

# **Fortune Electric Co., Ltd. and Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2025 and 2024**

# FORTUNE ELECTRIC CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands)

	September 30, 2025		December 31, 2024	September 30, 2024
ASSETS	NT\$	US\$ (Note)	NT\$	NT\$
CURRENT ASSETS				
Cash and cash equivalents	\$ 3,016,417	\$ 99,061	\$ 2,480,917	\$ 2,296,134
Financial assets at amortized cost - current	435,172	14,291	65,769	114,034
Contract assets	2,261,728	74,277	3,178,876	2,657,288
Notes receivable	296,140	9,725	222,675	157,508
Trade receivables, net	2,735,194	89,826	3,587,098	2,774,476
Current tax assets	111	4	19	5
Inventories, net	9,023,403	296,335	7,597,647	7,918,623
Prepayments	808,610	26,555	715,181	450,284
Other current assets	<u>225,001</u>	<u>7,389</u>	<u>289,373</u>	<u>284,124</u>
Total current assets	<u>18,801,776</u>	<u>617,463</u>	<u>18,137,555</u>	<u>16,652,476</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current	48,315	1,587	15,260	-
Financial assets at fair value through other comprehensive income - non-current	458,402	15,054	244,302	303,911
Financial assets at amortized cost - non-current	34,413	1,130	23,535	23,249
Investments accounted for using equity method	2,633	86	2,230	2,742
Property, plant and equipment	2,959,173	97,181	2,283,435	2,164,904
Right-of-use assets	2,088,879	68,600	536,879	247,960
Intangible assets	61,161	2,009	67,014	64,352
Deferred tax assets	81,165	2,666	78,346	21,015
Prepaid investments	-	-	198,585	-
Net defined benefit assets - non-current	77,085	2,532	51,267	29,267
Other non-current assets	<u>367,374</u>	<u>12,065</u>	<u>230,989</u>	<u>85,116</u>
Total non-current assets	<u>6,178,600</u>	<u>202,910</u>	<u>3,731,842</u>	<u>2,942,516</u>
TOTAL	<u>\$ 24,980,376</u>	<u>\$ 820,373</u>	<u>\$ 21,869,397</u>	<u>\$ 19,594,992</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 344,156	\$ 11,302	\$ 35,000	\$ 297,278
Contract liabilities - current	4,805,217	157,807	3,697,176	3,612,209
Notes and trade payables	3,723,318	122,276	4,349,785	3,678,241
Trade payables to related parties	88	3	24	198
Other payable	1,937,094	63,616	2,069,745	1,474,721
Current tax liabilities	212,555	6,980	772,048	389,678
Provisions	10,178	334	36,395	18,166
Lease liabilities - current	107,700	3,537	83,868	52,375
Long-term borrowings due within one year	-	-	-	400,000
Other current liabilities	<u>125,240</u>	<u>4,113</u>	<u>99,545</u>	<u>133,159</u>
Total current liabilities	<u>11,265,546</u>	<u>369,968</u>	<u>11,143,586</u>	<u>10,056,025</u>
NON-CURRENT LIABILITIES				
Contract liabilities - non-current	2,484,034	81,577	1,304,499	1,190,578
Long-term borrowings	200,000	6,568	-	740,000
Deferred tax liabilities	107,745	3,538	107,070	87,482
Lease liabilities - non-current	2,007,982	65,944	457,999	197,707
Deferred revenue - non-current	36,597	1,202	58,129	-
Guarantee deposit received	<u>25,207</u>	<u>828</u>	<u>24,251</u>	<u>23,350</u>
Total non-current liabilities	<u>4,861,565</u>	<u>159,657</u>	<u>1,951,948</u>	<u>2,239,117</u>
Total liabilities	<u>16,127,111</u>	<u>529,625</u>	<u>13,095,534</u>	<u>12,295,142</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	<u>3,158,808</u>	<u>103,738</u>	<u>2,871,644</u>	<u>2,871,644</u>
Capital surplus	<u>87,519</u>	<u>2,874</u>	<u>87,022</u>	<u>86,953</u>
Retained earnings				
Legal reserve	1,246,315	40,930	816,345	816,345
Special reserve	165,746	5,443	88,625	88,625
Unappropriated earnings	<u>4,347,349</u>	<u>142,770</u>	<u>4,984,900</u>	<u>3,407,051</u>
Total retained earnings	<u>5,759,410</u>	<u>189,143</u>	<u>5,889,870</u>	<u>4,312,021</u>
Other equity				
Exchange differences on translating foreign operations	(58,011)	(1,905)	(35,805)	(42,362)
Unrealized gain or loss on financial assets at fair value through other comprehensive income	<u>(186,131)</u>	<u>(6,113)</u>	<u>(129,941)</u>	<u>(23,081)</u>
Total other equity	<u>(244,142)</u>	<u>(8,018)</u>	<u>(165,746)</u>	<u>(65,443)</u>
Total equity attributable to owners of the Company	8,761,595	287,737	8,682,790	7,205,175
NON-CONTROLLING INTERESTS	<u>91,670</u>	<u>3,011</u>	<u>91,073</u>	<u>94,675</u>
Total equity	<u>8,853,265</u>	<u>290,748</u>	<u>8,773,863</u>	<u>7,299,850</u>
TOTAL	<u>\$ 24,980,376</u>	<u>\$ 820,373</u>	<u>\$ 21,869,397</u>	<u>\$ 19,594,992</u>

