

FORTUNE ELECTRIC CO., LTD.
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FORTUNE ELECTRIC CO., LTD.
Meeting Procedure for 2023 Annual Shareholders' Meeting

I. Call meeting to order

II. Chairman's address

III. Reported Matters

IV. Acknowledged Matters

V. Matters for Discussion

VI. Matters for Election

VII. Other Proposal

VIII. Extemporaneous Motions

IX. Adjournment

FORTUNE ELECTRIC CO., LTD.

2023 Annual Shareholders' Meeting Agenda

Date: June 15, 2023, 9 a.m.

Place: 1F., No. 10, Jilin Rd., Jhongli Dist., Taoyuan City
(the Company's activity center)

Method of convention: Physical shareholders' meeting

I. Call meeting to order

II. Chairman's address

III. Reported Matters

1. 2022 Business Report
2. 2022 Audit Committee's Audit Report
3. 2022 Employees' and Directors' Remuneration Allocation Report
4. 2022 Cash Dividend Distribution Report

IV. Acknowledged Matters

1. 2022 Consolidated and Parent Company Only Financial Statement and Business Report
2. 2022 Earnings Distribution Proposal

V. Matters for Discussion

1. Amendment of "Regulations Governing Loaning of Funds to Borrowers"
2. Amendment of "Methods for Election of Directors" Proposal

VI. Election Matters

Full Reelection of Directors

VII. Other Proposal

Lifting restrictions of non-competence prohibition of directors' proposal.

VIII. Extemporaneous Motions

IX. Adjournment

Reported Matters

1. 2022 Business Report

Consolidated operating Revenue of the year 2022 was NT\$ 7,750,727 thousand, among the products, transformers were NT\$ 5,425,187 thousand, accounting for 70.00%, distribution switchboards were NT\$ 874,468 thousand, accounting for 11.28%, and electrical distribution equipment were NT\$ 214,843 thousand, accounting for 2.77%, contracting revenue was NT\$ 509,002 thousand, accounting for 6.57%, electricity sales revenue was NT\$ 11,899 thousand, and accounting for 0.15%, others were NT\$ 715,328 thousand, accounting for 9.23%, and net income was NT\$ 822,304 thousand, the main reason of revenue reduction is delivery delay, it caused budget achievement rate was 70% and profit was not as expected, the main reason is recognition of equity sale profit of subsidiaries.

FORTUNE ELECTRIC CO., LTD. and Subsidiaries 2022 Business Report

Unit: NTD\$ 1,000

1. Revenue:

(1) Operating revenue	7,750,727
(2) Disposal of subsidiaries' profit	468,312
(3) Exchange net profit (loss) Export tax rebate income	47,861
(4) Revenue of export tax rebate income settlement of claim	28,066
(5) Rental income	8,557
(6) Interest revenue	8,219
(7) Property transaction loss	(4,627)
(8) Claims income Property transaction loss. Net loss of property transaction	3,041
(9) Government subsidies Others	1,296
(10) Income of subsidiaries and associates for using equity method	748
(11) Others	5,991
Sum of revenues	8,318,191

2. Expense:

(1) Operating costs	6,163,119
(2) Operating expenses	1,158,381
(3) Interest expense	46,911
Sum of expenses	7,368,411

3. Net income before tax 949,780

Comparison of Operation between Fiscal Years of 2022 and 2021

1. Operating revenue

Unit: NTDS\$ 1,000

Item/Years	2022	2021	Increase (decrease) %
Transformer	5,425,187	4,601,783	17.89
Distribution switchboard	874,468	1,296,750	(32.56)
Contracting	509,002	1,539,977	(66.95)
Electrical distribution equipment	214,843	412,996	(47.98)
Electricity sales revenue	11,899	12,226	(2.67)
Others	715,328	1,156,362	(38.14)
Sum	7,750,727	9,020,094	(14.07)

2. Operating conditions

Unit: NTDS\$ 1,000

Item/Years	2022	2021	Increase (decrease) %
Operating revenue	7,750,727	9,020,094	(14.07)
Operating costs	6,163,119	7,613,188	(19.05)
Operating margin	1,587,608	1,406,906	12.84
Operating expenses	1,158,381	1,014,940	14.13
Operating net profit	429,227	391,966	9.51

3. Net profit and total comprehensive income

Unit: NTDS\$ 1,000

Item/Years	2022	2021	Increase (decrease) %
Income from continuing operations before income tax	949,780	365,913	159.56
Net income attributable to:			
stockholders of the parent	838,249	289,883	189.17
non-controlling interests	(15,945)	(2,365)	(574.21)
Net income	822,304	287,518	186.00
Other comprehensive income or loss	4,295	(20,578)	120.87
Total comprehensive income attributable to:			
stockholders of the Company	842,544	269,305	212.86
Non-controlling interests	(15,945)	(2,365)	(574.21)
Total comprehensive income	826,599	266,940	209.66

Chairman: Hsu, Bang-Fu

General manager: Hsu, I-Sheng,
Hsu, I-Te

Accounting Supervisor: Chiu, Hsu-Lan

Operating Prospect

1. 2023 Operating policy

- (1) We have raised for business competitiveness to expand international market, innovated service and insisted on quality, and steadily grown for increase of profit.
- (2) The Company has enhanced strength to business opportunities, integrated resource professional services, seize green energy business opportunities, expanded arrangement and leaped to grow, and become the leader of green energy in Taiwan .
- (3) Optimizing operation constitution to construct high effective team, implementing ESG friendly work place, increasing image to sustainably develop, and creating happy enterprise.

2. The Company's future strategy, influence of external competitive environment, regulatory environment and overall operating environment

Although the epidemic development of COVID-19 has come to an end, however, the affection level each other among lift rates, inflation and economic growth has not been clear yet, and international geopolitics is still hard to forecast, so there is still more recession risk for global economy. Domestic and foreign forecasting agencies have kept pessimistic view for global outlook of year 2023. The latest estimated global economic growth rate of IMF is 2.9%, the forecast of World bank is only 1.7%, estimated annual growth rate is 2.2%, most agencies think that global inflation risk has not been controlled yet, in addition, geopolitics risk still exists, and it cause strong impact for global economy, and we are afraid that global economic growth has stepped into recession. The economic performance of Taiwan has also influenced by it, domestic main agencies has forecasted economic growth of Taiwan is as follows, the estimation of Directorate General of Budget, Accounting and Statistics estimated 2.75%, National Academy of Taiwan is 2.41%, Taiwan Institute of Economic Research is 2.58%, and Chung-Hua Institution for Economic Research is 2.72%, etc., and all show that there is high connection between Taiwan overall economic growth and global economy.

To respond to external environmental challenges of the epidemic, the shortage of raw materials, and the fluctuation of price and exchange rate, the Company keeps to utilize various distance tools, collocated intellectualized factories, strategical purchase of raw materials, and management system of risk and finance, etc., and decreases relevant influence to the lowest, keeps to provide additional value and zero time difference of services for domestic and overseas differentiation of customers. Short-term business objective of the current year is increasing the competitiveness of core business, putting emphasis on quality, and keeping to create and increase profits, and strides forward to the vision of a worldwide electric company; the Company expands the business opportunity of green energy and energy, integrates internal and external resources for developing new business model, and keeps the leader place of green energy; and the Company enhances the characteristic of the Company ESG, increases the brand of employer, optimizes operating constitution, and becomes the virtual and happiest industry. The Company will simultaneously utilize industrial 4.0 intelligence to product and upgrade, including tasks of standardization of design, optimization of process, intellectualization of purchase, optimization of quality, lean of management, and digitalization of supply chain management, etc., and ensure the Company's competitive advantage.

FORTUNE ELECTRIC CO., LTD. has specialized in the original industry, has accumulated key technologies of professional customization for more than fifty years, and has firmly rooted. The whole group has several modernized plants, the most complete domestic product lines, maximum product capacity of transformers, the highest voltage, the most certifications of Taiwan Power Company, the largest professional heavy electricity plants, and was the winner of Awards for Excellent Trading Businesses being the number one of export amount of equipment for power transmission and distribution. The Company also set a performance of overseas sales for 530kV-775MVA transformers having the highest voltage, domestically initiated ultralow noise transformers, and it is the first company passing 230 kV short-circuit test of KEMA, received Taiwan Excellence Award for three consecutive years, completed the building of power supply equipment and mechanical and electrical system engineering for the program of 150 MWp domestic largest solar photovoltaic plant in Tainan Yantian, was the only company who has the performance of power system engineering in the land area of offshore wind power, and had the heavy electricity plant of equipment manufacturing in the fan tower, and had the brilliant performance of completing energy storage system building of only domestic largest single system with battery capacity 2.964 MWh.

The operating strategy of FORTUNE ELECTRIC CO., LTD. focused on power transformers of transmission and distribution terminal, expanded toward up-end and down-end systems, provided from traditional electric equipment, strode across the file of renewable energy of power generation, energy storage, energy usage and energy management of energy sale, power transaction and charging service of electric vehicles, etc. For the part of research and development, emphasizing to use the face of renewable energy, energy saving, electric vehicles, intellectual electric internet and intellectual things, etc., to successfully research and develop equipment, such as intellectual booster station, transformer with low noise, etc., and gear to international trends. For strategy of market operation, and except enhanced current market and customers, and the Company expansively invested in green energy of industrial development, arranged and constructed solar energy and wind force, power plant, renewable/alternative energy, energy storage system, intelligent grid, intelligent electric meter, electric vehicles 'charging equipment, and operating management, etc., new customers, new markets, new products, and service teams of professional technologies, invested in development of offshore wind power, solar power plants, and large energy storage system, etc., and the Company actively strives for order of large renewable energy power plants; in the aspect of overseas sale, and except seizing American market and actively striving for orders, and the Company arranges the government's new southbound policy, Japan market, and the business opportunities brought from the supply chain and the value chain of green energy at sea.

The Company will focus on the group's resources, information sharing, and full utilized cooperation, brings into the group's internal and external maximum benefits, increase the competitive difference advantages of core businesses, expand domestic and export markets, and actively research and develop new products and new technologies met the market demand; drive life-extending and optimization of power systems, develop intelligent power monitoring systems, expansively develop green energy markets, invest in the operation of electric vehicles' charging stations, enhance automated system engineering of intelligent electric grid feeder, operate emergent recovery system and renewable energy system, strengthen energy storage and energy management system, and by means of the group's labor division, the Company vertically integrates to improve key components for decreasing costs. Meanwhile, the Company focuses on electric peripheral energy-saving and intelligent equipment, such as ultralow noise transformers, maintenance-free respirators, and amorphous energy-saving eco-transformers, etc., to maintain the Company's industrial competitive advantages, and create excellent operating results.

The Company, through comprehensive innovation and improvement, and the work efficiency increased by elaborated manufacturing/process, implements industrial 4.0 technique, takes account of efficiency and quality, and intellectually manages enterprise upgrade; constantly implements design and manufacturing cycle, intelligent product lines, intelligent maintenance, constructs intelligent production model to expect the optimization of production quality, and decreases poor costs. Meanwhile, the technology standard brings into KM comprehensive effects and the results of technology and development, all-around improves competitiveness, constantly drives the activities of Six Sigma production and marketing, implements ISO9001, 14001, 45001, 50001, 27001 and manufacturing process JIT, management of TPM, CRM systems, and molds the Company's risk management culture to let the risk management actually implement in the Company's systems, and every employee's daily life and living for improving the quality, decreasing poor costs, increasing the market ratio, and increasing profits.

Except placing emphasis on operating benefits, FORTUNE ELECTRIC CO., LTD. regards regulatory compliance and corporate governance as the primary core value, ensures that the Company can sustainably operate and simultaneously steady grow, creates a happy work environment, implements the diversification of board of directors' members, and protects shareholders' equity. FORTUNE ELECTRIC CO., LTD. also upholds missions of "safe employees", "safe customers", "safe shareholders" and "safe society", actively invests in relevant tasks of ESG, including concerns about the issues of human rights, environmental protection, health and safety, and community involvement etc., simultaneously strives for corporate governance and ethical operation, expands green energy business, takes corporate social responsibility, and does its duty of environmental sustainable coexistence. In conclusion, the Company will constantly root the core strength, develop intelligent manufacturing, seize the market opportunity, and invest in ESG to practice corporate sustainability as a purpose for satisfying the expectation of FORTUNE ELECTRIC CO., LTD. from all walks of life.

