

Stock Code : 1519

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

## **2024 Annual Report**

Printed on May 9, 2025

Taiwan Stock Exchange Market Observation Post System : <http://mops.twse.com.tw>  
<http://www.fortune.com.tw>

**1. Spokesperson and Deputy Spokesperson:**

| Item   | Spokesperson       | Deputy Spokesperson |
|--------|--------------------|---------------------|
| Name:  | Hsu, I-Te          | Chiu, Hsu-Lan       |
| Title  | General Manager    | Accounting Manager  |
| Tel:   | (02)2704-7001      | (02)2704-7001       |
| Email: | ted@fortune.com.tw | fion@fortune.com.tw |

**2. The contact information of Headquarters and Plant:**

| Name                       | Address   | Tel.          |
|----------------------------|---|---------------|
| Headquarters               | No. 10, Jilin Rd., Zhongli Dist., Taoyuan City, Taiwan (R.O.C.)                 | (03)452-6111  |
| Zhongli Plant              | No. 10, Jilin Rd., Zhongli Dist., Taoyuan City, Taiwan (R.O.C.)                 | (03)452-6111  |
| Guan Yin Plant II          | No. 33, Jingjian 2nd Rd., Guanyin Dist., Taoyuan City, Taiwan (R.O.C.)          | (03)483-6155  |
| Guan Yin Plant III         | No. 55, Zhongzheng Rd., Guanyin Dist., Taoyuan City, Taiwan (R.O.C.)            | (03)473-6957  |
| Taipei Office              | 10F., No. 370, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City, Taiwan (R.O.C.) | (02)2704-7001 |
| Kaohsiung Business Station | No. 8, Jiaoren Rd., Sanmin Dist., Kaohsiung City, Taiwan (R.O.C.)               | (07)384-7001  |

**3. Stock Transfer Agent:**

Name : Stock Agency Department, Taishin Securities Co., Limited

Address : B1, No. 96, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)

Tel. : (02)2504-8125

Website : <https://www.tssco.com.tw/stocktransfer>

**4. Contact Information of the CPA for the Latest Financial Report**

Name : Lee, Suei-Chin and Chou, Shih-Chieh CPA

Firm name : Deloitte & Touche

Address : 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)

Tel. : (02)2725-9988

Website : <http://www.deloitte.com.tw>

**5. Overseas trade places for listed negotiable securities: None.****6. Company website:**

Website : <http://www.fortune.com.tw>

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# I. Letter to Shareholders

## 1. 2024 Business Report

### 1. Business Results and Budget Implementation

Consolidated operating revenue of 2024 was NT\$ 20,202,779 thousand, among the products, transformers were NT\$ 14,572,285 thousand, accounting for 72.13%, switchgear were NT\$ 1,641,651 thousand, accounting for 8.13%, and electrical distribution equipment were NT\$ 574,559 thousand, accounting for 2.84%, construction revenue was NT\$ 1,388,819 thousand, accounting for 6.87%, electricity sales revenue was NT\$ 14,269 thousand, and accounting for 0.07%, others were NT\$ 2,011,196 thousand, accounting for 9.96%, and net income was NT\$ 4,270,996 thousand, the revenue and profit exceeded expectation, and it was mainly caused by effects of three major growth momentum: green energy, tough electrical grid plan, and electricity infrastructure.

### 2. Financial revenue and expenditure and profitability analysis

Unit: NT\$ Thousands

| ITEM                                    |  | 2024      | 2023      | Increase<br>(decrease)<br>ratio (%) |
|---|--|-----------|-----------|-------------------------------------|
| Financial<br>Revenue and<br>Expenditure | Profit from operations                             | 4,890,544 | 2,853,582 | 71.38                               |
|   | Non-operating income and expenses                  | 548,780   | 218,498   | 151.16                              |
|   | Profit before income tax                           | 5,439,324 | 3,072,080 | 77.06                               |
|   | Net Profit   | 4,270,996 | 2,561,785 | 66.72                               |
| Profitability<br>Analysis               | Return on assets (%)                               | 23.18     | 19.31     | 20.04                               |
|   | Return on equity (%)                               | 57.30     | 49.28     | 16.27                               |
|   | Pre-tax net profit to paid-in capital<br>ratio (%) | 189.41    | 117.68    | 60.95                               |
|   | Net profit ratio (%)                               | 21.14     | 18.43     | 14.70                               |
|   | Earnings per share (NT\$) (Note)                   | 14.93     | 8.97      | 66.44                               |

Note: The impact on capitalization of retained earnings has been adjusted retrospectively.

### 3. Research & Development status

For year 2024, the Company invested NT\$329,867 thousand, accounting for 1.63% of business turnover, to dedicate in Research and Development (R&D) field and its results were in line with the Company's assumption. For details of new product successfully developed in 2024, please refer to page 48-49 of this Annual Report.