Note: The accompanying financial statements are stated in New Taiwan dollars, the currency of the country in which the Company is incorporated and operates. The translation of New Taiwan dollar amounts into U.S. dollar amounts is included solely for the convenience of the readers outside the Republic of China and has been made at the rate of NT\$30.45 to US\$1.00 at September 30, 2025, the base rate announced by Bank of Taiwan. Such translation should not be construed as representations that the New Taiwan dollar amounts could be converted at that or any other rate.

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated November 10, 2025)

# FORTUNE ELECTRIC CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands, Except Earnings Per Share)

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2025		2024	2025		2024
	NT\$	US\$ (Note)	NT\$	NT\$	US\$ (Note)	NT\$
OPERATING REVENUE						
Sales	\$ 5,608,247	\$ 184,179	\$ 4,941,258	\$ 15,485,018	\$ 508,539	\$ 12,108,947
Construction revenue	<u>223,552</u>	<u>7,342</u>	<u>415,619</u>	<u>841,430</u>	<u>27,633</u>	<u>931,273</u>
Total operating revenue	<u>5,831,799</u>	<u>191,521</u>	<u>5,356,877</u>	<u>16,326,448</u>	<u>536,172</u>	<u>13,040,220</u>
OPERATING COSTS						
Cost of goods sold	3,212,653	105,506	2,948,155	9,046,780	297,103	7,461,859
Construction cost	<u>187,700</u>	<u>6,164</u>	<u>355,764</u>	<u>811,364</u>	<u>26,646</u>	<u>802,217</u>
Total operating costs	<u>3,400,353</u>	<u>111,670</u>	<u>3,303,919</u>	<u>9,858,144</u>	<u>323,749</u>	<u>8,264,076</u>
GROSS PROFIT	<u>2,431,446</u>	<u>79,851</u>	<u>2,052,958</u>	<u>6,468,304</u>	<u>212,423</u>	<u>4,776,144</u>
OPERATING EXPENSES						
Selling and marketing expenses	954,597	31,350	367,586	2,014,027	66,142	880,922
General and administrative expenses	166,467	5,467	179,937	503,335	16,530	476,544
Research and development expenses	92,801	3,048	89,173	264,242	8,678	229,539
Reversal of expected credit loss	<u>15,236</u>	<u>500</u>	<u>15</u>	<u>15,715</u>	<u>516</u>	<u>2,215</u>
Total operating expenses	<u>1,229,101</u>	<u>40,365</u>	<u>636,711</u>	<u>2,797,319</u>	<u>91,866</u>	<u>1,589,220</u>
PROFIT FROM OPERATIONS	<u>1,202,345</u>	<u>39,486</u>	<u>1,416,247</u>	<u>3,670,985</u>	<u>120,557</u>	<u>3,186,924</u>
NON-OPERATING INCOME AND EXPENSES						
Interest income	30,497	1,002	20,073	89,110	2,926	52,868
Rental income	1,895	62	8,108	44,465	1,460	59,137
Export tax rebate income	19,656	646	16,739	47,698	1,566	50,414
Other income	3,454	113	128,569	25,478	839	135,363
(Loss) gain on foreign currency exchange	129,452	4,251	(30,256)	(220,849)	(7,253)	84,268