2. 2022 Audit Committee's Audit Report

Audit Committee's Audit Report

Board of Directors prepared financial statements, business report, and earnings distribution proposal of the year 2022, the financial statements therein were audited by accountants Gung, Tza-Li and Lee, Suei-Chin of Deloitte, Taiwan and audit report has been offered. The audit report and business report have been reviewed by Audit Committee. The preceding financial statements, business report, and earnings distribution proposal were reviewed and determined to be correct and accurate by Audit Committee members. According to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

For your approval.

Faithfully

2023 Annual Shareholders' Meeting of the Company

FORTUNE ELECTRIC CO., LTD.

Convener of the audit committee: Lei, Whey-Min

March 8, 2023

3. 2022 Employees' and Directors' Remuneration Allocation Report

- (1) According to Article 27 of the Company's Articles of Incorporation, when the Company has annual profits (means that deducted income before employees' and directors' remunerations from before-tax income), shall allocate more than 3% of employees' remuneration, and more than 2% of directors' remuneration.
- (2) Programed to appropriate 4.87% of employees' remuneration, the sum was NT\$ 50,152,000, and 1.46% of directors' remuneration from profits of year 2022, the sum was NT\$ 15,045,000, all paid in cash.
- (3) After proposed, it was approved by board of directors on March 8, 2023, for your approval.

4. 2022 Cash Dividend Distribution Report

- (1) The Company programed to distribute cash dividends in 2022, the sum was NT\$ 652,646,370 per share was NT\$ 2.5.
- (2) Afterwards the Company's share fluctuation influenced number of outstanding shares, the payout ratio fluctuation caused by it was programed to give the authorized chairman a free hand.
- (3) According to the distribution ratio, cash dividends shall be calculated to dollar, with amounts of less than NT\$ 1.00 unconditionally rounded down. The fractional sum of less than NT\$ 1.00, decimal point numbers shall be adjusted by descending order, and account numbers shall be adjusted in sequence, to meet the cash dividends total.
- (4) After proposed, it was approved by board of directors on March 8, 2023, for your approval.

Acknowledged Matters

ONE

Proposed by board of directors

Proposal: 2022 consolidated and parent company only financial statements and the business report, for your approval.

Explanation:

- (1) The Company's consolidated and individual financial statements of the year 2022 were made, together with the business report, after the approval of the audit committee, were reported to be approved by board of directors on March 8, 2023, and then reported to a regular shareholders' meeting for approval in accordance with the regulations.
- (2) The preceding book and statements, please refer to P.10-19 and 20-29, of the agenda, for your approval.

Resolution:

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Fortune Electric Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Fortune Electric Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of Fortune Electric Co., Ltd. and its subsidiaries for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is stated as follows:

Occurrence of Revenue Recognition from New Customers among Top Ten Customers

The Group's operating revenues include the sales of transformers, distribution panels and other related products and the revenues are mainly from several major customers. The Group's revenue from new customers among the top ten customers accounted for the 21% of the revenue in the year ended December 31. Due to the significance of the revenues and the major changes of customer portfolio, we identified the occurrence of revenue from new customers among the top ten customers to be a key audit matter. Refer to Note 4 of the consolidated financial statements of the accounting policies and details of revenue recognition.

In respect of this key audit matter, the following procedures were performed:

1. We obtained understanding of the design and implementation of related internal controls and tested the operating effectiveness of the key controls over the occurrence of revenue recognition.
2. We selected sample from some sales transactions of the new customers among top ten customers, and we traced to the original documents such as customer orders, delivery orders, documents signed by customers and payment documents to confirm the occurrence without exception.
3. We evaluated the reasonableness of the contract terms of the new customers among the top ten customers by reviewing their relevant background information.

Other Matter

We have also audited the parent company only financial statements of Fortune Electric Co., Ltd., as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion with other matter paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC Interpretations and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tza-Li Gung and Swei-Chin Lee.



Deloitte & Touche
Taipei, Taiwan
Republic of China

March 8, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

FORTUNE ELECTRIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of NT\$ and US\$)

	2022		2021
ASSETS	NT\$	US\$ (Note 4) (Unaudited)	NT\$
CURRENT ASSETS (Note 4)			
Cash (Note 6)	\$ 595,630	\$ 19,395	\$ 168,981
Financial assets at amortized cost - current (Notes 9 and 33)	241,607	7,867	114,777
Contract assets (Notes 22 and 24)	1,457,760	47,469	1,418,142
Notes receivable (Note 24)	95,625	3,114	77,443
Trade receivables from unrelated parties (Notes 10 and 24)	2,046,524	66,640	2,584,062
Current tax assets (Note 26)	21,513	701	2,070
Inventories, net (Note 11)	4,204,838	136,921	2,731,230
Prepayments	303,601	9,886	177,878
Other current assets (Notes 23 and 33)	<u>150,627</u>	<u>4,905</u>	<u>68,487</u>
Total current assets	<u>9,117,725</u>	<u>296,898</u>	<u>7,343,070</u>
NON-CURRENT ASSETS (Note 4)			
Financial assets at fair value through other comprehensive income - non-current (Note 8)	312,386	10,172	316,033
Financial assets at amortized cost - non-current (Notes 9 and 33)	8,129	265	3,759
Investments accounted for using the equity method (Note 13)	2,405	78	2,002
Property, plant and equipment (Notes 14 and 33)	1,976,677	64,366	1,993,355
Right-of-use assets (Notes 15, 32 and 33)	129,011	4,201	142,079
Intangible assets (Note 16)	56,528	1,841	41,266
Deferred tax assets (Notes 4 and 26)	38,150	1,242	35,610
Prepayments for equipment	40,501	1,319	38,446
Refundable deposits (Note 33)	<u>18,926</u>	<u>616</u>	<u>6,770</u>
Total non-current assets	<u>2,582,713</u>	<u>84,100</u>	<u>2,579,320</u>
TOTAL	<u>\$ 11,700,438</u>	<u>\$ 380,998</u>	<u>\$ 9,922,390</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES (Note 4)			
Short-term borrowings (Notes 17 and 33)	\$ 896,751	\$ 29,201	\$ 888,088
Short-term bills payable (Note 17)	349,564	11,383	549,679
Financial liabilities at fair value through profit or loss - current (Note 7)	279	9	-
Contract liabilities (Notes 22 and 24)	1,572,104	51,192	495,444
Notes payable	-	-	1
Trade payables to unrelated parties (Note 18)	2,149,731	70,001	2,351,132
Trade payables to related parties (Note 32)	53	2	86
Other payables (Note 19)	531,883	17,320	405,991
Current tax liabilities (Notes 4 and 26)	19	1	39,847
Provisions (Note 20)	11,496	374	11,220
Lease liabilities - current (Notes 15 and 32)	15,537	506	11,312
Long-term loans due within one year (Notes 17 and 33)	791,800	25,783	-
Other current liabilities	<u>91,354</u>	<u>2,975</u>	<u>143,832</u>
Total current liabilities	<u>6,410,571</u>	<u>208,747</u>	<u>4,896,632</u>
NON-CURRENT LIABILITIES (Note 4)			
Long-term borrowings (Notes 17 and 33)	720,000	23,445	1,201,800
Deferred tax liabilities (Note 26)	120,378	3,920	45,520
Lease liabilities - non-current (Notes 15 and 32)	115,867	3,773	111,973
Net defined benefit liabilities (Notes 4 and 21)	42,612	1,388	129,401
Guarantee deposit received	<u>25,737</u>	<u>838</u>	<u>17,327</u>
Total non-current liabilities	<u>1,024,594</u>	<u>33,364</u>	<u>1,506,021</u>
Total liabilities	<u>7,435,165</u>	<u>242,111</u>	<u>6,402,653</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 4)			
Share capital	<u>2,610,585</u>	<u>85,008</u>	<u>2,610,585</u>
Capital surplus	<u>86,685</u>	<u>2,822</u>	<u>3,484</u>
Retained earnings			
Legal reserve	473,469	15,417	444,315
Special reserve	37,578	1,223	15,347
Unappropriated earnings	<u>994,867</u>	<u>32,395</u>	<u>442,862</u>
Total retained earnings	<u>1,505,914</u>	<u>49,035</u>	<u>902,524</u>
Other equity			
Exchange differences on translation of the financial statements of foreign operations	(44,877)	(1,461)	(26,619)
Unrealized gain or loss on financial assets at fair value through other comprehensive income	<u>(14,606)</u>	<u>(475)</u>	<u>(10,959)</u>
Total other equity	<u>(59,483)</u>	<u>(1,936)</u>	<u>(37,578)</u>
Total equity attributable to owners of the Company	<u>4,143,701</u>	<u>134,929</u>	<u>3,479,015</u>
NON-CONTROLLING INTERESTS	<u>121,572</u>	<u>3,958</u>	<u>40,722</u>
Total equity	<u>4,265,273</u>	<u>138,887</u>	<u>3,519,737</u>
TOTAL	<u>\$ 11,700,438</u>	<u>\$ 380,998</u>	<u>\$ 9,922,390</u>

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

FORTUNE ELECTRIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of NT\$ and US\$, Except Earnings Per Share)

	2022		2021
	NT\$	US\$ (Note 4) (Unaudited)	
OPERATING REVENUES (Notes 4, 24, 32 and 38)			
Sales	\$ 7,241,725	\$ 235,810	\$ 7,480,118
Construction revenue	<u>509,002</u>	<u>16,574</u>	<u>1,539,976</u>
Total operating revenues	<u>7,750,727</u>	<u>252,384</u>	<u>9,020,094</u>
OPERATING COSTS (Notes 4, 11, 21, 25 and 32)			
Cost of goods sold	5,580,833	181,727	6,221,075
Construction costs	<u>582,286</u>	<u>18,961</u>	<u>1,392,113</u>
Total operating costs	<u>6,163,119</u>	<u>200,688</u>	<u>7,613,188</u>
GROSS PROFIT	<u>1,587,608</u>	<u>51,696</u>	<u>1,406,906</u>
OPERATING EXPENSES (Notes 4, 21, 25, 32 and 34)			
Selling and marketing expenses	766,511	24,960	655,262
General and administrative expenses	267,379	8,707	223,058
Research and development expenses	148,317	4,830	127,873
Expected credit loss	<u>(23,826)</u>	<u>(776)</u>	<u>8,747</u>
Total operating expenses	<u>1,158,381</u>	<u>37,721</u>	<u>1,014,940</u>
PROFIT FROM OPERATIONS	<u>429,227</u>	<u>13,975</u>	<u>391,966</u>
NON-OPERATING INCOME AND EXPENSES (Note 4)			
Other income (Notes 25 and 32)	39,664	1,292	37,737
Government grants	1,296	42	6,667
Other gains and losses (Notes 4, 25 and 28)	517,537	16,852	(42,651)
Interest income (Note 25)	8,219	268	1,347
Finance costs (Notes 25 and 32)	(46,911)	(1,528)	(30,586)
Share of gain (loss) of associates and joint ventures (Note 13)	<u>748</u>	<u>24</u>	<u>1,433</u>
Total non-operating income and expenses	<u>520,553</u>	<u>16,950</u>	<u>(26,053)</u>
PROFIT BEFORE INCOME TAX	949,780	30,925	365,913
INCOME TAX EXPENSE (Notes 4 and 26)	<u>127,476</u>	<u>4,151</u>	<u>78,395</u>
NET PROFIT FOR THE YEAR	<u>822,304</u>	<u>26,774</u>	<u>287,518</u>

(Continued)

FORTUNE ELECTRIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of NT\$ and US\$, Except Earnings Per Share)

