



Taiwan Hon Chuan Enterprise Co., Ltd

Intellectual Property Management Plan

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I. Preface

To establish a sound intellectual property (IP) management system and enhance technological and brand competitiveness, the Company has formulated this Management Plan. It provides systematic governance of patents, trademarks, copyrights, trade secrets, and other intellectual property rights, thereby strengthening risk control, creating value, and promoting sustainable business development.

II. Objectives of Intellectual Property Management

1. Align IP management with business strategies and technological development to protect research and innovation achievements.
2. Prevent infringement risks, thereby minimizing potential legal disputes and operational losses.
3. Strengthen IP portfolio deployment to increase intangible asset value and raise entry barriers for competitors.
4. Foster company-wide awareness of intellectual property rights and embed this into corporate culture.
5. Establish annual IP key performance indicators (KPIs), such as:
 - New patent applications ≥ 5 cases per year
 - IP training satisfaction rate $\geq 90\%$
 - Gradual increase in approved innovation proposals

III. Scope and Focus of Management

To improve efficiency and systematic execution, the Company has implemented a digital IP management system that consolidates information on patents, trademarks, copyrights, and trade secrets. This system enhances inquiry, maintenance, inventory, and alert functions while safeguarding confidentiality through access control, strengthening information governance and compliance.

The establishment of this system not only improves operational transparency and rigor in managing intellectual assets but also supports the “Governance (G)” aspect of ESG expectations regarding IP risk management, institutionalization, and information disclosure. This contributes to long-term competitiveness and stakeholder trust.



1. Patent Management

- Evaluate patentability based on product and technology development directions.
- Apply for patent protection of core products and technologies in line with corporate strategy.
- Conduct periodic reviews to assess maintenance or termination of patents.

2. Trademark Management

- Build a brand identity system and apply for trademark registration in alignment with regional market strategies.
- Periodically review trademark registration status and renewal schedules in each country.
- Prevent trademark infringement, counterfeiting, and market confusion.

3. Trade Secret Management

- Establish trade secret protection mechanisms, including visitor control, internal data access authorization, and confidentiality obligations for departing employees.

4. Licensing and Collaboration Management

- Formulate technology licensing or strategic alliance plans based on business cooperation, creating value from IP assets.
- Develop IP contract management processes to strengthen risk control and rights protection.

5. Education and Awareness

- Conduct at least one company-wide IP training session annually, supplemented by E-Learning options.
- Reinforce confidentiality awareness among R&D, sales, and production departments.

IV. Responsible Units and Roles

1. R&D Department:
 - Conducts IP feasibility assessments for new products/technologies.
 - Handles patent applications and maintenance.
2. Business Department: Manages company trademarks and product design copyrights; monitors market trends.
3. Legal Department: Coordinates licensing, infringement responses, and training.
4. Sustainability Department: Consolidates and discloses annual IP achievements in the ESG website and Sustainability Report.



V. Disclosure Mechanism

1. Regularly publish annual IP management results and developments on the Company's ESG website.
2. Disclose IP strategies, patent portfolio, and training outcomes in the Sustainability Report, with a dedicated webpage consolidating historical IP achievements. Engage third-party verification or audits of IP information when necessary to strengthen stakeholder trust.
3. In case of a significant IP-related event, disclose immediately in accordance with the Company's information disclosure procedures.
4. The process of information disclosure:
 - Identification: Units assess whether matters qualify as public disclosures (e.g., material events, financial reports, ESG topics).
 - Preliminary Review: Information is compiled and reviewed by the General Administration and Shareholder Services Offices.
 - Approval: Final approval by senior managers of the General Administration and Finance Departments.
 - Unified Disclosure: Spokesperson or Shareholder Services Office discloses information via the Market Observation Post System (MOPS), company website, etc.
 - Audit and Tracking: Internal Audit Office conducts periodic reviews to ensure compliance.

VI. Example of Regular IP Disclosure

1. New patent applications: 5 (Taiwan: 2, China: 2, Vietnam: 1)
2. New trademark registrations: 5 (Indonesia logo: 1, Taiwan packaging designs: 4)
3. IP training sessions: 2, with 306 participants in total
4. IP licensing cooperation: Signed a memorandum of understanding (MOU) with Company for cross-licensing of product patents

VII. Future Outlook and Enhancements

1. Continue strengthening IP deployment in emerging areas such as AI-driven manufacturing and low-carbon recycled materials.
2. Expand overseas patent/trademark coverage (e.g., U.S., India, Indonesia, and other emerging markets).
3. Promote internal IP risk self-assessment system, with regular reviews and adjustments to the management plan.
4. Enhance implementation of internal innovation proposal programs.



VIII. Approval and Implementation

This Plan shall take effect upon approval by the Board of Directors and will be reviewed and updated annually.