Other gains and losses	5,146	169	(1,792)	3,168	104	(2,191)
Finance costs	<u>(16,101)</u>	<u>(529)</u>	<u>(11,534)</u>	<u>(30,020)</u>	<u>(986)</u>	<u>(27,392)</u>
Total non-operating income and expenses	<u>173,999</u>	<u>5,714</u>	<u>129,907</u>	<u>(40,950)</u>	<u>(1,344)</u>	<u>352,467</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,376,344	45,200	1,546,154	3,630,035	119,213	3,539,391
INCOME TAX EXPENSE	<u>301,042</u>	<u>9,886</u>	<u>319,277</u>	<u>920,043</u>	<u>30,215</u>	<u>828,962</u>
NET PROFIT FOR THE PERIOD	<u>1,075,302</u>	<u>35,314</u>	<u>1,226,877</u>	<u>2,709,992</u>	<u>88,998</u>	<u>2,710,429</u>
OTHER COMPREHENSIVE INCOME AND LOSS						
Items that will not be reclassified subsequently to profit or loss:						
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(14,818)	(487)	-	(56,190)	(1,845)	15,159
Items that will be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations	<u>10,808</u>	<u>355</u>	<u>(4,232)</u>	<u>(22,206)</u>	<u>(729)</u>	<u>8,023</u>
Total other comprehensive income and loss	<u>(4,010)</u>	<u>(132)</u>	<u>(4,232)</u>	<u>(78,396)</u>	<u>(2,574)</u>	<u>23,182</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 1,071,292</u>	<u>\$ 35,182</u>	<u>\$ 1,222,645</u>	<u>\$ 2,631,596</u>	<u>\$ 86,424</u>	<u>\$ 2,733,611</u>

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# FORTUNE ELECTRIC CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands, Except Earnings Per Share)

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2025		2024	2025		2024
	NT\$	US\$ (Note)	NT\$	NT\$	US\$ (Note)	NT\$
NET PROFIT ATTRIBUTABLE TO:						
Owners of the Company	\$ 1,090,271	\$ 35,805	\$ 1,229,672	\$ 2,741,184	\$ 90,022	\$ 2,721,851
Non-controlling interests	(14,969)	(491)	(2,795)	(31,192)	(1,024)	(11,422)
	<u>\$ 1,075,302</u>	<u>\$ 35,314</u>	<u>\$ 1,226,877</u>	<u>\$ 2,709,992</u>	<u>\$ 88,998</u>	<u>\$ 2,710,429</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the Company	\$ 1,086,261	\$ 35,674	\$ 1,225,440	\$ 2,662,788	\$ 87,448	\$ 2,745,033
Non-controlling interests	(14,969)	(492)	(2,795)	(31,192)	(1,024)	(11,422)
	<u>\$ 1,071,292</u>	<u>\$ 35,182</u>	<u>\$ 1,222,645</u>	<u>\$ 2,631,596</u>	<u>\$ 86,424</u>	<u>\$ 2,733,611</u>
EARNINGS PER SHARE						
Basic	<u>\$3.45</u>	<u>\$0.11</u>	<u>\$3.89</u>	<u>\$8.68</u>	<u>\$0.29</u>	<u>\$8.62</u>
Diluted	<u>\$3.45</u>	<u>\$0.11</u>	<u>\$3.89</u>	<u>\$8.67</u>	<u>\$0.28</u>	<u>\$8.61</u>

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(With Deloitte & Touche review report dated November 10, 2025)

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FORTUNE ELECTRIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands)