	2022		2021 NT\$
	NT\$	US\$ (Note 4) (Unaudited)	
OTHER COMPREHENSIVE INCOME AND LOSS			
(Note 4)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plans (Note 21)	\$ 32,750	\$ 1,066	\$ 2,066
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(3,647)	(119)	(19,770)
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 26)	<u>(6,550)</u>	<u>(213)</u>	<u>(413)</u>
	<u>22,553</u>	<u>734</u>	<u>(18,117)</u>
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of the financial statements of foreign operations	<u>(18,258)</u>	<u>(595)</u>	<u>(2,461)</u>
	<u>(18,258)</u>	<u>(595)</u>	<u>(2,461)</u>
Total other comprehensive loss	<u>4,295</u>	<u>139</u>	<u>(20,578)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 826,599</u>	<u>\$ 26,913</u>	<u>\$ 266,940</u>
NET PROFIT ATTRIBUTABLE TO:			
Owners of the Company	\$ 838,249	\$ 27,296	\$ 289,883
Non-controlling interests	<u>(15,945)</u>	<u>(519)</u>	<u>(2,365)</u>
	<u>\$ 822,304</u>	<u>\$ 26,777</u>	<u>\$ 287,518</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Company	\$ 842,544	\$ 27,435	\$ 269,305
Non-controlling interests	<u>(15,945)</u>	<u>(519)</u>	<u>(2,365)</u>
	<u>\$ 826,599</u>	<u>\$ 26,916</u>	<u>\$ 266,940</u>
EARNINGS PER SHARE (Note 28)			
From continuing operations			
Basic	<u>\$3.21</u>	<u>\$0.10</u>	<u>\$1.11</u>
Diluted	<u>\$3.20</u>	<u>\$0.10</u>	<u>\$1.11</u>

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

(Concluded)

FORTUNE ELECTRIC CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of NT\$ and US\$)**

	Equity Attributable to Owners of the Company						Other Equity (Notes 8 and 24)		Controlling Interests	Non-controlling Interests	Total Equity	
	Share Capital (Note 24)	Capital Surplus (Note 24)	Retained Earnings (Note 24)			Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income				
			Legal Reserve	Special Reserve	Unappropriated Earnings							
BALANCE AT JANUARY 1, 2021	\$ 2,610,585	\$ 1,414	\$ 400,777	\$ 8,975	\$ 540,612	\$ 950,364	\$ (24,158)	\$ 8,811	\$ (15,347)	\$ 3,547,016	\$ -	\$ 3,547,016
Appropriation of 2020 earnings												
Legal reserve	-	-	43,538	-	(43,538)	-	-	-	-	-	-	-
Special reserve	-	-	-	6,372	(6,372)	-	-	-	-	-	-	-
Cash dividends distributed by the Company - NT\$1.3 per share	-	-	-	-	(339,376)	(339,376)	-	-	-	(339,376)	-	(339,376)
	-	-	43,538	6,372	(389,286)	(339,376)	-	-	-	(339,376)	-	(339,376)
Unclaimed cash dividends from shareholders	-	157	-	-	-	-	-	-	-	157	-	157
Changes in percentage of ownership interests in subsidiaries	-	1,913	-	-	-	-	-	-	-	1,913	43,087	45,000
Net profit for the year ended December 31, 2021	-	-	-	-	289,883	289,883	-	-	-	289,883	(2,365)	287,518
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	1,653	1,653	(2,461)	(19,770)	(22,231)	(20,578)	-	(20,578)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	291,536	291,536	(2,461)	(19,770)	(22,231)	269,305	(2,365)	266,940
BALANCE AT DECEMBER 31, 2021	<u>2,610,585</u>	<u>3,484</u>	<u>444,315</u>	<u>15,347</u>	<u>442,862</u>	<u>902,524</u>	<u>(26,619)</u>	<u>(10,959)</u>	<u>(37,578)</u>	<u>3,479,015</u>	<u>40,722</u>	<u>3,519,737</u>
Appropriation of 2021 earnings												
Legal reserve	-	-	29,154	-	(29,154)	-	-	-	-	-	-	-
Special reserve	-	-	-	22,231	(22,231)	-	-	-	-	-	-	-
Cash dividends distributed by the Company - NT\$1 per share	-	-	-	-	(261,059)	(261,059)	-	-	-	(261,059)	-	(261,059)
	-	-	29,154	22,231	(312,444)	(261,059)	-	-	-	(261,059)	-	(261,059)
Unclaimed cash dividends from shareholders	-	(6)	-	-	-	-	-	-	-	(6)	-	(6)
Changes in percentage of ownership interests in subsidiaries	-	83,207	-	-	-	-	-	-	-	83,207	96,795	180,002
Net profit for the year ended December 31, 2022	-	-	-	-	838,249	838,249	-	-	-	838,249	(15,945)	822,304
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	26,200	26,200	(18,258)	(3,647)	(21,905)	4,295	-	4,295
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	864,449	864,449	(18,258)	(3,647)	(21,905)	842,544	(15,945)	826,599
BALANCE AT DECEMBER 31, 2022	<u>\$ 2,610,585</u>	<u>\$ 86,685</u>	<u>\$ 473,469</u>	<u>\$ 37,578</u>	<u>\$ 994,867</u>	<u>\$ 1,505,914</u>	<u>\$ (44,877)</u>	<u>\$ (14,606)</u>	<u>\$ (59,483)</u>	<u>\$ 4,143,701</u>	<u>\$ 121,572</u>	<u>\$ 4,265,273</u>
BALANCE AT DECEMBER 31, 2022 (IN U.S. DOLLARS)	<u>\$ 85,008</u>	<u>\$ 2,822</u>	<u>\$ 15,417</u>	<u>\$ 1,223</u>	<u>\$ 32,395</u>	<u>\$ 49,035</u>	<u>\$ (1,461)</u>	<u>\$ (475)</u>	<u>\$ (1,936)</u>	<u>\$ 134,929</u>	<u>\$ 3,958</u>	<u>\$ 138,887</u>

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

FORTUNE ELECTRIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of NT\$ and US\$)

	2022		2021
	NT\$	US\$ (Note 4) (Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	\$ 949,780	\$ 30,927	\$ 365,913
Adjustments for:			
Depreciation expense	127,296	4,145	122,609
Amortization expense	22,701	739	17,310
Expected credit loss recognized on trade receivables	(23,826)	(776)	8,747
Finance costs	46,911	1,528	30,586
Interest income	(8,219)	(268)	(1,347)
Share of loss of associate	(748)	(24)	(1,433)
Loss on disposal of property, plant and equipment	3,550	116	1,022
Dealing with subsidiaries' interests	(468,312)	(15,249)	-
(Reversal) write-down of inventories	43,844	1,428	(203)
Unrealized net gain on foreign currency exchange	6,694	218	(3,065)
Provisions	276	9	1,481
Gain on remeasurement of lease arrangements	-	-	(517)
Changes in operating assets and liabilities			
Financial instruments at fair value through profit or loss	279	9	(4)
Contract assets	(39,618)	(1,290)	(422)
Notes receivable	(18,082)	(589)	40,179
Trade receivables	372,938	12,144	(592,648)
Inventories	(1,509,054)	(49,139)	(342,534)
Prepayments	(110,889)	(3,611)	(52,879)
Other current assets	136,555	4,447	(23,127)
Contract liabilities	1,076,248	35,046	125,630
Notes payable	(1)	-	1
Trade payables	(130,258)	(4,242)	(105,846)
Trade payables to related parties	(33)	(1)	(13)
Other payables	142,479	4,639	64,116
Other current liabilities	434,466	14,147	51,810
Net defined benefit liabilities	(54,039)	(1,760)	(47,392)
Cash generated from operations	1,000,938	32,593	(342,026)
Interest received	8,278	270	1,342
Interest paid	(45,791)	(1,491)	(29,418)
Income tax paid	(125,609)	(4,090)	(67,852)
Net cash (used in) generated from operating activities	837,816	27,282	(437,954)

(Continued)

FORTUNE ELECTRIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of NT\$ and US\$)

	2022		2021
	NT\$	US\$ (Note 4) (Unaudited)	NT\$
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of financial assets as fair value through other comprehensive income	\$ -	\$ -	\$ (291,460)
Purchase of financial assets at amortized cost	(144,446)	(4,704)	(41,149)
Disposal Subsidiaries (Note 28)	(72,136)	(2,349)	-
Payments for property, plant and equipment	(110,575)	(3,601)	(67,228)
Proceeds from disposal of property, plant and equipment	2,194	71	3,832
Increase in refundable deposits	(12,133)	(395)	(5,412)
Payments for intangible assets	(35,723)	(1,163)	(26,253)
Increase in prepayments for equipment	<u>(28,475)</u>	<u>(927)</u>	<u>(49,797)</u>
Net cash used in investing activities	<u>(401,294)</u>	<u>(13,068)</u>	<u>(477,467)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	4,755	155	508,855
Proceeds from short-term bills payable	-	-	309,889
Repayment of short-term bills payable	(200,115)	(6,516)	-
Proceeds from long-term borrowings	310,000	10,094	360,000
Proceeds from guarantee deposits received	8,410	274	4,947
Repayment of the principal portion of lease liabilities	(13,748)	(448)	(12,352)
Issue of cash dividends	(261,059)	(8,501)	(339,376)
Change in non-controlling interests	180,000	5,861	45,000
Unclaimed share	<u>(6)</u>	<u>-</u>	<u>157</u>
Net cash generated from financing activities	<u>28,237</u>	<u>919</u>	<u>877,120</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES			
	<u>(38,110)</u>	<u>(1,240)</u>	<u>(7,227)</u>
NET (DECREASE) INCREASE IN CASH	426,649	13,893	(45,528)
CASH AT THE BEGINNING OF THE YEAR	<u>168,981</u>	<u>5,502</u>	<u>214,509</u>
CASH AT THE END OF THE YEAR	<u>\$ 595,630</u>	<u>\$ 19,395</u>	<u>\$ 168,981</u>

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

Independent Auditors' Report

To Fortune Electric Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Fortune Electric Co., Ltd. (the 'Company'), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of Fortune Electric Co., Ltd. as of December 31, 2022 and 2021, and its financial performance and its parent company only cash flow for years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of parent company only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of Fortune Electric Co., Ltd. for the year of 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements of Fortune Electric Co., Ltd. for the year of 2022 is stated as follows:

Occurrence of sales revenue from new customers among top ten customers

The sales revenue of Fortune Electric Co., Ltd. mainly arises from the sales of power transformers, distribution panels, etc. and other related products, and the sales is concentrated in main customers. As of the years ended December 31, 2022, the sales revenue from new customers among top ten customers accounted for 21% of total revenue of the whole year. And the main customers vary widely. Therefore, the sales revenue from the new customers among top ten customers of Fortune Electric Co., Ltd. is identified as a key audit matter. Please refer to Note 4 to the parent company only financial statements for the details of the information about the accounting policy for recognizing revenue and relevant information disclosed.

Our key audit procedures performed in respect of the above area included the following

1. Obtain an understanding of and test the design and operating effectiveness of main internal control related to occurrence of sales revenue.
2. Obtain the samples from the sales details of new customers among top ten customers, implement substantive tests of details, and inspect customer order, delivery order and customer' signed receipt and other vouching, to confirm whether there is any abnormal situation in the occurrence of sales revenue.
3. Check Fortune Electric Co., Ltd.'s related background information for assessing the new customers among top ten customers, and whether the contract terms are reasonable.

Responsibilities of Management and those charged with Governance for the Parent Company Only Financial Statements

The management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statement, management is responsible for assessing Fortune Electric Co., Ltd.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, (including the audit committee), are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Auditing standards generally, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting

from errors as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fortune Electric Co., Ltd.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty existed related to events or conditions that may cast significant doubt on Fortune Electric Co., Ltd.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the Notes), and whether the parent company only financial statement represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Fortune Electric Co., Ltd. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control that we identify during our audit).

