Intellectual Property Management Plan and Implementation

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Strategic Plan

As a global leader in uninterruptible power systems (UPS), power quality devices (PQD) and other related power conversion and clean energy technologies. We are dedicated to developing and producing innovative power electronic products that are fast, efficient and responsive to market needs. Our sustainability vision is to be recognized as “Experts in Power Conversion.” To protect our intellectual property, we secure patent protection for key R&D innovations and inventions. Additionally, we mitigate infringement risks and manage our intellectual property effectively through well-defined policies, goals and management systems aligned with our business strategies. This approach enhances our core competitiveness and optimizes our value.

1. Protection Measures

According to the company's internal control system the "R&D Cycle", clearly regulates the procedures for acquiring, maintaining and using intellectual property. The R&D department is responsible for proposing, internally reviewing, acquiring, maintaining and other related operations of intellectual property.

Patent inventions are related to the rights and interests of company and individuals. The application process must be conducted in confidential files and relevant information must not be disclosed to outside. Access to R&D-related files will be assign according to authority. The R&D unit will set up dedicated personnel to obtain, use and manage relevant intellectual property rights. The R&D unit must conduct an inventory of the company's patent cases based on the patent list every year.

2. Infringement and Prevention

Confidential R&D information must be managed in accordance with the "R&D Cycle" - R&D file management operating procedures. If any unauthorized infringement of the company's intellectual property rights is discovered, it should be reported to the supervisor for verification. When necessary, a patent firm may be entrusted to apply for opposition or infringement reports to domestic (foreign) patent authorities on behalf of the company to protect our intellectual property rights. It is decided that after filing a patent application, if any suspected infringement of patent rights or other intellectual property rights of others is discovered, the person should immediately report it to the responsible person and work with the consultant to develop countermeasures.

3. Maintenance and Application Management

Based on the "R&D Cycle" of our internal control system, there are specific operating procedures for acquiring, maintaining and using intellectual property. These procedures include summarizing results reviewing reward mechanisms, maintaining and updating, promoting applications and reporting result. We continuously review and improve our management mechanism to ensure that our intellectual property management system operates and produces results in line with company expectations.

Implementation Of Intellectual Property Management

The R&D department is responsible for implementing the intellectual property management plan. The main items and results during the year will be guided by the board of directors in November 2024 to improve intellectual property management.

1. Patents

We continue to innovate across multiple product technology areas, including uninterruptible power systems, power quality devices, photovoltaic inverters and system maintenance, battery management systems and energy storage solutions.

In this period, 1 new patent has been approved, bringing the total number of global patent applications filed to 143, all of which have been granted—reflecting a patent approval rate of 100%.

Additionally, 15 patents were identified as having limited commercial or technological development potential. As a result, decisions were made to discontinue maintenance, allow patent rights to expire after 20 years, or withdraw defenses, enabling more effective management and reducing maintenance costs.

2.Trademarks

The total number of global trademark applications has accumulated to 23 and the total number of global trademark approvals has also reached 23. There were no new approved trademarks case in the year.

The status of trademark applications and approvals in different regions is as follows:

Region	Obtain a Certificate	Approval Announcement	Under Review
Taiwan	5	0	0
Mainland	5	0	0
USA	3	0	0
European Union	5	0	0
U.K.	5	0	0
Italy	0	0	0
Subtotal	23	0	0

3.Journal Articles

The presentation of technical papers represents our company's level of innovative technology. By participating in various seminars and presenting papers, we can discuss and learn from advanced industry and academic units, aiming to improve the efficiency and energy saving of our final products. These papers can also serve as evidence to prevent infringement of our patented intellectual property. In this year, we have had 1 new approved paper.

The total number of papers published is as follows:

File Type		Number Of Pieces	Total
Papers	Domestic	15	35
	Foreign	20	
Seminar Papers	Domestic	17	28
	Foreign	11	
Total		63	

4. R&D Technical File Management

According to the "R&D Cycle" - R&D file management operating procedures, we allocate R&D personnel to track R&D record books. We currently managed more than 300 record book files.

During this period, 3 new R&D record books were issued, while 7 were collected for return due to personnel departures.

5. Product Safety Regulations and Labeling

The Company's products are designed with a focus on environmental protection, energy efficiency and the elimination of harmful substances, while the R&D department provides essential safety information. During this period, no violations occurred regarding legal or voluntary standards for product and service labeling.

In line with China's energy transformation policies, last year the Company established Automatic Frequency Control (AFC) auxiliary service demonstration projects at Pingtung Factory I and II, in compliance with both national and international standards (CNS) and project verification technical specifications. These projects underwent on-site safety testing and certification by an independent third party.

This year, we expanded our energy storage initiatives by completing a demonstration project for Chunghwa Telecom, Taiwan's largest data center provider, supporting their ESG objectives and alignment with government green energy policies. This project helps stabilize grid power supply and is planned to be implemented across additional Chunghwa Telecom corporate units and extended to corporate clients.

Furthermore, as part of the Bureau of Standards and Inspection of the Ministry of Economic Affairs' Mobile Energy Storage and Battery Management System Testing and Verification Program, an energy storage system has been established to enable safety testing for charging facilities integrated with mobile energy storage or vehicle energy components.

In addition, to promote the use of energy storage batteries in large-scale UPS systems and related backup power solutions, the Company has obtained third-party verification for our large-scale three-phase UPS products. Compliance includes grid-connection standards IEEE Std 1547-2003 and IEEE Std 1547.1-2005, as well as safety requirements IEC 62477-1:2012 and AMD1:2016. This two-in-one UPS and energy storage system certification—the first of its kind in the country—provides UPS equipment with the operational efficiency of an energy storage system.

Reported by W. J. Chiang on Nov. 4, 2024