## 2. 2025 Business Plan Summary

### 1. Operating policy

- (1) We will continue to raise core business international competitiveness, diversify and expand capacity, and expand niche markets, ensure quality and work safety, and sustain steady growth, seize business opportunity of global electricity, and become international famous electrical machinery plant.
- (2) The Company has grasped business opportunities of intelligent electrical grid, energy transition and net zero emissions, integrated group of internal and external resources, diversified models of new products, new markets, new business and new business opportunities, and expand deployment group's industry to initiate the second growth curve.

- (3) Continuously optimizing operation constitution to construct high effective team, achieving excellent operating management, integrating industrial characteristics and advantages, implementing Fortune's feature ESG, creating happy enterprise to increase group's image, and sharing glory and sustainable development.
2. Sales estimation of Transformer and Distribution Boards and important sales and marketing strategies

| Main product / estimated quantity | 2025           |              |        |
|-----------------------------------|----------------|--------------|--------|
|                                   | Domestic sales | Export sales | Total  |
| Transformer (unit)                | 10,000         | 5,800        | 15,800 |
| Distribution Board (pcs)          | 2,700          | 20           | 2,720  |

Note: The expected sales quantity for some products is lower in 2025 than in 2024, mainly due to the capacity or specifications in 2025 are larger or higher.

Electronic products are widely applied in our daily lives, commercial activities and manufacturing production; with the advancement of technology, the application of electricity is growing larger, and we may consider it the foundation of modern civilization. For the time being, in addition to plant building and/or factory expansion, domestic and overseas alike, or reinforcing sales and marketing activities for existing product portfolio, we are expecting to replace products to meet the market demands, as 69kV and above power Transformers and their related Distribution Boards system have been in use for over 4 decades. Major export sales product will mainly be Distribution Transformers, Electric Transformers, and Solar PV Box Modules, in line with overseas customer's needs, and continue to expand our partnerships with direct and indirect customers to ensure stable quality and production capacity for sustainable growth.

### 3. **Impact of the Company's development strategy, affected by external competition, regulatory environment, and overall business operating situation in the future**

In the aspect of overall economy: along with cutting interest rates of main central bank, declination in prices of commodities, such as internal oil prices, etc., inflation of several countries has showed down, it boosts demands, and global trades continue to expand, global economy of year 2025 is expected to steadily grow. Domestic and foreign forecasting agencies have kept pessimistic view for global outlook of year 2025. The latest estimated growth rate of IMF for global economy is 3.3%, the forecast of World bank is 2.7%, and estimated annual growth rate of economic cooperation and OECD are 3.3%, domestic major agency has separate estimation of Taiwan economic growth as follows: the estimation of Accounting General Office is 3.29%, the estimation of Academia Sinica is 3.1%, the estimation of Taiwan Institute of Economic Research is 3.42%, and the estimation of Chung-Hua Institution for Economic Research is 3.22%, etc., and all show forecasting of domestic and foreign forecasting agencies is higher than year 2024.

In the aspect of individual economy: as the electricity industry is affected to nearly ferment by net zero emissions issue of year 2050, and explosion of new technologies, such as AI, etc., cycle demand of green electricity construction, electricity construction, and electricity quality improvement, green energy, electrical grid strength plan of Taiwan Power Company and foreign electricity infrastructure have become the Company's three major growth momentum at present and in the future. Under the promotion of acts, like "Inflation Reduction Act", etc., United States Department of Energy estimates needs of contiguous United States increase 64% of transmission lines within the area, and 114% of cross-regional transmission capacity, and estimated transformer demand has 7-8% compound annual growth rate. American president Trump recently signed administrative ordinances, formally establishing "National Energy Dominance Council", and accelerating production of petroleum and natural gas to satisfy enormous electric demand needed by AI development of U.S.A. Estimated energy needed by training AI will achieve 5GW, it means the capacity of power generation device will increase 5GW, and estimated transformer demand of various voltage levels of electricity distribution system and terminal consumption will achieve 40GW (40,000MW). Current power equipment market, like global transformer, etc. stays in imbalance status of being in short supply, however, plant expansion plan of manufacturers in Europe and America is in progress, power construction is globally, and estimated power equipment market will continue to highly grow in 5-10 years.

Power equipment industry has characters of capital denseness, technology denseness, and gaining customer's trust and adoption with long-term achievement and identification, and the competitor is difficult to enter in markets in short-term or competitiveness increases. FORTUNE ELECTRIC CO., LTD. has developed in northern America market for nearly 30 years, and to strive for customer recognition, the Company has delivered transformers of 11, 22, 66, 230, 500KV to international famous verification agency KEMA, and completed the strictest short circuit trial and identification with lower than average passing rate 50%, and under customers' several coming and review in northern America market, the company has simultaneously used excellent pre-sale and after-sale services, design and components, and maximum standardization, expanded capacity to provide reasonable price and delivery date for customers, and let customers have confidence to purchase higher voltage and other transformers with larger capacity year by year, and extended the gap between competitor and raised proportion by it.