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, (including related safeguards).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Fortune Electric Co., Ltd.'s the parent company only financial statements for the year ended 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche
CPA Gung, Tza-Li

CPA Lee, Suei-Chin

Reference number of the FSC approval letter,
No. Financial-Supervisory-
Securities-Auditing-1000028068

Reference number of the FSC approval letter,
No. Financial-Supervisory-
Securities-Auditing-1100356048

March 8, 2023

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

Fortune Electric Co., Ltd.
Parent Company Only Balance Sheet
As of December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollar

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current assets (Note 4)				
1100	Cash (Note 6)	\$ 170,131	2	\$ 16,117	-
1136	Current financial assets at amortized cost (Notes 9 and 33)	18,507	-	19,135	-
1140	Contract asset (Notes 21 and 23)	1,457,760	13	1,418,142	17
1150	Notes receivable (Note 23)	94,654	1	72,964	1
1170	Account receivable, net (Notes 10 and 23)	1,823,043	17	2,247,092	26
1180	Account receivable due from related parties, net (Note 32)	85	-	45,644	1
1220	Current tax assets (Note 25)	21,513	-	2,070	-
130X	Current inventories (Note 11)	3,462,210	32	2,065,326	24
1410	Prepayments (Note 32)	600,948	6	160,710	2
1470	Other current assets (Notes 21, 32, 33)	39,183	-	57,355	1
11XX	Total current assets	<u>7,688,034</u>	<u>72</u>	<u>6,104,555</u>	<u>72</u>
	Non-current assets (Note 4)				
1517	Non-current financial assets at fair value through other comprehensive income (Note 8)	312,386	3	316,033	4
1535	Non-current financial assets at amortized cost (Notes 9 and 33)	5,067	-	3,759	-
1550	Investments accounted for using equity method (Note 12)	1,408,462	13	761,851	9
1600	Property, Plant and equipment (Notes 13 and 32)	1,232,669	11	1,219,122	14
1755	Right-of-use assets (Notes 14 and 32)	24,029	-	10,488	-
1780	Intangible assets (Note 15)	54,123	1	39,313	1
1840	Deferred tax assets (Note 25)	38,150	-	29,973	-
1915	Prepayments for business facilities	44,179	1	31,386	-
1920	Guarantee deposits paid (Note 33)	17,055	-	5,545	-
15XX	Total Non-current assets	<u>3,136,120</u>	<u>29</u>	<u>2,417,470</u>	<u>28</u>
1XXX	Total assets	<u>\$ 10,824,154</u>	<u>100</u>	<u>\$ 8,522,025</u>	<u>100</u>
	Liabilities and equity				
	Current Liabilities (Note 4)				
2100	Short-term borrowings (Note 16 and 33)	\$ 656,641	6	\$ 512,047	6
2110	Short-term notes payable (Note 16)	249,891	2	-	-
2120	Current financial liabilities at fair value through profit or loss (Note 7)	279	-	-	-
2130	Current contract liabilities (Notes 21 and 23)	1,501,117	14	473,552	6
2150	Notes payable	-	-	1	-
2170	Accounts payable (Note 17)	1,944,831	18	2,157,714	25
2180	Account payable to related parties (Note 32)	232,076	2	167,159	2
2200	Other payables (Note 18)	422,885	4	287,627	3
2230	Current tax liabilities (Note 25)	-	-	39,763	-
2250	Provisions (Note 19)	11,496	-	11,220	-
2280	Current lease liabilities (Note 14, 31, and 32)	8,760	-	4,832	-
2399	Other payables	123,585	1	50,333	1
2320	Long-term debts payable due within one year or one operating cycle (Note 16 and 33)	791,800	8	-	-
21XX	Total current liabilities	<u>5,943,361</u>	<u>55</u>	<u>3,704,248</u>	<u>43</u>
	Non-current liabilities (Note 4)				
2540	Long-term borrowings (Notes 16 and 33)	550,000	5	1,141,800	13
2570	Deferred tax liabilities (Note 25)	120,378	1	44,512	1
2580	Non-current lease liabilities (Notes 14, 31, and 32)	15,365	-	5,722	-
2640	Net defined benefit liability, non-current (Note 20)	42,612	1	129,401	2
2645	Guarantee deposits received	8,737	-	17,327	-
25XX	Total non-current liabilities	<u>737,092</u>	<u>7</u>	<u>1,338,762</u>	<u>16</u>
2XXX	Total liabilities	<u>6,680,453</u>	<u>62</u>	<u>5,043,010</u>	<u>59</u>
	Equity (Note 4)				
3110	Ordinary Share	2,610,585	24	2,610,585	31
3200	Capital surplus	86,685	1	3,484	-
	Retained earnings				
3310	Legal reserve	473,469	5	444,315	6
3320	Special reserve	37,578	-	15,347	-
3350	Unappropriated retained earnings	994,867	9	442,862	5
3300	Total retained earnings	<u>1,505,914</u>	<u>14</u>	<u>902,524</u>	<u>11</u>
	Other equity				
3410	Exchange difference on translation of foreign financial statements	(44,877)	(1)	(26,619)	(1)
3420	Unrealized Gain or Losses on FVTOCI Financial Assets	(14,606)	-	(10,959)	-
3400	Other equity interest	(59,483)	(1)	(37,578)	(1)
3XXX	Total equity	<u>4,143,701</u>	<u>38</u>	<u>3,479,015</u>	<u>41</u>
	Total liabilities and equity	<u>\$ 10,824,154</u>	<u>100</u>	<u>\$ 8,522,025</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

Chairman: Hsu, Bang-Fu

General Manager: Hsu, I-Sheng, Hsu, I-Te

Accounting Supervisor: Chiu, Hsu-Lan

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

Fortune Electric Co., Ltd
Parent Company Only Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share

Code		2022		2021	
		Amount	%	Amount	%
	Operating revenue (Notes 4, 23, and 32)				
4100	Sales revenue	\$ 6,748,635	93	\$ 7,085,405	82
4520	Construction revenue	<u>509,002</u>	<u>7</u>	<u>1,539,976</u>	<u>18</u>
4000	Total operating revenue	<u>7,257,637</u>	<u>100</u>	<u>8,625,381</u>	<u>100</u>
	Operating costs (Notes 4, 11, 20, 24, and 32)				
5110	Sales costs	5,463,315	75	5,964,015	69
5520	Construction cost	<u>582,286</u>	<u>8</u>	<u>1,404,313</u>	<u>16</u>
5000	Operating costs	<u>6,045,601</u>	<u>83</u>	<u>7,368,328</u>	<u>85</u>
5900	Gross profit from operations	<u>1,212,036</u>	<u>17</u>	<u>1,257,053</u>	<u>15</u>
	Operating expenses (Notes 4, 20, 24, and 31)				
6100	Selling expenses	541,003	7	548,160	6
6200	Administrative expenses	216,903	3	157,510	2
6300	Research and development expense	125,666	2	118,149	2
6450	Expected credit loss	(<u>20,623</u>)	<u>-</u>	<u>3,737</u>	<u>-</u>
6000	Total operating expenses	<u>862,949</u>	<u>12</u>	<u>827,556</u>	<u>10</u>
6900	Net operating income	<u>349,087</u>	<u>5</u>	<u>429,497</u>	<u>5</u>
	Non-operating income and expenses (Note 4)				
7100	Interest revenue (Note 24)	2,883	-	855	-
7190	Other income (Note 24, and 32)	31,317	-	37,832	-
7190	Government grants income	1,121	-	6,667	-
7020	Other gains and losses (Note 24)	48,088	1	(30,459)	-

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(continued)

Code		2022		2021	
		Amount	%	Amount	%
7050	Financial Cost (Note 24 and 32)	(\$ 34,519)	-	(\$ 19,319)	-
7070	Share of profit (loss) of Associates & Joint Ventures accounted for using equity method (Note 12)	<u>567,289</u>	<u>8</u>	(<u>57,376</u>)	(<u>1</u>)
7000	Total non-operating income and expenses	<u>616,179</u>	<u>9</u>	(<u>61,800</u>)	(<u>1</u>)
7900	Profit before tax	965,266	14	367,697	4
7950	Tax expense (Note 4 and 25)	<u>127,017</u>	<u>2</u>	<u>77,814</u>	<u>1</u>
8200	Profit	<u>838,249</u>	<u>12</u>	<u>289,883</u>	<u>3</u>
	Other comprehensive income (Note 4)				
8310	Components of other comprehensive income that will not be reclassified to profit or loss:				
8311	Gains (Losses) on remeasurements of defined benefit plans (Note 20)	32,750	-	2,066	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(3,647)	-	(19,770)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 25)	(<u>6,550</u>)	<u>-</u>	(<u>413</u>)	<u>-</u>
		<u>22,553</u>	<u>-</u>	(<u>18,117</u>)	<u>-</u>
8360	Components of other comprehensive income that may be reclassified subsequently to profit or loss:				
8363	Cash flow hedge	-	-	-	-
8370	Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method	(<u>18,258</u>)	<u>-</u>	(<u>2,461</u>)	<u>-</u>
		(<u>18,258</u>)	<u>-</u>	(<u>2,461</u>)	<u>-</u>
8300	Other total comprehensive income	<u>4,295</u>	<u>-</u>	(<u>20,578</u>)	<u>-</u>
8500	Total comprehensive income	<u>\$ 842,544</u>	<u>12</u>	<u>\$ 269,305</u>	<u>3</u>
	Earnings per share (Note 26)				
9710	Basic earnings per share	\$ 3.21		\$ 1.11	
9810	Diluted earnings per share	\$ 3.20		\$ 1.11	

The accompanying notes are an integral part of the parent company only financial statements.

Chairman : Hsu, Bang-Fu General Manager : Hsu, I-Sheng, Hsu, I-Te Accounting Supervisor : Chiu, Hsu-Lan

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

Fortune Electric Co., Ltd
Parent Company Only Statement of Changes in Equity
For the years ended December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars, Except Earnings per Share

Code		Ordinary share (Note 22)	Capital surplus (Note 22)	Retained (Note 22 and 26)			Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on assets at fair value through other comprehensive income	Total	Total Equity	
				Legal reserve	Special reserve	Unappropriated Retained Earnings					Total
A1	Balance, January 1, 2021	\$2,610,585	\$ 1,414	\$ 400,777	\$ 8,975	\$ 540,612	\$ 950,364	(\$ 24,158)	\$ 8,811	(\$ 15,347)	\$3,547,016
	Appropriations of 2020 earnings										
B1	Legal reserve appropriated	-	-	43,538	-	(43,538)	-	-	-	-	-
B3	Special reserve appropriated	-	-	-	6,372	(6,372)	-	-	-	-	-
B5	Cash dividends – NT\$1.3/per share	-	-	-	-	(339,376)	(339,376)	-	-	-	(339,376)
		-	-	43,538	6,372	(389,286)	(339,376)	-	-	-	(339,376)
C17	Unclaimed cash dividends	-	157	-	-	-	-	-	-	-	157
M7	Changes in ownership interests in subsidiaries	-	1,913	-	-	-	-	-	-	-	1,913
D1	Net profit for 2021	-	-	-	-	289,883	289,883	-	-	-	289,883
D3	Other comprehensive income(loss) for 2021 after tax	-	-	-	-	1,653	1,653	(2,461)	(19,770)	(22,231)	(20,578)
D5	Total comprehensive income(loss) for 2021	-	-	-	-	291,536	291,536	(2,461)	(19,770)	(22,231)	269,305
Z1	Balance, December 31, 2021	<u>2,610,585</u>	<u>3,484</u>	<u>444,315</u>	<u>15,347</u>	<u>442,862</u>	<u>902,524</u>	<u>(26,619)</u>	<u>(10,959)</u>	<u>(37,578)</u>	<u>3,479,015</u>
	Appropriation of 2021 earnings										
B1	Legal reserve appropriated	-	-	29,154	-	(29,154)	-	-	-	-	-
B3	Special reserve appropriated	-	-	-	22,231	(22,231)	-	-	-	-	-
B5	Cash dividends – NT\$ 1/per share	-	-	-	-	(261,059)	(261,059)	-	-	-	(261,059)
		-	-	29,154	22,231	(312,444)	(261,059)	-	-	-	(261,059)
C17	Unclaimed cash dividends	-	(6)	-	-	-	-	-	-	-	(6)
M7	Changes in ownership interests in subsidiaries	-	83,207	-	-	-	-	-	-	-	83,207
D1	Net profit for 2022	-	-	-	-	838,249	838,249	-	-	-	838,249
D3	Other comprehensive income(loss) for 2022 after tax	-	-	-	-	26,200	26,200	(18,258)	(3,647)	(21,905)	4,295
D5	Total comprehensive income(loss) for 2022	-	-	-	-	864,449	864,449	(18,258)	(3,647)	(21,905)	842,544
Z1	Balance, December 31, 2022	<u>\$2,610,585</u>	<u>\$ 86,685</u>	<u>\$ 473,469</u>	<u>\$ 37,578</u>	<u>\$ 994,867</u>	<u>\$1,505,914</u>	<u>(\$ 44,877)</u>	<u>(\$ 14,606)</u>	<u>(\$ 59,483)</u>	<u>\$4,143,701</u>