	Equity Attributable to Owners of the Company							Other Equity				
	Share Capital	Capital Surplus	Retained Earnings				Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Controlling Interests	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total						
BALANCE AT JANUARY 1, 2024	\$ 2,610,585	\$ 86,956	\$ 559,914	\$ 59,483	\$ 2,798,183	\$ 3,417,580	\$ (50,385)	\$ (38,240)	\$ (88,625)	\$ 6,026,496	\$ 106,097	\$ 6,132,593
Appropriation of 2023 earnings												
Legal reserve	-	-	256,431	-	(256,431)	-	-	-	-	-	-	-
Special reserve	-	-	-	29,142	(29,142)	-	-	-	-	-	-	-
Cash dividends distributed by the Company - NT\$6 per share	-	-	-	-	(1,566,351)	(1,566,351)	-	-	-	(1,566,351)	-	(1,566,351)
Ordinary share dividends distributed by the Company - NT\$1 per share	261,059	-	-	-	(261,059)	(261,059)	-	-	-	-	-	-
	261,059	-	256,431	29,142	(2,112,983)	(1,827,410)	-	-	-	(1,566,351)	-	(1,566,351)
Unclaimed cash dividend from shareholders	-	(3)	-	-	-	-	-	-	-	(3)	-	(3)
Net income (loss) for the nine months ended September 30, 2024	-	-	-	-	2,721,851	2,721,851	-	-	-	2,721,851	(11,422)	2,710,429
Other comprehensive (loss) income for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	8,023	15,159	23,182	23,182	-	23,182
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	2,721,851	2,721,851	8,023	15,159	23,182	2,745,033	(11,422)	2,733,611
BALANCE AT SEPTEMBER 30, 2024	\$ 2,871,644	\$ 86,953	\$ 816,345	\$ 88,625	\$ 3,407,051	\$ 4,312,021	\$ (42,362)	\$ (23,081)	\$ (65,443)	\$ 7,205,175	\$ 94,675	\$ 7,299,850
BALANCE AT JANUARY 1, 2025	\$ 2,871,644	\$ 87,022	\$ 816,345	\$ 88,625	\$ 4,984,900	\$ 5,889,870	\$ (35,805)	\$ (129,941)	\$ (165,746)	\$ 8,682,790	\$ 91,073	\$ 8,773,863
Appropriation of 2024 earnings												
Legal reserve	-	-	429,970	-	(429,970)	-	-	-	-	-	-	-
Special reserve	-	-	-	77,121	(77,121)	-	-	-	-	-	-	-
Cash dividends distributed by the Company - NT\$9 per share	-	-	-	-	(2,584,480)	(2,584,480)	-	-	-	(2,584,480)	-	(2,584,480)
Ordinary share dividends distributed by the Company - NT\$1 per share	287,164	-	-	-	(287,164)	(287,164)	-	-	-	-	-	-
	287,164	-	429,970	77,121	(3,378,735)	(2,871,644)	-	-	-	(2,584,480)	-	(2,584,480)
Unclaimed cash dividends from shareholders	-	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Changes in ownership interests in subsidiaries	-	498	-	-	-	-	-	-	-	498	31,789	32,287
Net income (loss) for the nine months ended September 30, 2025	-	-	-	-	2,741,184	2,741,184	-	-	-	2,741,184	(31,192)	2,709,992
Other comprehensive income (loss) for the nine months ended September 30, 2025, net of income tax	-	-	-	-	-	-	(22,206)	(56,190)	(78,396)	(78,396)	-	(78,396)
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	2,741,184	2,741,184	(22,206)	(56,190)	(78,396)	2,662,788	(31,192)	2,631,596
BALANCE AT SEPTEMBER 30, 2025	\$ 3,158,808	\$ 87,519	\$ 1,246,315	\$ 165,746	\$ 4,347,349	\$ 5,759,410	\$ (58,011)	\$ (186,131)	\$ (244,142)	\$ 8,761,595	\$ 91,670	\$ 8,853,265
BALANCE AT SEPTEMBER 30, 2025 (IN U.S. DOLLARS)	\$ 103,738	\$ 2,874	\$ 40,930	\$ 5,443	\$ 142,770	\$ 189,143	\$ (1,905)	\$ (6,113)	\$ (8,018)	\$ 287,737	\$ 3,011	\$ 290,748