Estimating from above aspects of domestic and foreign overall and industry individual economy, the Company's development can be expected in 5-10 years, and the Company will still continue to grow, and expand capacity for satisfying market demand.

Responding to U.S. started to impose reciprocal tariffs from April, 2025, except expecting to prompt decreasing tariffs through government talks or power industry and AI data industries who have extreme demand of power equipment lobby U.S. government, the Company has actively managed and controlled to decrease risks, and solved problems with customers together. As description above, power equipment is still the most important equipment in infrastructures of current phase for U.S., and demand exceeds supply, they rely on extremely high import ratio. When President Trump took office at the end of year 2024, the Company has immediately initiated that terms of selling price including tariff change absorption are added in new order contracts, we have also sync positively implement friendly negotiation of shifting or partially sharing with customers to reduce influence of the policy for former orders. Demand of power equipment is currently global, except exporting in U.S. market constantly takes order and using methods described above to actively respond, the Company has still continued to steadily grow and operate in domestic market and other exporting markets, therefore, tariff policy still stays in controllable range for overall operation influence. We simultaneously continue to keep a weather eye on subsequent development of the policy, and adjust corresponding measures by moving with the times to steadily operate and strive for maximum benefit for shareholders.

Fortune Electric is the leading company in the domestic heavy electric industry, accumulating more than 50 years of professional customized key technologies, firmly rooted in the traditional electric field, the Group has a number of modern factories, the most complete product line, the largest capacity of transformer products, the highest voltage, the most Taipower certification, the most scale of professional heavy electric factories, and also the No. 1 winner of the International Trade Awards, with the largest amount of exported transmission and distribution equipment in Taiwan.

We have upgraded our business from providing traditional power equipment to providing integrated power system services, and continuously adjust the business strategy in response to market changes:

- Integrate the Group's internal resources, cultivate major customers, expand niche markets, innovate professional services;
- Continuously utilize Industry 4.0 smart manufacturing upgrades, standardization of design, optimization of manufacturing processes, intellectualization of procurement tactics, optimization of quality, streamlining and digitization of management, and optimization of assets to enhance product quality and efficiency, refine and optimize the competitiveness of our core products/businesses, and to satisfy and even exceed customer needs and satisfaction;

- Refine the business management of important domestic and foreign suppliers, increase reliance on loyalty to obtain priority cooperation, create a win-win situation, demonstrate the Group's differentiated competitive advantages, and steadily expand domestic and foreign markets;
- Accelerate cultivating professional talents in the field of renewable energy, establish a system integration team to enhance green energy technology capability;
- Steadily evaluate the most optimum business approach to participate in energy or industry-related diversified investments, make good use of financial resources to enhance financial leverage, establish and deploy diversified revenues, and adjust the company's structure in order to grasp the post-pandemic recovery opportunities;
- Market management strategy, continue to provide professional and premium pre-sales, after-sales services, and including the maintenance of non-company equipment, in order to deeply cultivate the existing and develop potential markets and customers, and to grasp the needs of power grid resilience equipment replacement of Taipower, the U.S., and other domestic and foreign countries.

In addition to placing emphasis on operating benefits, FORTUNE ELECTRIC CO., LTD. upholds missions of “safe employees”, “safe customers”, “safe shareholders” and “safe society”, regards regulatory compliance and corporate governance as the primary core value, continuously puts efforts in employee care, friendly work place, creates a happy work environment, implements the diversification of board of directors’ members, and protects shareholders' equity, and ensures sustainable operation and steady growth. The Company also 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 environmentally sustainable coexistence. The Company won several rewards in 2024: No.1 of Best-in-Class 100 of conventional industry operating performance from CommonWealth Magazine, No.1 of Best-in-Class 100 of first hybrid technology industry operating performance from China Credit Information Service Ltd., No.9 of Taiwan Best-in-Class 100 of foreign investment selection, Asian Best Industry Employer Reward, Diversity, Equity & Inclusion Awards of HR ASIA, and national model migrant workers, and the operating results are paid close attention by markets and highly affirmed by industries.

In conclusion, the Company will constantly root the core strength, optimize operation constitution to construct high effective team, achieve excellent operating management, integrating industrial characteristics and advantages, implementing Fortune’s feature ESG, creating happy enterprise to increase group’s image, and sharing glory and sustainable development.

We look forward to all your continued support and encouragement.

Best regards,

Wish everyone good health and good fortunes!