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: : Hsu, Bang-Fu

General Manager: Hsu, I-Sheng, Hsu, I-Te

Accounting Supervisor: Chiu, Hsu-Lan

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

Fortune Electric Co., Ltd
Parent Company Only Statements of Cash Flows
For the year ended December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

Code		2022	2021
	Cash flows from operating activities		
A00010	Profit before tax	\$ 965,266	\$ 367,697
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	75,260	75,985
A20200	Amortization expense	21,240	16,914
A20300	Expected credit loss (reversal profit)	(20,623)	3,737
A20900	Financial cost	34,519	19,319
A21200	Interest income	(2,883)	(855)
A22400	Share of loss (profit) of Associates & Joint Ventures Accounted for Using Equity Method	(567,289)	57,376
A22500	Loss (gain) on disposal	139	662
A23700	Provisions for liability	276	1,481
A23800	(Gain)Loss on inventory valuation	41,558	(203)
A29900	Gain on lease modifications	-	(516)
A30000	Changes in operating assets and liabilities, net		
A31110	Financial instruments at fair value through profit or loss	279	4
A31125	Contract asset	(39,618)	(422)
A31130	Note receivable	(21,690)	44,658
A31150	Account receivable	444,672	(516,155)
A31160	Receivable from related parties	45,559	(39,722)
A31200	Inventories	(1,438,442)	(108,382)
A31230	Accounts payable	440,238	11,277
A31240	Other current assets	18,197	(18,370)
A32125	Contract liability	1,027,565	111,976
A32130	Notes payable	(1)	1
A32150	Accounts payable	(212,883)	(93,307)
A32160	Payable to related parties	64,917	145,484
A32180	Other payable	134,187	(6,286)
A32230	Other current liabilities	73,252	1,301
A32240	Net defined benefit liability	(54,039)	(47,392)
A33000	Cash generated from operations	149,180	26,254
A33100	Interest received	\$ 2,859	\$ 894

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Code		2022	2021
A33300	Interest paid	(33,448)	(18,438)
A33500	Income tax paid	(125,084)	(67,534)
AAAA	Net cash flows (out) from operating activities	(6,493)	58,824
	Cash flows from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(291,460)
B00040	Acquisition of financial assets at amortized cost	(680)	9,171
B02200	Investments accounted for using equity method	(14,373)	(134,947)
B02700	Acquisition of property, plant and equipment	(71,235)	(54,097)
B02800	Proceeds from disposal of property, plant and equipment	80	1,178
B03800	Increase in refundable deposits	(11,510)	(1,194)
B04500	Acquisition of intangible assets	(33,862)	(25,716)
B05000	Cash outflows from business demerger	-	(10,272)
B07100	Increase in prepayments for business facilities	(25,996)	(43,608)
B07600	Dividends received	-	84,619
BBBB	Net cash flows from investing activities	(157,576)	(466,326)
	Cash flows from financing activities		
C00200	Increase in short-term loans	144,594	352,481
C00500	Increase in short-term notes payables	249,891	
C01600	Payments of finance lease liabilities	200,000	400,000
C03000	Guarantee deposit received	-	6,913
C04000	Return deposit deposit	(8,590)	-
C04500	Cash dividends paid	(261,059)	(339,376)
C04020	Payments of lease liabilities	(6,747)	(9,068)
C09900	Unclaimed cash dividends	(6)	157
CCCC	Net cash flows (out) from financing activities	318,083	411,107
EEEE	Net increase(decrease) in cash	154,014	(114,043)
E00100	Cash at beginning of the year	16,117	130,160
E00200	Cash at end of period	\$ 170,131	\$ 16,117

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Hsu, Bang-Fu General Manager: Hsu, I-Sheng, Hsu, I-Te Accounting supervisor: Chiu, Hsu-Lan

TWO

Proposed by board of directors

Proposal: 2022 earnings distribution proposal, for your approval.

Explanation:

- (1) The Company's pre-tax net profit of the year 2022 was NT\$ 838,248,823, and 2022 earnings distribution statement was made as follows:

FORTUNE ELECTRIC CO., LTD.
2022 Earnings Distribution Statement

Unit: NTD

Item	Amount	
	Subtotal	Total
Beginning undistributed earnings	130,418,356	
Actuarial gain/loss through retained earnings	26,200,000	
Adjusted undistributed earnings		156,618,356
Add: 2022 after-tax net profit	838,248,823	
Deduct: 10% designated legal reserve	86,444,882	
Deduct: according to the law, designated special reserve	21,904,917	
Distributable earnings		886,517,380
Appropriated items:		
Cash dividend to shareholders (per share NT\$ 2.5) (note)	652,646,370	
Unappropriated retained earnings		233,871,010

Note: The earnings of year 2022 was firstly distributed for the earnings distribution.

Chairman: Hsu, Bang-Fu

General manager: Hsu, I-Sheng,
Hsu, I-Te

Accounting Supervisor:
Chiu, Hsu-Lan

- (2) For your approval.

Resolution:

Matters for Discussion

ONE
directors

Proposed by board of

Proposal: Amendment of “Regulations Governing Loaning of Funds for Others”, for your resolution.

Explanation: 1. To conform to laws, drew up amending some articles of the Company’s “Regulations Governing Loaning of Funds for Others”.
2. Comparison of current articles and amended articles is as follows.

FORTUNE ELECTRIC CO., LTD.

Comparison of current articles and amended articles of “Regulations Governing Loaning of Funds to Others”

Amended articles	Current articles	Explanation
<p>Article 2 The limited amount of making loans to Others and The aggregate amount of loans and the maximum amount permitted to a single borrower</p> <p>(1) According to the Company Act, except under the following circumstances, the Company’s funds shall not be made loans to shareholders or others:</p> <ol style="list-style-type: none"> 1. A company with the Company it does business; the aforementioned “does business” means having behaviors of purchase and sales with the Company. 2. Where a company making short-term financing with the Company is needed; when a company which has the Company’s shareholding reaches 50% or more has a necessary of short-term financing for business needs as limit. Financing amount means the accumulated balance of the Company’s short-term financing shall not exceed 40 percent of the lender’s net worth. According to the letter issued by Ministry of Economic Affairs, the term “short-term” as used in the preceding paragraph means one year or one business cycle (longer time shall prevail), 3. The loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares, shall not exceed 10% of the Company’s net profit in financial statements of the most recent year, and the maximum amount permitted of a single borrower shall not exceed 5% as limit; the term of loans is two years. <p>(2) The aggregate amount of loans and the maximum amount permitted</p> <ol style="list-style-type: none"> 1. Making loans with a company with which it does business, the total amount of loans shall not exceed 10% of the Company’s net worth as limit; the amount of single loans shall not exceed the amount of doing business between two parties last year a limit. The amount of doing business means higher amount of purchase of sales between two parties. 2. When making loans to a company which has a necessary of short-term financing, the aggregate amount of loans shall not exceed 10% of the Company’s net worth as limit; the amount of single loans shall not exceed 5% of the Company’s net worth as limit. <p>(3) When a responsible person of a company violates paragraph 1, the responsible person shall bear joint and several liability with the borrower for repayment; if the company suffers damage, the responsible person also shall be liable for damages.</p>	<p>Article 2 The limited amount of making loans to Others and The aggregate amount of loans and the maximum amount permitted to a single borrower</p> <p>(1) According to the Company Act, except under the following circumstances, the Company’s funds shall not be made loans to shareholders or others:</p> <ol style="list-style-type: none"> 1. A company with the Company it does business; the aforementioned “does business” means having behaviors of purchase and sales with the Company. 2. Where a company making short-term financing with the Company is needed; when a company which has the Company’s shareholding reaches 50% or more has a necessary of short-term financing for business needs as limit. Financing amount means the accumulated balance of the Company’s short-term financing shall not exceed 40 percent of the lender’s net worth. According to the letter issued by Ministry of Economic Affairs, the term “short-term” as used in the preceding paragraph means one year or one business cycle (longer time shall prevail), 3. The loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the public company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares. However, the Company shall still prescribe limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower, and shall specify limits on the durations of such loans. <p>(2) The aggregate amount of loans and the maximum amount permitted</p> <ol style="list-style-type: none"> 1. Making loans with a company with which it does business, the total amount of loans shall not exceed 20% of the Company’s net worth as limit; the amount of single loans shall not exceed the amount of doing business between two parties last year a limit. The amount of doing business means higher amount of purchase of sales between two parties. 2. When making loans to a company which has a necessary of short-term financing, the aggregate amount of loans shall not exceed 20% of the Company’s net worth as limit; the amount of single loans shall not exceed 10% of the Company’s net worth as limit. 	<ol style="list-style-type: none"> 1. Formulated the same shareholding relationship and holding between overseas companies in which the public company holds, directly or indirectly, 100% of the voting shares, the aggregate amount of loans and the maximum amount permitted to a single borrower, and the term of making loans. 2. Decreased the total amount of making loans. 3. Added the responsibility when a responsible person violates regulations.
<p>Article 8</p> <ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, a public company shall adopt rectification plans and submit the rectification plans to the audit committee, and shall complete the rectification according to the timeframe set out in the plan. 4. Omitted. 5. Omitted. 	<p>Article 8</p> <ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, a public company shall adopt rectification plans and submit the rectification plans to all the supervisors, and shall complete the rectification according to the timeframe set out in the plan. 4. Omitted. 5. Omitted. 	<p>To conform to amendment of Article 6, and industry code of associations, an opinion issued by CPAs was covered, hence relevant texts were deleted.</p>

Resolution:

TWO

Proposed by board of directors

Proposal: Amendment of “Methods for Election of Directors”, for your resolution.

Explanation:

1. According to announcement version and practical operation of Tai Cheng Chi Li Tzu no. 1090009468 issued by Taiwan stock Exchange on June 3, 2020, drew up articles of the Company’s “Procedures for Election of Directors”
2. Comparison of current articles and amended articles is as follows.

FORTUNE ELECTRIC CO., LTD.

Comparison of current articles and amended articles of “Methods for Election of Directors”

Amended articles	Current articles	Explanation
Name: <u>Procedures</u> for Election of Directors	Name: <u>Methods for Election of Directors</u>	According to the announcement content of Tai Cheng Chi Li Tzu no. 1090009468, amended name and relevant articles.
Article 1 Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with <u>these Procedures</u> .	Article 1 Elections of directors shall be conducted in accordance with <u>these Methods</u> .	
Article 2 Single name accumulative voting system shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Elections of independent directors and non-independent directors shall be held together, and elected amount shall be separately calculated. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.	Article 2 Single name accumulative voting system shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Elections of independent directors and non-independent directors shall be held together, and elected amount shall be separately calculated. <u>candidate nomination system is adopted for independent directors</u> . Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.	
Article 3 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. <u>The ballot boxes shall be prepared by a person with the right to convene and publicly checked by the vote monitoring personnel before voting commences.</u>	Article 3 When the voting rights are calculated, the chair appoints a number of persons as vote monitoring and counting personnel, the monitoring persons shall have shareholder status.	
Article 4 The number of directors will be as <u>formulated</u> in this Corporation's articles of incorporation, <u>with voting rights separately calculated for independent and non-independent director positions</u> . Those receiving ballots representing the highest numbers of voting rights will be elected <u>separately</u> according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.	Article 4 The number of directors will be as <u>specified</u> in this Corporation's articles of incorporation, <u>those receiving ballots representing the highest numbers of voting rights (accumulated by voting rights)</u> will be elected sequentially. When two or more persons receive the same number of votes, thus exceeding the specified number of positions in this Corporation's articles of incorporation, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person in attendance.	
Article 6 Ballots shall be prepared by <u>a person with the right to convene</u> , the number of voting rights associated with each ballot shall be specified on the ballots, and numbered in accordance with attendance number.	Article 6 Ballots shall be prepared by the board of directors, the number of voting rights associated with each ballot shall be specified on the ballots, and numbered in accordance with attendance number.	
Article 7: <u>Deleted</u> .	Article 7 A voter shall fill in name and shareholder account number of the elected in “elected” column; if the elected is non-shareholder, name and I.D. card number of the elected shall be filled in. However, the government or juristic person shareholder is the elected, name of the government or juristic person shall be filled on the ballots, and name of government or juristic person and name of representative shall be filled in; when representative has several persons, names of representatives shall be separately filled in.	

