warranty period.	Early Work Agreement and Conditions of Contract for substations at Changfang and Xidao Offshore Wind Farms.	None
5. Construction Contract	Century Biotech Development Corporation	From signing on June 29, 2020, until the end of the warranty period.	Electromechanical engineering for the Taipei Nangang Biotech Park (BOT) construction project.	None
6. Major Loan Agreement	ANZ, Sinopac, Bank of Taiwan, Taishin, CTBC, Mizuho, HSBC, DBS, First Bank, etc.	From January 14, 2025, up to August 28, 2030.	Omnibus credit facility agreement and project financing agreement.	None
7. Construction Contract	Hailong 2 Offshore Wind Power Co., Ltd., etc.	From signing on October 14, 2022, until the end of the warranty period.	EPC project for the onshore substation of Hailong Offshore Wind Farm.	None
8. Construction Contract	Exyte Taiwan Co., Ltd.	From signing on December 3, 2021, until the end of the warranty period.	CHG-5 Electrical Works.	None
9. Construction Contract	Zhong Neng Power Generation Co., Ltd.	From signing on July 17, 2020, until the end of the warranty period.	EPC project for the onshore substation of Zhong Neng Offshore Wind Farm.	None
10. Construction Contract	National Archives Administration & Construction and Planning Agency, MOI	From signing on March 15, 2021, until the end of the warranty period.	Construction project for the National Archives Mansion.	None
11. Construction Contract	Taiwan Power Company (Taipower)	From signing on April 14, 2022, until the end of the warranty period.	Energy Storage System (ESS) for the Longtan Extra-High Voltage Substation.	None
12. Land Joint Development Agreement	Mingtai Insurance, Tongan Asset Development	From signing on February 10, 2023, until the end of the warranty period.	Joint land development for Lot 934, Section 2, Jilin Segment, Zhongshan District, Taipei City.	None

Agreement	Counterparty	Period	Major contents	Restrictions
13. Construction Contract	Fuchi Construction Co., Ltd.	From signing on June 17, 2023, until the end of the warranty period.	Civil engineering and construction for the TECO-Mingtai Building.	None
14. Construction Contract	Taiwan Power Company (Taipower)	From signing on August 29, 2023, until the end of the warranty period.	EPC turnkey contract for the 161KV STATCOM at Zhanggong Substation and Yongxing Switching Station.	None
15. Construction Contract	Railway Bureau, MOTC	From signing on November 24, 2022, until the end of the warranty period.	Telecommunications, tunnel ventilation, and central monitoring systems (Lot E202Z) for Tainan Railway Undergrounding.	None
16. Construction Contract	E-Shine International Co., Ltd.	From signing on August 9, 2022, until the end of the warranty period.	AC equipment engineering for the E Sky Empire Commercial Building.	None
17. Purchase Agreement	Chung-Lu Construction Co., Ltd.	March 21, 2025, to April 30, 2026.	Material procurement for the Walsin Lihua Kaohsiung Subsea Cable Factory construction project.	None
18. Share Exchange Agreement	Hon Hai Precision Industry (Foxconn)	Share exchange base date: September 25, 2025.	Establishing a strategic alliance to combine strengths in AI Data Center (AIDC) trends and expand global market opportunities.	None
19. Construction Contract	Fengmiao Offshore Wind Power Co., Ltd.	From signing on July 25, 2022, until the end of the warranty period.	EPC project for the onshore substation of Fengmiao Offshore Wind Farm.	None
20. Construction Contract	Pacific Engineers and Constructors, Ltd. (PECL)	From signing on April 21, 2025, until the end of the warranty period.	EPC project for the onshore substation of Fengmiao Offshore Wind Farm.	None
21. Purchase Agreement	Walsin Lihua Corporation	From signing on April 15, 2025, until the end of the warranty period.	Material procurement for the Fengmiao Offshore Wind Farm onshore substation EPC project.	None
22. Construction Contract	Taiwan Power Company (Taipower)	From signing on January 22, 2025, until the end of the warranty period.	Procurement and installation of 161KV Gas Insulated Switchgear (GIS) and Gas Insulated Busways (GIB).	None
23. Capital Increase Agreement	NCL Energy Sdn. Bhd	From March 19, 2025, until the completion of the capital increase.	Subscription of new shares in NCL Energy, making TECO the controlling shareholder of NCL Energy.	None
24. Construction Contract	GAMUDA ENGINEERING SDN BHD	From May 16, 2025, until the end of the warranty period.	IT Network system engineering for EBP1A in Malaysia.	None
25. Construction Contract	GAMUDA ENGINEERING SDN BHD	From May 16, 2025, until the end of the warranty period.	Brooklyn system engineering for EBP1A in Malaysia.	None
26. Construction Contract	GAMUDA ENGINEERING SDN BHD	From May 16, 2025, until the end of the warranty period.	Generator system engineering for EBP1A in Malaysia.	None