Chairman Hsu, Bang-Fu

CEO Hsu, I-Sheng

General Manager Hsu, I-Te



## II. Corporate Governance Report

### 1. Information on the company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units

#### (1) Directors of the Board

April 15, 2025

| Title                | Nationality / Place of Incorporation | Name              | Gender (M / F) Age group | Date Elected / Representative Elected Date | Term (x Year) | Date First Elected / Representative First Elected Date | Shareholding when Elected |      | Current Shareholding |      | Spouse & Minor Shareholding |      | Shareholding by Nominee Arrangement |      | Key Experience (Education)   | Other Position in the Company and/or other companies   | Executives, Directors or Supervisors Who are Spouses or within Two degrees of Kinship |                               |                          | Remarks (Note)            |
|----------------------|--------------------------------------|-------------------|--------------------------|--|---------------|--|---------------------------|------|----------------------|------|-----------------------------|------|-------------------------------------|------|--|--|---|-------------------------------|--------------------------|---------------------------|
|                      |                                      |                   |                          |  |               |  | Shares                    | %    | Shares               | %    | Shares                      | %    | Shares                              | %    |  |  | Title   | Name                          | Relation                 |                           |
| Chairman             | ROC                                  | Hsu, Bang-Fu      | M 81-90                  | 2023.6.15                                  | 3Y            | 1979.7.27  | 18,088,322                | 6.93 | 18,601,823           | 6.48 | 12,530,306                  | 4.36 | 0                                   | 0.00 | Kyoto University, Japan Master of Graduate School of Engineering   | Fortune Electric Co., Ltd. Chairman<br>Fortune Electric Extra High Voltage Co., Ltd. Chairman<br>Fortune Energy CO., LTD Chairman  | Vice Chairman<br>General Manager  | Hsu, Shou-Hsiung<br>Hsu, I-Te | Brothers<br>Father & Son | Operational consideration |
| Vice Chairman        | ROC                                  | Hsu, Shou-Hsiung  | M 81-90                  | 2023.6.15                                  | 3Y            | 1969.8.26  | 22,603,419                | 8.66 | 24,863,760           | 8.66 | 9,918,737                   | 3.45 | 0                                   | 0.00 | Sungkyunkwan University, Korea Master of Graduate school of International Trade and Policy                                   | Fortune Electric Co., Ltd. Vice Chairman<br>Hua Cheng Investment Corp. Chairman  | Chairman<br>CEO   | Hsu, Bang-Fu<br>Hsu, I-Sheng  | Brothers<br>Father & Son | Operational consideration |
| Director             | ROC                                  | Shu, Yi-Cheun     | M 51-60                  | 2023.6.15                                  | 3Y            | 2017.6.14  | 1,057,892                 | 0.41 | 1,163,681            | 0.41 | 0                           | 0    | 0                                   | 0.00 | University of Southern California MBA  | Formosa Oilseed Processing Co., Ltd. & Top Food Industry Cooperation representative director   | NONE  | NONE                          | NONE                     | -                         |
| Director             | ROC                                  | Hsu, I-Te         | M 51-60                  | 2023.6.15                                  | 3Y            | 2017.6.14  | 3,948,577                 | 1.51 | 2,148,246            | 0.75 | 389,708                     | 0.14 | 0                                   | 0.00 | Case Western Reserve University, U.S. Master of Law  | Fortune Electric Co., Ltd. General Manager<br>Hsin He Energy Co., Ltd. Director<br>Fortune Electric Australia Pty Ltd Director   | Chairman  | Hsu, Bang-Fu                  | Father & Son             | Operational consideration |
| Director             | ROC                                  | Hsu, I-Sheng      | M 41-50                  | 2023.6.15                                  | 3Y            | 2011.6.10  | 3,248,470                 | 1.24 | 3,573,317            | 1.24 | 10,000                      | 0    | 0                                   | 0.00 | National Chung Cheng University Master of Business Administration  | Fortune Electric Co., Ltd. CEO<br>Synergy Co., Ltd. & E-Formula Technologies, Inc. Director<br>Fortune Electric Value Company Limited Chairman & CEO<br>FORTUNE NEV Co., Ltd. Chairman | Vice Chairman   | Hsu, Shou-Hsiung              | Father & Son             | Operational consideration |
| Director             | ROC                                  | Weng, Jen-Pei     | M 81-90                  | 2023.6.15                                  | 3Y            | 2017.6.14  | 751,468                   | 0.29 | 754,614              | 0.26 | 121,337                     | 0.04 | 0                                   | 0.00 | Sanno University, Japan Department of Sales  | NONE   | NONE  | NONE                          | NONE                     | -                         |
| Independent Director | ROC                                  | Hu, Len-Kuo       | M 71-80                  | 2023.6.15                                  | 3Y            | 2017.6.14  | 0                         | 0.00 | 0                    | 0.00 | 0                           | 0.00 | 0                                   | 0.00 | University of California, U.S. PhD and Master of Economics<br>National Taiwan University Bachelor of Business Administration | Chung-Hua International Trade Association Honorary Chairman<br>International Trade Department, National Chengchi University Adjunct Professor  | NONE  | NONE                          | NONE                     | -                         |
| Independent Director | ROC                                  | Lei, Whey-Min     | M 81-90                  | 2023.6.15                                  | 3Y            | 2017.6.14  | 0                         | 0.00 | 0                    | 0.00 | 0                           | 0.00 | 0                                   | 0.00 | National Chengchi University Bachelor of International Business  | Alumni of International Business, National Chengchi University Honorary Chairman   | NONE  | NONE                          | NONE                     | -                         |
| Independent Director | ROC                                  | Liao, Chih-Hsiang | M 41-50                  | 2023.6.15                                  | 3Y            | 2017.6.14  | 0                         | 0.00 | 0                    | 0.00 | 0                           | 0.00 | 0                                   | 0.00 | National Chengchi University Master of Accounting  | Chainye Accounting Firm Partner Accountant   | NONE  | NONE                          | NONE                     | -                         |
| Independent Director | ROC                                  | Yeh, Yun-Ching    | F 51-60                  | 2023.6.15                                  | 3Y            | 2023.6.15  | 0                         | 0.00 | 0                    | 0.00 | 0                           | 0.00 | 0                                   | 0.00 | Golden Gate University Ph.D. of Law School (USA)   | Shih Hsin University Full-time Professor<br>CHO Pharma Director (representative of Academia Sinica)  | NONE  | NONE                          | NONE                     | -                         |