Amended articles	Current articles	Explanation
		meeting, this article was deleted.
<p><u>Article 7:</u> When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy, however, if the Company has circumstances in Article 4, paragraph 2 of "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", amendment shall be made within 3 months from the date of occurrence; when the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>		Original Article 7 was deleted, and added this Article.
<p>Article 8 A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by <u>a person with the right to convene.</u> 2. Deleted. 3. Other words or marks are entered in addition to the number of voting rights allotted. 4. The writing is unclear and indecipherable <u>or has been altered.</u> 5. The candidate whose name is entered in the ballot does not conform to the director candidate list. 6. Deleted. 7. A blank ballot is placed in the ballot box.</p>	<p>Article 8 A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by <u>a person with the board of directors.</u> 2. <u>Entered in number of the elected exceeds the number of regulation.</u> 3. Other words or marks are entered in addition to <u>name of the elected and shareholder account number or I.D. number.</u> 4. The writing is <u>unclear</u> and indecipherable or has been altered. 5. <u>Entered in name of the elected or shareholder account number does not conform to the roster; entered in elected has non-independent director status, name, I.D. number do not conform.</u> 6. <u>Entered in name of the elected is same as name of other shareholder, and shareholder account number or I.D. number is not entered in to identify.</u> 7. A blank ballot is placed in the ballot box.</p>	According to the announcement content of Tai Cheng Chi Li Tzu no. 1090009468, amended relevant articles.
<p>Article 9 The voting rights shall be calculated <u>on site</u> immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors <u>and the numbers of votes with which they were elected, shall be announced by the chair on the site.</u> <u>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</u></p>	<p>Article 9 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation shall be announced by the chair.</p>	
<p>Article 10 The board of directors of <u>the Company</u> shall issue <u>notifications</u> to the persons elected as directors.</p>	<p>Article 10 The board of directors of the Company shall <u>separately</u> issue <u>notifications.</u></p>	
<p>Article 11 These <u>Procedures</u>, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>	<p>Article 11 These <u>Methods</u>, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>	

Resolution:

Matters for Election

Proposed by board of directors

Proposal: Full re-election of directors.

Explanation: 1. As the term of office of the Company's current directors will be expired on June 11, 2023, the re-election matters will be conducted in this annual shareholders' meeting.

2. Ten directors of the election shall be elected (including 4 independent directors), a candidate nomination system has been adopted, shareholders can elect from the list of director candidates, the term of office of new directors is three years from June 15, 2023 to June 14, 2026. New directors will take office after the shareholders' meeting, current directors will be dismissed.

3. The list of the Company's director candidates is as following, independent directors' qualification and independence has been reviewed by corporate governance officer and they are conformed to relevant regulations, and approved by the board of directors on March 8, 2023.

Category of candidates	Name of candidates	Education	Major experience	Current position	Number of shares currently held	If take office of independent directors in three consecutive terms
Director	Hsu, Bang-Fu	Master of Science, Kyoto University	Chairman of FORTUNE ELECTRIC CO., LTD. Chairman of Fortune Electric Extra High Voltage Co., Ltd. Chairman of Fortune Energy CO., LTD.	Chairman of FORTUNE ELECTRIC CO., LTD. Chairman of Fortune Electric Extra High Voltage Co., Ltd. Chairman of Fortune Energy CO., LTD.	18,088,322	Not applicable.
Director	Hsu, Shou-Hsiung	Master of Graduate Institute of International Politics, Sungkyunkwan University	Vice chairman of FORTUNE ELECTRIC CO., LTD. Chairman of Hwa Chen Investment Co., Ltd.	Vice Chairman of FORTUNE ELECTRIC CO., LTD. Chairman of Hua Chen Investment Co., Ltd.	22,603,419	Not applicable.
Director	Shu, yi-cheun	Master of Graduate Institute of Business Administration, University of Southern California	Vice-CEO of Far East National Bank Project manager of Bank SinoPac	Chairman and general manager of Formosa Oilseed Processing Co., Ltd., Director of CENTRAL UNION OIL CORP.) Chairman of Foo You Co.Ltd. Chairman of Chung Hsiang International Co., Ltd.	1,057,892	Not applicable.
Director	Hsu, I-Te	Mater of laws, Case Western Reserve University	General manager of FORTUNE ELECTRIC CO., LTD. Director of Fortune Electric Australia Pty. Ltd. Director of Hsin He Energy Co., Ltd. Director of TWIA	General manager of FORTUNE ELECTRIC CO., LTD. Director of Fortune Electric Australia Pty. Ltd. Director of Hsin He Energy Co., Ltd. Chairman of TWIA	3,948,577	Not applicable.
Director	Hsu, I-Sheng	Master of graduate institute of business administration, National Chung Cheng University	CEO of FORTUNE ELECTRIC CO., LTD., Chairman and CEO of Fortune Electric Value Company Limited Director of Synergy Co., Ltd. Director of E-Formula Technologies, Inc.	CEO of FORTUNE ELECTRIC CO., LTD., Chairman and CEO of Fortune Electric Value Company Limited Director of Synergy Co., Ltd. Director of E-Formula Technologies, Inc.	3,248,470	Not applicable.
Director	Weng, Jen-Pei	Sales Department of SANNO UNIVERSITY	General audit of Grand Bills Finance Corporation Audit director, business director, business and accounting director of International Bank of Taipei		751,468	Not applicable.

Category of candidates	Name of candidates	Education	Major experience	Current position	Number of shares currently held	If take office of independent directors in three consecutive terms
Independent director	Hu, Len-Kuo	Mater and Phd of economics of University of California Bachelor of Business Admonition, National Taiwan University	Dean of Business School, National Kaohsiung University of Applied Sciences, Director and institute director of Business Administration, National Chengchi University Director of the Research Center for Business and Economics Theories and Quantitative Methods, National Chengchi University, Professor of Business Administration Department, National Chengchi University, Chairman of Chung-Hua International Trade Association, External independent director of KGI Securities Co. Ltd.	Adjunct professor of Business Administration Department, National Chengchi University Honorary chairmen of Chung-Hua International Trade Association	0	NO
Independent director	Lei, Whey-Min	Bachelor of International Business, National Chengchi University	Teacher of Business Administration Department, National Chengchi University, Chairman of alumni association, Business Administration Department, National Chengchi University, Director of on-the-job training group, Center for Public and Business Administration Education, National Chengchi University, College affairs assistant of dean of Business School office, National Chengchi University	Honorary chairman of alumni association, Business Administration Department of National Chengchi University, Perennial consultant of Taiwan Korea Business Association, Consultant of Chung-Hua International Trade Association	0	NO
Independent director	Liao, Chih-Hsiang	Mater of Graduate Institute of Accounting, National Chengchi University Bachelor of Accounting Department, Chengchi University	Vice manager of audit department, Deloitte Taiwan Vice manager of overseas investment department of KGI Securities Co. Ltd., Vice manager of wealth management department, Citibank Taiwan Ltd., Vice team leader of audit department of Ernst & Young	Partner accountant of Chainye Accounting Firm.	0	NO
Independent director	Yeh, Yun-Ching	Phd of laws, Golden Gate University, Master of Law Department, National Chengchi University, Mater of Department of Environmental Science and Engineering, National Taiwan University	Director of Department of Intellectual Property and Technology Transfer, Academia Sinica	Professor of Shih Hsin University, Director of CHO PHARMA INC. (representative of Academia Sinica)	0	NO

4. "Procedures for Election of Directors", please refer to appendix 4.

Results:

Other Proposal

Proposed by board of directors

Proposal: Lifting restrictions of non-compete prohibition of directors’ proposal, for your resolution.

Explanation: 1. According to Article 209-1 of the Company Act, “A director who does anything for himself or on behalf of another person that is within the scope of the Company’s business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
 2. Drafted to submit to the regular shareholders’ meeting for lifting restrictions of non-compete prohibition of new-elected directors, the detail of lifting restrictions of non-compete prohibition is stated below:

Position	Name	Competed Company	Main Business Scope of the Company
Director	Hsu, I-Te	Director representative of Hsin He Energy Co., Ltd.	Development of renewable energy and establishment of solar power plant
Director	Hsu, I-Sheng	Director representative of Synergy Co., Ltd.	Development of renewable energy and establishment of solar power plant, and maintenance of offshore wind power
		Director representative of E-Formula Technologies, Inc.	Establishment of telecommunications base station, energy saving, and energy management system plan.
		Chairman and CEO of Fortune Electric Value Company Limited.	Operation Service of electric vehicle charge, all charge station plan and establishment, research and development and sales of relevant equipment/system/technologies of electric vehicle.

Resolution:

Extemporaneous Motions

Adjournment

Appendix 1

FORTUNE ELECTRIC CO., LTD. Articles of Incorporation

Chapter 1. General Provision

Article 1: The Company organized in accordance with the Company Act, named “華城電機股份有限公司” and the English name is “FORTUNE ELECTRIC CO., LTD”.

Article 2: The Company’s operating business is as follow:

- (1) CC01010 power generation, power transmission, power distribution machinery manufacturing
- (2) CC01080 electronic component manufacturing
- (3) CC01990 other electrical engineering and electronic machinery equipment manufacturing
- (4) E601010 electrical installation industry
- (5) E603040 firefighting equipment construction
- (6) E603050 automatic control equipment engineering
- (7) EZ05010 instrument and meters installation engineering.
- (8) F113020 wholesale of household appliance
- (9) F114030 wholesale of motor vehicle parts and supplies
- (10) F213010 retail sale of electrical appliances
- (11) F214030 retail sale of motor vehicle parts and supplies
- (12) F401010 international trade
- (13) IG03010 energy technical services
- (14) CE01021 weights and measuring instruments manufacturing
- (15) E501011 tap water pipelines contractors
- (16) E602011 refrigeration and air conditioning engineering
- (17) CB01010 machinery equipment manufacturing
- (18) CB01030 pollution controlling equipment manufacturing
- (19) CD01030 automobile and parts manufacturing
- (20) CD01040 motor vehicles and parts manufacturing
- (21) E502010 fuel catheter installation engineering
- (22) E599010 piping engineering
- (23) E601020 electric appliance installation
- (24) E603010 cable installation engineering
- (25) E603080 traffic signs installation engineering
- (26) E603090 lighting equipment construction
- (27) E604010 machinery installation
- (28) E605010 computer equipment installation
- (29) E701030 controlled telecommunications radio-frequency devices installation engineering
- (30) EZ15010 warming and cooling maintenance construction
- (31) I103060 management consulting
- (32) I301010 information services
- (33) IF01010 fire safety equipment inspection and repair
- (34) E606010 power consuming equipment inspecting and maintenance
- (35) J101050 environmental testing services
- (36) J101060 wastewater (sewage) treatment
- (37) F213110 retail sale of batteries
- (38) F214010 retail sale of motor vehicles
- (39) F214020 retail sale of motorcycles
- (40) G202010 parking area operators
- (41) ZZ99999 except licensing business, all business items that are not prohibited or restricted by law.

- Article 2-1: The Company may make guarantees for other companies, reinvest in other business, and the Company's total investment may exceed 40% of paid-in capital.
- Article 3: The Company established the head office in Taoyuan City, shall establish branches in other proper places, and its establishment and dissolution shall be approved by the resolution of board of directors when it's necessary.
- Article 4: The Company's announcement methods shall be implemented in accordance with Article 28 of the Company Act.

