

The Company's Intellectual Property Management Plan and Its Implementation

1. Foreword

Pursuant to Article 37-2 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Item 2.27 of the “Corporate Governance Evaluation Indicators”, the Company has developed an intellectual property management plan from 2020 that is linked to our operation strategy, and conducted intellectual property research and development through the implementation of five dimensions including the establishment of policy objectives, establishment of a management system, provision and maintenance of resources, assessment of risk opportunities, and continuous improvement mechanisms. These strategies have improved our intellectual property management plan to ensure that the management system established not only effectively responds to internal and external opportunities and risks, fully protects and utilizes the Company's research and development achievements, reduces operating costs and damages, but also helps to enhance the Company's competitiveness. The intellectual property management plan formulated by the Company and its implementation are regularly reported to the Board of Directors each year.

2. Intellectual Property Management Plan for 2025

The Company's 2025 Intellectual Property Management Plan was reported to the 19th meeting of the Tenth Board of Directors on November 6, 2024, and its contents are as follows:

(1) Intellectual Property Management Policy

Aligning with the core strategies of our company's five-year medium to long-term plan for the years 2023 to 2027, the Company's business strategies and various business objectives are constructed based upon the 4Ts, namely, Transportation, Technology, Taiwan and Touch, among which “Technology” and “Taiwan” have been selected as the

Company's intellectual property management policy.

(2) Intellectual Property Management Objective

Based on the above two management policies, the Company has accordingly developed the following two intellectual property management objectives:

- A. The completion rate of department's business development and innovation projects during the year to reach 80%; and
- B. Maintain the validity of Taiwan Intellectual Property Management System (TIPS) level A certification.

(3) Potential intellectual property risks and countermeasures

In order to ensure the effective achievement of intellectual property management goals, the Company identified the following internal and external issues and possible risks, as well as opportunities related to intellectual property management according to the Company's operating conditions, and formulates various response measures including construction of intellectual property management system for the implementation.

Stakeholder	External/Internal Issues	Solutions	Risk or Opportunity	Policy	Objectives
Employees	Law changes Technology development	<ul style="list-style-type: none"> ✓ Implement the company's intellectual property management system and promote the concept of intellectual property management through regular intellectual property representative meetings and educational training ✓ Confirm management 	Risk/ Opportunity	Technology , Taiwan	<ul style="list-style-type: none"> ✓ Maintain the validity of Taiwan Intellectual Property Management System (TIPS) level A certification.

Stakeholder	External/Internal Issues	Solutions	Risk or Opportunity	Policy	Objectives
		effectiveness through internal audit.			
Investors (shareholder)	Law changes Social environment	<ul style="list-style-type: none"> ✓ Apply for certification in accordance with Article 37-2 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Item 2.27 of the “Corporate Governance Evaluation Indicators”. ✓ Strengthen the company's intellectual property management and confirm management effectiveness through internal audits. 	Risk/ Opportunity	Taiwan	<ul style="list-style-type: none"> ✓ Maintain the validity of Taiwan Intellectual Property Management System (TIPS) level A certification.
Suppliers (Original manufacturer)	Law changes Technology development Rail industry	<ul style="list-style-type: none"> ✓ Reduce R&D costs and dependence on original manufacturers through collaborative R&D. ✓ Strengthen the company's intellectual property management, ensure effectiveness through 	Risk/ Opportunity	Technology , Taiwan	<ul style="list-style-type: none"> ✓ The completion rate of department's business development and innovation projects during the year to reach 80%. ✓ Maintain the validity of Taiwan Intellectual Property Management System (TIPS)

Stakeholder	External/Internal Issues	Solutions	Risk or Opportunity	Policy	Objectives
		internal audits, and protect the company's research and development results.			level A certification.
Competent authority	Law changes social environment	✓ Cooperate with the Railway Authority to promote the policy of developing local technical capability in the rail industry. ✓ ② Reduce R&D costs and dependence on original manufacturers through collaborative R&D.	Risk/ Opportunity	Technology, Taiwan	✓ The completion rate of department's business development and innovation projects during the year to reach 80%.

(4) Identify and provide the necessary resources to ensure implementation and maintenance of the intellectual property management system

1) Related costs for investing in intellectual property management operations

In year 2025, the Company has approved a budget totaling approximately NT\$1,974,000 for the Company's intellectual property management related expenses including trademark and patent application and maintenance fees, law firm research fees, as well as education and training fees.