Note : Where the President or person of an equivalent post (the highest-level manager) and Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, the reason for, rationality, necessity thereof, and the measures adopted in response thereto must be disclosed.

Due to consideration of the Company operations the Chairman and the General Manager or equivalent position are relative within first degree of relationship, in order to compliant with Securities and Exchange Act, four Independent Directors have been elected for the current term.

1. Analysis of professional qualifications and independence the Directors  
(Established Audit Committee, in accordance with regulations, in lieu of Supervisors)

| Criteria<br>Name | Professional Qualification and Experience  | Independence Criteria  | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|------------------|--|--|---|
| Hsu, Bang-Fu     | <ul style="list-style-type: none"> <li>(1) Had over five years of working experience necessary for company business operation.</li> <li>(2) Currently serves as Chairman of the Company, Fortune Electric Extra High Voltage Co., LTD, and Fortune Energy Co., LTD</li> <li>(3) Master of Graduate School of Engineering from Kyoto University, Japan</li> </ul>   | <ul style="list-style-type: none"> <li>(1) Not the Chairman, General Manager or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses; not a director (or governor), supervisor, or employee of that other company or institution.</li> <li>(2) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse</li> <li>(3) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</li> </ul>  | 0   |
| Hsu, Shou-Hsiung | <ul style="list-style-type: none"> <li>(1) Had over five years of working experience necessary for the company business operation.</li> <li>(2) Currently serves as Vice Chairman of the Company and Chairman of Hua Cheng Investment Corp.</li> <li>(3) Master of Graduate school of International Trade and Policy in Sungkyunkwan University, Korea.</li> </ul> | <ul style="list-style-type: none"> <li>(1) Not a director or supervisor of the company or any of its affiliates.</li> <li>(2) Not a majority of the company's director seats or voting shares and those of any other company are controlled by the same person; not a director, supervisor, or employee of that other company.</li> <li>(3) Not the Chairman, General Manager or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses; not a director (or governor), supervisor, or employee of that other company or institution</li> <li>(4) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse.</li> <li>(5) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</li> </ul> | 0   |
| Shu, Yi-Cheun    | <ul style="list-style-type: none"> <li>(1) Had over five years of working experience necessary for the company business operation.</li> <li>(2) Currently serves as representative Director of Formosa Oilseed Processing Co., Ltd. and Top Food Industry Corporation</li> </ul>   | <ul style="list-style-type: none"> <li>(1) Not a director or supervisor of the company or any of its affiliates.</li> <li>(2) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the</li> </ul>  | 0   |

|           |   |  |   |
|-----------|---|--|---|
|           | <p>(3) Served as a Project Manager of Bank SinoPac and Vice President of Far East National Bank</p> <p>(4) Master of Business Administration in University of Southern California</p>   | <p>total number of issued shares of the company or ranking in the top 10 in holdings.</p> <p>(3) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.</p> <p>(4) Not a majority of the company's director seats or voting shares and those of any other company are controlled by the same person; not a director, supervisor, or employee of that other company.</p> <p>(5) Not the Chairman, General Manager or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses; not a director (or governor), supervisor, or employee of that other company or institution</p> <p>(6) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.</p> <p>(7) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse</p> <p>(8) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>(9) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</p> |   |
| Hsu, I-Te | <p>(1) Had over five years of working experience necessary for the company business operation.</p> <p>(2) Currently serves as General Manager of the Company; director of Xin He Energy Development Co., Ltd. &amp; Fortune Electric Australia Pty Ltd</p> <p>(3) Master of Case Western Reserve University, U.S.</p> | <p>(1) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.</p> <p>(2) Not the Chairman, General Manager or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses; not a director (or governor), supervisor, or employee of that other company or institution</p> <p>(3) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the</p>   | 0 |