Chapter 2. Shares

- Article 5: The Company's total capital was set as NT\$ 2.75 billion, separated into 275 million common stocks, the price per share was NT\$ 10, and were issued by authorized board of directors in several times.
Taiwan Depository & Clearing Corporation may request to consolidating exchange large denomination securities.
- Article 5-1: According to Article 56-1 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers and Article 10-1 of Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies, the Company is required to obtain the consent of at least two-third of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares, may issue employee stock warrants to transfer to employees with lower than the closing price of the Company's stocks as of the issuing date, and lower than the average price of actual buy-back.
- Article 6: The Company may be exempted from printing any share certificate for the shares issued, but shall be registered in Taiwan Depository & Clearing Corporation.
- Article 7: Affairs related to stocks, such as transfer of share ownership, grant, creation of rights, pledge, reporting of loss, inheritance, grant and reporting of specimen chop loss, change or address change, etc., shall be handled by the Company's shareholders in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies and other related regulations, unless otherwise provided by law or securities regulations.
- Article 8: Deleted.
- Article 9: The entries in the shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Chapter 3. Shareholders' meeting

- Article 10: Shareholders' meeting shall be of two kinds: a regular shareholders' meeting and a special shareholders' meeting, the regular shareholders' meeting, a regular shareholders' meeting one time every year, within six months after close of each fiscal year, and the special shareholders' meeting shall be convened in accordance with the regulations when it's necessary.
- Article 11: The Company's shareholders have one voting right each shareholding, but they have no voting right in accordance with restrictions or Article 179-2 of the Company Act and related regulations.
- Article 12: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman. When the chairman is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairman shall appoint one of the managing directors to act as chair; a shareholders' meeting convened by a party with the power to convene that is not the board of directors, the meeting shall be chaired by him/her/it, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.
- Article 13: A resolution approved by a shareholders' meeting, unless otherwise provided by the Company Act, shall be adopted by a majority of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the Company.
The Company's shareholders may exercise voting rights by means of electronic transmission, and related matters shall be handled in accordance with the law and regulations.

Chapter 4. Board of Directors and Audit Committee

- Article 14: The Company may organize the board of directors with 5-13 directors who shall be

elected by the shareholders' meeting from among the persons with disposing capacity, and the term of office of a director shall not exceed three years, but he/she may be eligible for re-election.

The board of directors shall have at least three independent directors among board of directors members, and shall not be less than one-fifth of the director seats.

A candidate nomination system shall be adopted, independent directors shall be elected and appointed by board of directors from the director candidates list, and shall be handled in accordance with Article 192-1 of the Company Act.

The total number of shares of the Company's registered share certificates held by all directors, shall be met the standard of Regulations of Securities Authority.

Article 14-1: Remunerations of chairman, vice chairman and directors, according to his/her participation degree and dedicated value, shall be approved by authorized board of directors in accordance with the general level of the same industry.

The Company may purchase a liability insurance for the Company's directors approved by the resolution of board of directors.

Article 15: Board of directors was organized by directors, adopted by a majority vote at a meeting of the board of directors attended by over two-third of the directors, a chairman shall be elected from among the directors. The chairman represents the Company externally, and as the business needs, a vice chairman may be elected among directors by the same way.

Article 16: The duties and powers of the board of directors are as follows:

- (1) Approval of business plans.
- (2) Preparation of important chapters and contracts.
- (3) Established and dissolution of branches.
- (4) Drawing up budgets and final accounts.
- (5) Appointment and removal of executive staff.
- (6) Other regulation matters provided by the Company Act and the Article of Incorporation.

Article 17: If a shareholders meeting is convened by the chairman, and the chairman shall be the chair of the meeting. When the chairman is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairman shall appoint one of the managing directors to act as chair; where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

Article 17-1: A meeting of board of directors shall be convened one time each quarter, in calling a meeting of the board of directors, a notice stating causes shall be given to each director no later than 7 days prior to the scheduled meeting date; but in the case of emergency, a meeting of the board of directors may be convened at any time. The notice of convening a meeting of board of directors shall be made in forms of writing, fax or E-mail, etc.

Article 18: A resolution approved by a shareholders' meeting, unless otherwise provided by the Company Act, shall be adopted by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of the entire directors of the Company.

In case a meeting of the board of directors is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 19: In case a director is unable to attend a meeting of board of directors in person for any cause, he/she/it shall can designate one director to represent, but a director may accept the appointment to act as the proxy of one other director only.

Article 20: The Company may establish an audit committee in accordance with Article 14-4 of Securities and Exchange Act, and the audit committee shall be composed of all independent directors, one of the independent directors shall be a convener, and at least one person shall have specialties of accountant or finance. The audit committee shall replace the duties of a supervisor from the established date of the audit committee, and shall invalidate a supervisor at the same time.

Chapter 5. (Deleted)

Article 20-1: Deleted.

Article 21: Deleted.

Article 22: Deleted.

Chapter 6. Managerial Officer

Article 23: The Company may have a general manager and a chief executive officer, and shall uphold a policy of a resolution of board of directors, and comprehensive management of the Company's all businesses adopted by a majority of the total number of directors of the Company to appoint and removal separately.

Article 24: The Company may have several managerial officers, and shall be reported to be approved by a majority of the total number of directors of the Company for his/her appointment and removal.

Chapter 7. Accounting

Article 25: The Company's fiscal year is from January 1 to December 31.

Article 26: At the close of the Company's fiscal year, the board of directors shall prepare the following statements and records and shall forward the same for approval:

(1) The business report.

(2) The financial statements.

(3) The surplus earning distribution or loss off-setting proposals.

The preceding regulations shall be handled by the audit committee in accordance with the rules of audit committee from the establishment date of audit committee.

Article 27: When the Company has an amount of profit (the term "an amount of profit" means pre-tax benefits deducted the benefits before employees' and directors' remuneration), shall allocate not less than 3% as employees' remuneration, not more than 2% as directors' remuneration. However, the company's accumulated losses (including adjusted unappropriated earnings) shall have been covered.

Employees' remuneration mentioned in the preceding paragraph may be distributed in the form of shares or in cash, and directors' remuneration may be distributed in cash only.

The preceding two paragraphs shall be handled by the resolution of board of directors, and shall be reported to the shareholders' meeting.

When the Company implements employees' remuneration, employee treasury stocks, employee subscription warrants, employee off-take of new shares, and employee stock option certificates, etc., for the payment objects, shall include the control met certain conditions or employees from the subsidiaries.

Article 27-1: When the Company's total budget has after-tax net profit (included adjusted undistributed earnings), the accumulated losses shall have been reserved the accumulated amount in advance, allocated 10% as a legal reserve in accordance with the regulations, but when the accumulated legal reserve achieved the Company's total paid-in capital, this shall not apply. Then appropriated or reversal special reset special reserve in accordance with the decrees or the regulations of the competent authority. Earnings hereafter, together with beginning retained earnings, the earnings distribution proposal shall be programed by board of directors, and reported to a shareholders' meeting for a resolution of shareholders' dividends distribution.

Board of directors shall be authorized by directors attended by two-thirds of the directors of the company, and a resolution by a majority of attended directors, the Company's all or part of distribution of dividends and bonus shall be distributed in cash, and reported to a shareholders' meeting.

The Company's dividend policy, was along with the current and future development plan, considered the investment environment, capital needs and domestic and overseas competition situations, and to take the factors into account, like shareholder's equity, etc., the appropriation of distributable earnings of each year, shall not be less than 60% of distributed shareholders' dividends, distributed shareholders' dividends shall be paid in cash or in form of stocks, and cash dividend ratio shall not be less than 25% of total distributed dividends therein as restrictions.

Article 27-2: When the Company has no deficit, board of directors shall be authorized by two-third or more of attended directors, adopted by a majority of the directors at a meeting, legal reserve (the part of more than 25% of paid-up capital) and all or part of capital reserve in accordance with the Company Act shall be paid in cash, and reported to a shareholders' meeting.

Chapter 8. Supplemental Provisions

Article 28: The Company's organizational regulations and the handling rules may be prescribed separately.

Article 29: Unsettled affairs of the Articles of Incorporation shall be handled in accordance with the Company Act.

Article 30: The Articles of Incorporation was drawn up on August 4, 1969.

The 1st amendment was made on December 31, 1974.

The 2nd amendment was made on July 27, 1979.

The 3rd amendment was made on December 28, 1979.

The 4th amendment was made on September 26, 1982.

The 5th amendment was made on January 5, 1984.

The 6th amendment was made on February 6, 1985.

The 7th amendment was made on November 10, 1986.

The 8th amendment was made on July 13, 1987.

The 9th amendment was made on June 27, 1988.

The 10th amendment was made on November 16, 1989.

The 11th amendment was made on April 20, 1991.

The 12th amendment was made on August 20, 1991.

The 13th amendment was made on June 25, 1992.

The 14th amendment was made on October 12, 1992.

The 15th amendment was made on May 12, 1993.

The 16th amendment was made on May 24, 1994.

The 17th amendment was made on May 28, 1996.

The 18th amendment was made on May 20, 1997.

The 19th amendment was made on May 7, 1998.

The 20th amendment was made on May 24, 2000.

The 21st amendment was made on June 22, 2001.

The 22nd amendment was made on June 26, 2002.

The 23rd amendment was made on June 23, 2003.

The 24th amendment was made on June 28, 2005.

The 25th amendment was made on June 15, 2006.

The 26th amendment was made on June 27, 2007.

The 27th amendment was made on June 19, 2008.

The 28th amendment was made on June 10, 2009.

The 29th amendment was made on June 10, 2011.

The 30th amendment was made on February 17, 2012.

The 31st amendment was made on June 23, 2014.

The 32nd amendment was made on June 13, 2016.

The 33rd amendment was made on June 14, 2017.

The 34th amendment was made on June 13, 2019.

The 35th amendment was made on June 12, 2020.

Appendix 2

FORTUNE ELECTRIC CO., LTD. Rules of Procedure for Shareholders Meetings

Approved by the regular shareholders' meeting on June 15, 2015

- Article 1: The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.
Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- Article 2: The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to paragraph 1, Article 175 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.
- Article 3: The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 4: If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairman. When the chairman is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting, when there are two or more such convening parties, they shall mutually select a chair from among themselves.
- Article 5: The Company shall make an uninterrupted audio and video recording of the proceedings of the shareholders' meeting, and shall retain it for at least one year.
- Article 6: If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors, the meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. After the meeting was adjourned, a new chair shall not be elected by shareholders to continue a meeting at the original address or other place. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall elect a new chair by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
- Article 7: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name, the order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed he/she has not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor, the chair shall stop any violation.
- Article 8: Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech

- violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
- Article 9: After an attending shareholder has spoken, the chair may respond in person or designate relevant personnel to respond.
The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.
- Article 10: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.
Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
- Article 11: When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 12: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under paragraph 2, Article 179 of the Company Act.
Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.
With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 13: The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."
- Article 14: A shareholder (or a proxy) shall obey the related instruction of maintaining order from the chair, the proctors (or security personnel). When a person disrupts the shareholders' meeting, and shall be excluded by the chair or the proctors (or security personnel).
- Article 15: Unsettled affairs of the Articles of Incorporation shall be handled in accordance with the Company Act, Securities and Exchange Act and related decrees.
- Article 16: These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix 3

FORTUNE ELECTRIC CO., LTD. Regulations Governing Loaning of Funds to Others

Article 1: Purpose

As business needs, the Company need to loan funds to others (hereinafter referred to as borrower), all shall be conducted in accordance with these Regulations. Unsettled matters in these Regulations. Unsettled matters of the Regulations shall be conducted in accordance with relevant regulations.

Article 2: Loans of Funds to Others and the aggregate amount of loaning funds and the amount of such loans permitted to a single borrower

(1) Under the Company Act, the Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:

1. The Company with which it does business; the preceding "does business" means a company have behaviors of purchase and sales with the Company.
2. A company has a necessary of short-term financing facility; it means a company has 50% or more of the Company's shareholding, and it has a necessary of short-term financing facility as limit. Financing amount means accumulated balance of the Company's short-term financing facility shall not exceed 40% of an enterprise's net worth. According to the letter issued by Ministry of Economic Affairs, the term "short-term" as used in the preceding paragraph means one year or one business cycle (longer time shall prevail).
3. Inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares, shall not exceed 10% of the Company's net worth in financial statements of the most recent year as limit; the amount of such loans permitted of a single borrower shall not exceed 5% of the Company's net worth in financial statements of the most recent year as limit; the term of loans shall not exceed two years.