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated November 10, 2025)

# FORTUNE ELECTRIC CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands)

	For the Nine Months Ended September 30		
	2025		2024
	NT\$	US\$ (Note)	NT\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax from continuing operations	\$ 3,630,035	\$ 119,213	\$ 3,539,391
Adjustments for:			
Depreciation expenses	223,889	7,353	140,243
Amortization expenses	24,281	797	22,419
Expected credit loss recognized on trade receivables	15,715	516	2,215
Net gain on financial instruments at fair value through profit or loss	(3,315)	(109)	-
Finance costs	30,020	986	27,392
Interest income	(89,110)	(2,926)	(52,868)
Share of gain of associates	361	12	(338)
(Gain) loss on disposal of property, plant and equipment	(717)	(24)	1,914
Gain on remeasurement of lease arrangements	(2)	-	(45)
Reversal of write-downs of inventories	(712)	(23)	(7,190)
Unrealized net (gain) loss on foreign currency exchange	(9,646)	(317)	20,976
Reversal recognition of provisions	(26,217)	(861)	(356)
Changes in operating assets and liabilities			
Contract assets	917,047	30,116	(619,993)
Notes receivable	(73,470)	(2,413)	(61,540)
Trade receivables	801,091	26,308	(421,994)
Inventories	(1,425,043)	(46,799)	(2,495,965)
Prepayments	(100,831)	(3,311)	5,053
Other current assets	50,197	1,649	(97,059)
Contract liabilities	2,299,358	75,513	1,946,133
Notes and trades payable	(589,250)	(19,351)	334,675
Trade payables to related parties	64	2	(425)
Other payables	(122,623)	(4,027)	314,326
Other current liabilities	36,461	1,197	(341,427)
Net defined benefit liabilities	(25,818)	(848)	(34,372)
Cash generated from operations	5,561,765	182,653	2,221,165
Interest received	89,346	2,934	52,903
Interest paid	(29,999)	(985)	(26,945)
Income tax paid	(1,480,762)	(48,629)	(920,628)
Net cash generated from operating activities	4,140,350	135,973	1,326,495

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# FORTUNE ELECTRIC CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands)

	For the Nine Months Ended September 30		
	2025		2024
	NT\$	US\$ (Note)	NT\$
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of financial assets at fair value through other comprehensive income	\$ (71,705)	\$ (2,355)	\$ -
Purchase of financial assets at amortized cost	(380,319)	(12,490)	-
Disposal of financial assets measured at amortized cost	-	-	100,064
Purchase of financial assets at fair value through profit or loss	(43,616)	(1,432)	-
Disposal of sale of financial assets at fair value through profit or loss	13,876	456	-
Acquisition of investments accounted for using the equity method	(800)	(26)	-
Payments for property, plant and equipment	(792,198)	(26,016)	(130,438)
Proceeds from disposal of property, plant and equipment	1,525	50	581
Increase in refundable deposits	(16,387)	(538)	(14,293)
Payments for intangible assets	(18,428)	(605)	(19,641)
Increase in prepayments for equipment	<u>(153,552)</u>	<u>(5,043)</u>	<u>(55,849)</u>
Net cash used in investing activities	<u>(1,461,604)</u>	<u>(47,999)</u>	<u>(119,576)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short-term borrowings	309,090	10,151	277,453
Repayments of short-term bills payable	-	-	(219,747)
Proceeds from long-term borrowings	3,050,000	100,164	1,140,000
Repayments of long-term borrowings	(2,850,000)	(93,596)	(250,000)
Proceeds from guarantee deposits received	956	31	-
Refund of guarantee deposits received	-	-	(21)
Repayment of the principal portion of lease liabilities	(71,451)	(2,347)	(34,288)
Changes in non-controlling interests	32,287	1,060	-
Unclaimed cash dividends from shareholders	(1)	-	(3)
Dividends paid to owners of the Company by cash	<u>(2,584,480)</u>	<u>(84,876)</u>	<u>(1,566,351)</u>
Net cash used in financing activities	<u>(2,113,599)</u>	<u>(69,413)</u>	<u>(652,957)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>			
	<u>(29,647)</u>	<u>(975)</u>	<u>4,686</u>
			(Continued)