|               |   |  |   |
|---------------|---|--|---|
|               |   | <p>company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse</p> <p>(4) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse.</p> <p>(5) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</p>   |   |
| Hsu, I-Sheng  | <p>(1) Had over five years of working experience necessary for the company business operation.</p> <p>(2) Currently serves as CEO of the Company; Chairman &amp; CEO of Fortune Value Co., LTD; Chairman of Fortune NEV Co., Ltd., Director of Synergy Co., Ltd. &amp; E-Formula Technologies, Inc.</p> <p>(3) Master of Business Administration of National Chung Cheng University</p> | <p>(1) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.</p> <p>(2) Not a majority of the company's director seats or voting shares and those of any other company are controlled by the same person; not a director, supervisor, or employee of that other company.</p> <p>(3) Not the Chairman, General Manager or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses; not a director (or governor), supervisor, or employee of that other company or institution</p> <p>(4) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse.</p> <p>(5) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</p> | 0 |
| Weng, Jen-Pei | <p>(1) Had over five years of working experience necessary for the company business operation.</p> <p>(2) Served as an Auditor General of Grand Bills Finance Corp.; Director of Sales, Accounting Director, Audit Director and General Affair Director of International Bank of Taipei</p> <p>(3) Bachelor of Department of Sales, Sanno University, Japan</p>                         | <p>(1) Not an employee of the company or any of its affiliates.</p> <p>(2) Not a director or supervisor of the company or any of its affiliates.</p> <p>(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.</p>  | 0 |
| Hu, Len-Kuo   | <p>(1) Had over five years of working experience necessary for the company business operation.</p> <p>(2) Currently serves as Adjunct Professor of International Trade Department, National Chengchi University</p> <p>(3) Served as an external Independent</p>  | <p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.</p> <p>(5) Not a director, supervisor, or employee of</p>   | 0 |

|                   |  |  |   |
|-------------------|--|--|---|
|                   | <p>Director of KGI Securities Co.; Dean of Business School of National Kaohsiung University of Science and Technology; Dean of International Trade Department and Institute of International Trade of National Chengchi University; Council Member of Council Committee Small and Medium Enterprise Administration.</p> <p>(4) PhD and Master of Economics in University of California, U.S.</p>   | <p>a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.</p> <p>(6) Not a majority of the company's director seats or voting shares and those of any other company are controlled by the same person; not a director, supervisor, or employee of that other company.</p>   |   |
| Lei, Whey-Min     | <p>(1) Had over five years of working experience necessary for the company business operation.</p> <p>(2) Currently serves as Honorary Chairman of Alumni of International Business; permanent consultant of Taiwan Korean Trade Association..., etc.</p> <p>(3) Served as a Chief of on-the-job training team of Center for Public and Business Administration Education, NCCU; Dean's office secretary of Institute of International Trade of National Chengchi University; lecturer of International Trade Department and Institute of International Trade of National Chengchi University.</p> <p>(4) Bachelor of International Business in National Chengchi University</p> | <p>(7) Not the Chairman, General Manager or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses; not a director (or governor), supervisor, or employee of that other company or institution</p> <p>(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.</p> <p>(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting, or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse</p> | 0 |
| Liao, Chih-Hsiang | <p>(1) Had over five years of working experience necessary for the company business operation.</p> <p>(2) Currently serves as Partner CPA of Chain Ye Accounting Firm.</p> <p>(3) CPA and Certified Internal Auditor of Taiwan; was Assistant Manager of Audit Department of Deloitte Taiwan and Assistant Manager of Overseas Investment Department of KGI Securities.</p> <p>(4) Master of Accounting in National Chengchi University</p>  | <p>(10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>(11) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</p>   | 0 |
| Yeh, Yun-Ching    | <p>(1) Had over five years of working experience necessary for the company business operation.</p> <p>(2) Currently serves as a full-time Professor at Shih Hsin University; Director of CHO Pharma (representative of Academia Sinica).</p> <p>(3) Served as Director of the Academia Sinica, Department of Intellectual Property and Technology Transfer</p> <p>(4) Passed the Bar Exam and certified as a patent attorney. Ph.D. from Golden Gate University School of Law.</p>   |  | 0 |

Note: The above-mentioned Directors did not have any conditions defined in Article 30 of the Company Act.

## 2. Diversity and Independence of Board of Directors:

### (1) Diversity of Directors:

It was stipulated in the Corporate Governance Best Practice Principles that the composition of the Board of Directors shall be diversified. Directors concurrently serving as company officers should not exceed one-third of the total number of the board members, and All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. The composition of the Board of Directors shall take diversity into consideration, and formulate a policy on diversity based on the company's business operations, operating dynamics, and development needs, including basic requirements and values (gender, age, nationality, and culture), and professional knowledge and skills (e.g., law, finance, marketing, technology).