(2) Limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower

1. When loaning funds to a company which does business, the aggregate amount of loaning funds shall not exceed 10% of the Company's net worth as limit; the amount of single loan shall not exceed the amount of doing business between two parties in the most recent year as limit. The amount of doing business is higher amount of purchase or sales between two parties.
2. When loaning funds to a company which has a necessary of financing facility, the aggregate amount of loaning funds shall not exceed 10% of the Company's net worth as limit; the amount of single loan shall not exceed 5% of the Company's net worth as limit.

(3) When a responsible person of a company violates paragraph 1, (1) of the preceding paragraph, the responsible person shall bear joint and several liability with the borrower for repayment; if the company suffers damage, the responsible person also shall be liable for damages.

Article 3: Procedures for handling loans of funds.

- (1) Every term of loans shall not exceed one year or one business cycle (longer time shall prevail) from the loan date as principle.
- (2) Daily basis shall be adopted for interest calculation of loaning funds, the sum of daily loan balance (total product) shall be multiplied by annual interest rate, and divided by 365, it is the interest amount. Annual interest rate shall not be lower than average bank's interest rate on borrowings of the Company as principle.
- (3) Except specific regulations, loan interest calculation shall be monthly payment as principle, and the borrower shall be notified to pay the interest one week before appointed interest payment date.

Article 4: Detailed review procedures

- (1) Application procedures
 1. A borrower shall provide basic information and financial information and fill in an application form to describe the use of funds, loan period and amount first, and send to the Company's finance department.
 2. When loaning funds as doing business, the handling personnel of the Company's finance department shall evaluate if loan amount and the amount of doing business are appropriate; when it's necessary of short-term financing facility, shall enumerate the reasons and situations of loaning funds, and further make credit investigation, submit relevant information and drawing loaning conditions to director of finance department and CEO first, and report to the board of directors' meeting for a resolution after approved by the audit committee.
- (2) Credit investigation
 1. For borrowing first time, a borrower shall provide basic information and financial information for handling investigation.
 2. For continuing to borrow, in principle credit investigation shall be handled again when applying for continuing to loan.
 3. If the borrower's financial situation is good, and has entrusted accountants to handle certification of finance for annual financial statements, investigation reports without exceeding one year may be continued to use, and make it as a reference with accountant's audit certification report of the same year.
 4. When the Company makes credit investigation for a borrower, shall evaluate impact on the company's business operations, financial condition, and shareholders' equity when loaning funds.
- (3) Loan approval and notification
 1. After credit investigation and evaluation, the board of directors made a resolution not draw up a loan case, the handling personnel shall reply to the borrower with refused reasons as soon as possible.
 2. After credit investigation and evaluation, the board of directors agreed a loan case, the handling personnel so notify the borrower by letter as soon as possible, and the Company's loan conditions, including quota, term, rate, collateral and guarantor, etc. shall be specified, and ask the borrower to conduct signing procedures within a period.
- (4) Signing cross collateral
 1. A loan case shall be drawn up contract terms by the handling personnel, these terms shall be reviewed by supervisors and conducted signing procedures after submitting to legal consultant for audit.
 2. The contract content shall be conformed to audited loan conditions, shall be conducted cross collateral procedures by the handling personnel after the borrower and joint guarantor sealed on the contract.
- (5) Collateral value evaluation and rights setting

If there's a collateral in a loan case, the borrower shall provide the collateral, and conduct pledge and mortgage setting, the Company also needs to evaluate the value of the collateral to ensure the Company's debt.
- (6) Insurance
 1. In collaterals, except land and securities, all shall be insured fire insurance and relevant insurances, the insurance amount shall not lower than collateral pledge as principle, the Company is beneficiary shall be specified on the policy. The name of subject matter, quantity, storage location, insurance conditions, and insurance endorsement, etc. specified on the policy shall conform to the Company's original audited loan conditions.
 2. Before the insurance period is expired, the handling personnel shall notify the borrower to continue to insure.
- (7) Appropriation

As loan conditions has been approved and the contracted was signed by the borrower and collateral pledge and mortgage setting has been conducted, etc., appropriation shall be made after all procedures has been verified.

Article 5: Repayment

After appropriating loans, the borrower and guarantor's finance, business and credit conditions shall be often noticed, if a collateral has been provided, shall notice if there's change of collateral value, and one month before the expiry of re-loan, the borrower shall be notified to pay principal and interest when it's expired.

1. A borrower repays loan when loan is expired, shall calculate the interest payable first, and after repaying with the principal, notes of payment, like promissory note, and receipt for a loan, etc. shall be written off and returned to the borrower.
2. If a borrower applies for writing off mortgage, loan balance shall be ascertained first, and we decide if agree to handle mortgage write off.

Article 6: Deleted.

Article 7: Registration and custody of cases

1. A public company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated.
2. According to the case conducted by himself/herself, the loan handling personnel shall arrange certificate of debt, like contract, promissory note, etc, and identification document of collaterals, policy and correspondence documents in order after appropriation, and put them in the custody bag, and after specifying the custody content and customer's name on the bag, submit to supervisors of finance department for review, after approved it shall be sealed, custody after tow parties signed or sealed in the preserved goods register.

Article 8: Matters shall be noticed when loaning funds to others:

1. Before the Company loans funds to others, shall carefully assess if it conforms to the Regulations, and conducts after the assessment results was submitted to the board of directors for a resolution, and the Company shall not authorize others to determine.
Loans of funds between the Company and its parent company or subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph, and the chairperson may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.
Securities: including investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. The "certain monetary limit" on authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with Article 2, paragraph 1, subparagraph 3.
The loan handling shall be approved by audit committee in accordance with relevant regulations, and submitted to the board of directors for a resolution.
2. The Company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the members of audit committee in writing of any material violation found.
3. Where as a result of changes of condition the entity for which a loan is made no longer meets the requirements of these Regulations, or the amount of the loan exceeds the limit, audit department shall urge finance department to formulate the period and take back expired loan, rectification plans shall be submitted to audit committee, and shall complete the rectification according to the timeframe set out in the plan.
4. The contact personnel shall make a detail list of loaning to others of last month before the eighth day of each month, and submit stepwise for approval.
5. The term "subsidiaries and parent company" in the Regulations shall be identified in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The Company's financial statements were made in accordance with International Financial Reporting Standards, the term "net worth" under these Regulations means the balance sheet equity attributable to the owners of the parent company.

Article 9: Control and management procedures for subsidiaries loaning funds to others

1. The Company shall order subsidiaries to draw up procedures in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", and shall conduct matters in accordance with the Regulations.
2. Subsidiaries shall make a detail list of losing funds to others of last month before the eighth day (excluded) of each month, and submit to the Company.
3. Order subsidiaries to review if the formulated Regulations Governing Loaning of Funds to Others conforms relevant regulations, and if matters are conducted in accordance with the Regulations; however, the net worth means subsidiaries' net worth as calculation base.
4. Internal auditors of subsidiaries shall audit Regulations Governing Loaning of Funds to Others and its implementation situations at least each quarter, and prepare written records accordingly. They shall promptly notify the Company's audit department in writing of any material violation found, and the Company's audit department shall submit information in written to all members of audit committee.
5. When the Company's auditors go to subsidiaries to review their self-check reports and other relevant matters in accordance with annual audit plan, and shall understand the implementation situation of subsidiaries' procedures of loaning funds to others. If there's missing mater, they shall continue to follow their improvement situations, and make a following report to submit to general manager or CEO.

Article 10: Information disclosure

1. The Company shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month, and put in MOPS.
2. The Company whose loans of funds reach one of the following levels shall put such event within two days commencing immediately from the date of occurrence in MOPS:
 - (1) The aggregate balance of loans to others by the Company and its subsidiaries reaches 20 percent or more of the public company's net worth as stated in its latest financial statement.
 - (2) The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10 percent or more of the public company's net worth as stated in its latest financial statement.
 - (3) The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the public company's net worth as stated in its latest financial statement.The term "fact occurrence date" referred to in this program means the earlier of the dates on which a contract is signed, payment is made, board resolution is passed, or the date on which there is sufficient evidence to determine the borrower and transaction amount.
3. The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.
4. The Company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.

Article 11: Penalty

When the Company's managerial officers and organizers violate these Regulations, shall be reported to assess to in accordance with the Company's Personnel Management Measures and Employee Handbook, and punished in accordance with the seriousness.

Article 12: Amendment

After audit committed agreed, The amendment of the Regulations shall be submitted to the board of director for approval, and shall be implemented after submitted and agreed by the shareholders' meeting.

Appendix 4

FORTUNE ELECTRIC CO., LTD. Procedures for Election of Directors

- Article 1: Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.
- Article 2: The single name cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Elections of non-independent directors and directors shall be held together, and separably calculated elected number.
Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 3: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. Monitoring personnel shall have shareholder status. The ballot boxes shall be prepared by a person who has a right to convene and publicly checked by the vote monitoring personnel before voting commences.
- Article 4: The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected separately according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 5: Except approval of competent authority, the Company's directors shall have a majority of the shareholders present, and shall not have the relationship as follows:
1. Spouse.
 2. The second degree of kinship
- When original elected does not conform to the preceding regulation, the ballots represent lower voting rights received by shareholders who does not conform to the regulations, the elected shall not take effect.
- Article 6: A person who has the right to convene shall prepare separate ballots for directors, number in accordance with attendee number and add the numbers of voting rights.
- Article 7: When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting.
When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy, however, when the Company has circumstances in Article 4, paragraph 2 of Taiwan Stock Exchange Corporation Operation Directors for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", shall be amended within three months before the date of occurrence of the event; when the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- Article 8: A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by a person with the right to convene.
 2. Deleted.
 3. Other words or marks are entered in addition to the number of voting rights allotted.
 4. The writing is unclear and indecipherable or has been altered.
 5. Entered in elected does not conform to the listed of director candidates.
 6. Deleted.
 7. A blank ballot is placed in the ballot box.
- Article 9: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- Article 10: The board of directors of the Company shall issue notifications to the persons elected as directors.
- Article 11: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix 5

FORTUNE ELECTRIC CO., LTD. Directors' Shareholding Statement

Title	Name	Appointment date	End of term	Shareholding number as elected		Shareholding number registered in the shareholders roster on the book closure date	
				Shares	Ratio (%)	Shares	Ratio (%)
Chairman	Hsu, Bang-Fu	June 12, 2020	June 11, 2023	19,631,986	7.52	18,088,322	6.93
Vice chairman	Hsu, Shou-Hsiung	June 12, 2020	June 11, 2023	23,047,720	8.83	22,603,419	8.66
Director	Hsu, I-Sheng	June 12, 2020	June 11, 2023	2,804,169	1.07	3,248,470	1.24
Director	Hsu, I-Te	June 12, 2020	June 11, 2023	1,751,455	0.67	3,948,577	1.51
Director	Shu, Yi-Cheun	June 12, 2020	June 11, 2023	1,057,892	0.41	1,057,892	0.41
Director	Weng, Jen-Pei	June 12, 2020	June 11, 2023	751,468	0.29	751,468	0.29
Independent director	Hu, Len-Kuo	June 12, 2020	June 11, 2023	0	0.00	0	0.00
Independent director	Lei, Whey-Min	June 12, 2020	June 11, 2023	0	0.00	0	0.00
Independent director	Liao, Chih-Hsiang	June 12, 2020	June 11, 2023	0	0.00	0	0.00
Sum of directors				49,044,690	18.79	49,698,148	19.04

1. The Company's paid-in capital was 261,058,548 shares on June 12, 2020, paid-in capital on April 17, 2023 was 261,058,548 shares.
2. The sum of all shareholders' legal shareholding was 12,000,000 shares, according to Article 2 of Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, "if a public company has elected two or more independent directors, the share ownership figures calculated at the rates for all directors and supervisors other than the independent directors and shall be decreased by 20 percent". The Company has set up an audit committee, and the shareholding of supervisors shall not apply.
3. Shareholding number registered in shareholders' roster until book closure date (April 17, 2023) is as above, and met the number standard in accordance with Article 26 of Securities and Exchange Act.