# FORTUNE ELECTRIC CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands)

	For the Nine Months Ended September 30		
	2025		2024
	NT\$	US\$ (Note)	NT\$
NET INCREASE IN CASH	\$ 535,500	\$ 17,586	\$ 558,648
CASH AT THE BEGINNING OF THE PERIOD	<u>2,480,917</u>	<u>81,475</u>	<u>1,737,486</u>
CASH AT THE END OF THE PERIOD	<u>\$ 3,016,417</u>	<u>\$ 99,061</u>	<u>\$ 2,296,134</u>

Note: The accompanying financial statements are stated in New Taiwan dollars, the currency of the country in which the Company is incorporated and operates. The translation of New Taiwan dollar amounts into U.S. dollar amounts is included solely for the convenience of the readers outside the Republic of China and has been made at the rate of NT\$30.45 to US\$1.00 at September 30, 2025, the base rate announced by Bank of Taiwan. Such translation should not be construed as representations that the New Taiwan dollar amounts could be converted at that or any other rate.

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated November 10, 2025)

(Concluded)



# FORTUNE ELECTRIC CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (In Thousands of U.S. Dollars)

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### 1. GENERAL INFORMATION

Fortune Electric Co., Ltd. (the “Company”) was incorporated in the Republic of China (“ROC”) in August 1969. The Company mainly manufactures, processes and trades transformers, distribution panels, low voltage switch and substation equipment.

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since April 1997.

For greater comparability and consistency of financial reporting, the Chinese edition of the consolidated financial statements are presented in the New Taiwan dollars since the Company’s shares are listed on the TWSE.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 10, 2025.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

#### Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the accounting policies of the Company and its subsidiaries (collectively the “Group”).

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

#### IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

##### a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

##### b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

##### c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 12, Tables 5 and 6 for detailed information on subsidiaries (including percentages of ownership and main business).

Subsidiaries included in consolidated financial statements:

Investor	Investee	Main Business	% of Ownership			Remark
			September 30, 2025	December 31, 2024	September 30, 2024	
Fortune Electric Co., Ltd.	Power Energy International Ltd.	Trade business, investment holding, agents business	100.00	100.00	100.00	1)
	Fortune Electric America Inc.	Agents business	100.00	100.00	100.00	1)
	Fortune Electric Extra High Voltage Co., Ltd.	Transformers manufacturing, machining and trading	100.00	100.00	100.00	1)
	Fortune Energy Co., Ltd.	Manufacture of power generation, transmission, distribution machinery and renewable energy sales	100.00	100.00	100.00	1)

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			September 30, 2025	December 31, 2024	September 30, 2024	
	Fortune Electric Australia Pty, Ltd.	Trade business	100.00	100.00	100.00	1)
	Fortune Electric Value Company Limited	Electric vehicle charging operation services, planning and construction of various charging stations, research and development and sales of electric vehicle charging related equipment/systems/technology	64.25	64.25	64.25	1)
Fortune Electric Value Company Limited	Fortune Nev Co., Ltd.	Department store operations	76.44	-	-	1) and 2)
	Fortune Nev Co., Ltd.	Department store operations	9.12	-	-	1) and 2)
Power Energy International Ltd.	Wuhan Fortune Co., Ltd.	Import and export commodities and technologies	100.00	100.00	100.00	1)

(Concluded)

1) A non-material subsidiary whose financial reports have not been reviewed.

2) Fortune Nev Co., Ltd. was approved for establishment on January 6, 2025.

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Share-based payment arrangements employee share options

Employee share options granted to employees are expensed based on the fair value of the equity instruments at the grant date, and the Group's best estimates of the number of shares or options that are expected to ultimately vest, on a straight-line basis over the vesting period, with a corresponding increase in capital surplus. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the company determines the record date for the capital increase.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.