Specific management goals and achievements of the Company's diversity policy are as follows:

| Management Goal  | Achievement   |
|--|---|
| The composition of the Board of Directors shall be diversified, and shall have leadership, judgment in operation, business management, crisis management, knowledge of the industry, and international market perspective. | Achieved  |
| Over one-third of the total number of independent directors with expertise in law, international trade, business operation and finance and accounting.   | Achieved  |
| The number of directors concurrently acting as managers of the Company shall not exceed one-third of the number of directors.  | Achieved  |
| Reason for the Board of Directors failing to meet the one-third gender representation requirement and planned remedial measures  | The next election will be conducted in compliance with regulations. |

Implementation status of the Diversity policy of Board Members is as of the following:

| Title                | Diversified Categories<br><br>Name | Composition |        |                   |           |       | Professional Background |       |       | Competency   |          |         |               |           |                |            |                   |                    |               |            |                 |   |   |
|----------------------|------------------------------------|-------------|--------|-------------------|-----------|-------|-------------------------|-------|-------|--------------|----------|---------|---------------|-----------|----------------|------------|-------------------|--------------------|---------------|------------|-----------------|---|---|
|                      |                                    | Nationality | Gender | Employee Identity | Age Group |       |                         |       |       | CPA / Lawyer | Industry | Finance | Instructor in | Operation | Accounting and | Management | Crisis Management | Industry expertise | International | Leadership | Decision Making |   |   |
|                      |                                    |             |        |                   | 41-50     | 51-60 | 61-70                   | 71-80 | 81-90 |              |          |         |               |           |                |            |                   |                    |               |            |                 |   |   |
| Director             | Hsu, Bang-Fu                       | R<br>O<br>C | M      |                   |           |       |                         |       | V     |              | V        | V       |               | V         | V              | V          | V                 | V                  | V             | V          | V               | V |   |
|                      | Hsu, Shou-Hsiung                   |             | M      |                   |           |       |                         |       | V     |              | V        | V       | V             | V         | V              | V          | V                 | V                  | V             | V          | V               | V |   |
|                      | Shu, Yi-Cheun                      |             | M      |                   |           | V     |                         |       |       |              | V        | V       |               | V         | V              | V          | V                 | V                  | V             | V          | V               | V |   |
|                      | Hsu, I-Sheng                       |             | M      | V                 | V         |       |                         |       |       |              | V        | V       |               | V         | V              | V          | V                 | V                  | V             | V          | V               | V |   |
|                      | Hsu, I-Te                          |             | M      | V                 |           | V     |                         |       |       |              | V        | V       |               | V         | V              | V          | V                 | V                  | V             | V          | V               | V |   |
|                      | Weng, Jen-Pei                      |             | M      |                   |           |       |                         |       | V     |              | V        | V       |               | V         | V              | V          | V                 | V                  | V             | V          | V               | V | V |
| Independent Director | Hu, Len-Kuo                        |             | M      |                   |           |       |                         | V     |       |              | V        | V       | V             | V         | V              | V          | V                 |                    |               | V          | V               | V | V |
|                      | Lei, Whey-Min                      |             | M      |                   |           |       |                         |       | V     |              | V        | V       | V             | V         | V              | V          | V                 |                    |               | V          | V               | V | V |
|                      | Liao, Chih-Hsiang                  |             | M      |                   |           | V     |                         |       |       |              | V        | V       | V             | V         | V              | V          | V                 |                    |               | V          | V               | V | V |
|                      | Yeh, Yun-Ching                     |             | F      |                   |           | V     |                         |       |       |              | V        | V       |               | V         | V              | V          |                   | V                  | V             | V          | V               | V | V |

### (2) Independence of the Board of Directors:

There are 10 members in the Company's Board of Directors, including 4 Independent Directors and 2 Directors that are also employees (40% and 20% of all members of the Board, respectively). Independent directors account for two-fifths of the Board's seats. As of December 31<sup>st</sup>, 2024, Independent Directors are all in compliance with conformity mandated by Securities and Futures Bureau, Financial Supervisory Commission, and all Directors and Independent Directors did not have any matters against the 3<sup>rd</sup> and 4<sup>th</sup> paragraphs of Article 26-3 of the Securities and Exchange Act. Primary responsibility of the Board of Directors is to supervise the Company to be law-abiding, with financial transparency, real-time disclosure of material information, and perform objective and independent judgement on company's financial matters. We are in full compliance of the regulations of the Act when Board Members were selected.