2) Manpower allocation for intellectual property management

I. The head of the legal office of the company serves as the intellectual property management representative and is responsible for the promotion of the intellectual property management plan. One full-time staff member and two

part-time staff from the legal office are assigned to assist in the implementation of matters related to the intellectual property management system, and submit the annual implementation results to the Board of Directors.

- II. Relevant units have assigned a total of 13 people who are familiar with the intellectual property management system to serve as intellectual property representatives. These representatives will jointly track the implementation of the annual intellectual property management plan through the intellectual property representative meetings held every quarter.
- III. Seven colleagues have been trained to receive the Intellectual Property Management Training (Level A) course of the Institute of Intellectual Property and obtained self-evaluator qualifications to assist in the internal audit and TIPS verification of the intellectual property management system.

(5) Plan for and implement a continuous improvement mechanism

- 1) The Legal Office holds a meeting of intellectual property representatives every quarter to conduct tracking on the implementation of the annual intellectual property management plan.
- 2) The Legal Office formulates an annual internal audit plan every year and implements the said audit plan in accordance with the procedures of the “Management System Internal Audit Measures” as a reference for confirming the effectiveness and continuous improvement of the intellectual property management system.
- 3) If there are non-conformities or remarks found in external verification process, the Legal Office will report them to the Intellectual Property Representative Meeting to regularly track the results of corrective improvement measures and review their effectiveness.
- 4) The Legal Office reports to the management review meeting every year on the interim implementation of the current year’s plan, and evaluates whether there is a

need to revise/improve/enhance intellectual property management policy objectives, efficiency processes or efficiency improvement measures.

- 5) Implement improvement measures for the intellectual property management plans as required by the Board of Directors.

3. Implementation status of the Intellectual Property Management Plan for 2025

The implementation of the Company's 2025 Intellectual Property Management Plan was submitted to the 34th meeting of the Tenth Board of Directors for a report on December 10, 2025, and its contents are as follows:

(1) Implementation status of the Intellectual Property Management Objectives

- 1) The completion rate of department's business development and innovation projects during the year reached 80% :

I. This year's department's business development and innovation projects include a total of 5 projects related to R&D and all of them have been accomplished:

① Replacement and innovation R&D project of turnout monitoring system (TMS); ② Development project of tram line detection data management and trend analysis system; ③ Localization project of BS-RTU system equipment in electricity substations and signal control rooms (equipment certification project); ④ Development and design project of PA broadcast microphone and communication microphone for 700T trains; and ⑤ Cloudification project of ticketing equipment functions in high-speed rail stations (AFC station equipment cloud service construction). A

- 2) Maintain the validity of Taiwan Intellectual Property Management System (TIPS) level A certification.

I. Since year 2021, the Company has introduced Taiwan Intellectual Property Management System for verification of its patents and trademarks, and has for

the first time passed the TIPS level A verification. In order to maintain the validity of such qualification, the Company applied for the TIPS level A verification again in August 2024, and successfully passed the verification. The validity period will last until December 31, 2026.

II. Intellectual Property inventory control (as of December 10, 2025) :

Patent : A total of 62 patents (including 25 invention patents and 37 utility model patents) ;

Trademark : A total of 169 trademarks have been accumulated in the past, 22 three-dimensional N700ST trademarks (covering a total of 22 classes) have been filed for application.

III. In 2025, 5 colleagues attended the Intellectual Property Management Refresher Training (Level A) course of the Information Strategy Association and successfully obtained the self-evaluator qualifications. There are currently 7 self-evaluators in total.

IV. The Legal Office held quarterly intellectual property representative meetings as scheduled in January, April, July and October 2025 to manage and track the implementation of the annual intellectual property plan.

V. All minor non-conformities discovered during the TIPS external verification conducted in 2024 have all been corrected in 2025.

VI. Internal audits were conducted in 2025, only one department had one observation item, while all the other units had no non-compliance items or recommendations.

VII. The annual intellectual property management review meeting was held on August 14, 2025. The management representative reported on the interim implementation of the plan for the year. It was agreed at this meeting that the review results would be submitted to the Board of Directors.

VIII. Statistics on the Company's intellectual property licensing revenue from January 1 to September 15, 2025, are as follows : Licensing revenue from licensing of Company owned trademarks (trademark licensing for train model series) totaled NT\$387,175, Licensing revenue from licensing of co-branding products totaled NT\$1,666,701, and Other licensing revenues (videos and print media) totaled NT\$564,404.

(2) Conclusion

The company's intellectual property management plan is in line with its policy and objectives. There are no major requirements for correction, and the existing management system is adequate.