**(2) Information on the company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units.**

April 15, 2025

| Title  | Nationality   | Name            | Gender | Date Effective | Shareholding |      | Spouse & Minor Shareholding |      | Shareholding by Nominee Arrangement |      | Experience ( Education )   | Other positions in companies in which the Individual is concurrently serving   | Managers who are Spouses or Within Two Degrees of Kinship |              |          | Remark(s) (Note)        |
|--|---------------|-----------------|--------|----------------|--------------|------|-----------------------------|------|-------------------------------------|------|--|--|---|--------------|----------|-------------------------|
|  |               |                 |        |                | Shares       | %    | Shares                      | %    | Shares                              | %    |  |  | Title   | Name         | Relation |                         |
| General Manager  | ROC           | Hsu, I-Te       | M      | 106.06.23      | 2,148,246    | 0.75 | 389,708                     | 0.14 | 0                                   | 0.00 | Case Western Reserve University, U.S. Master of Law                                  | Hsin He Energy Co.,Ltd Director<br>Fortune Electric Australia Pty Lt Director  | International Division Vice General Manager               | Hsu, I-Ming  | Brothers | Operation consideration |
| CEO  | ROC           | Hsu, I-Sheng    | M      | 106.06.23      | 3,573,317    | 1.24 | 10,000                      | 0    | 0                                   | 0.00 | National Chung Cheng University MBA  | Synergy Co., Ltd. & E-Formula Technologies, Inc. Director<br>Fortune Electric Value Company Limited Chairman & CEO<br>Fortune NEV Co., Ltd. Chairman | Management Division Division Head                         | Hsu, I-Yang  | Brothers | Operation consideration |
| International Division Vice General Manager                  | ROC/US/Canada | Hsu, I-Ming     | M      | 106.11.06      | 2,915,103    | 1.02 | 0                           | 0    | 0                                   | 0.00 | University of Toronto, CA Bachelor of Software Engineering                           | Fortune Electric America Inc. Chairman<br>Fortune Electric Australia Pty Ltd Director  | General Manager   | Hsu, I-Te    | Brothers | -                       |
| Procurement Division Division Head                           | ROC           | Sun, Shih-Ming  | M      | 107.04.01      | 80,550       | 0.03 | 6,241                       | 0    | 0                                   | 0.00 | Chien Hsin University of Science and Technology Department of Electrical Engineering | Fortune Electric (Wuhan) Co., Ltd.<br>Wuhan Fortune Electric Co., Ltd. Chairman  | NONE  | NONE         | NONE     | -                       |
| Power Division Division Head                                 | ROC           | Chu, Hwei-Long  | M      | 103.01.02      | 275          | 0    | 0                           | 0    | 0                                   | 0.00 | Minghsin University of Science and Technology Department of Machinery                | NONE   | NONE  | NONE         | NONE     | -                       |
| Electrical Engineering Division Division Head                | ROC           | Ku, Fu-Chen     | M      | 105.10.01      | 18,660       | 0.01 | 46,718                      | 0.02 | 0                                   | 0.00 | St. Aloysius Technical School Department of Technician                               | NONE   | NONE  | NONE         | NONE     | -                       |
| Head of Management Division / Corporate Governance / Finance | ROC           | Hsu, I-Yang     | M      | 106.07.03      | 3,571,269    | 1.24 | 0                           | 0    | 0                                   | 0.00 | Abilene Christian University Master of Communications                                | Fortune Electric Value Company Limited Executive Assistant to Chairman<br>Fortune NEV Co., Ltd. Supervisor   | CEO   | Hsu, I-Sheng | Brothers | -                       |
| Technology Division Division Head                            | ROC           | Lee, Hsiao-Li   | M      | 107.06.01      | 0            | 0    | 0                           | 0    | 0                                   | 0.00 | National Taipei University of Technology Department of Electrical Engineering        | NONE   | NONE  | NONE         | NONE     | -                       |
| New Energy Engineering Division Division Head                | ROC           | Wang, Yiao-Fan  | M      | 107.06.01      | 0            | 0    | 37,422                      | 0.01 | 0                                   | 0.00 | University of Pittsburgh Master of Mechanical Engineering                            | NONE   | NONE  | NONE         | NONE     | -                       |
| Switch Division Division Head                                | ROC           | Tu, Cheng-Fah   | M      | 107.10.01      | 0            | 0    | 0                           | 0    | 0                                   | 0.00 | Lunghwa University of Science and Technology Department of Electrical Engineering    | NONE   | NONE  | NONE         | NONE     | -                       |
| Domestic Business Division Division Head                     | ROC           | Chen, Meng-Yueh | M      | 107.10.01      | 278          | 0    | 0                           | 0    | 0                                   | 0.00 | Minghsin University of Science and Technology Mechanical Engineering                 | NONE   | NONE  | NONE         | NONE     | -                       |
| Information Center Division Head                             | ROC           | Lin, Cheng-Chin | M      | 109.04.01      | 13           | 0    | 3                           | 0    | 0                                   | 0.00 | National Jinan University PhD, Business Administration                               | NONE   | NONE  | NONE         | NONE     | -                       |
| Accounting Manager   | ROC           | Chiu, Hsu-Lan   | F      | 92.09.05       | 0            | 0    | 0                           | 0    | 0                                   | 0.00 | Tamkang University Department of Accounting  | NONE   | NONE  | NONE         | NONE     | -                       |

Note: Due to consideration of the Company operations the Chairman and the General Manager or equivalent position are relative within first degree of relationship, in order to compliant with Securities and Exchange Act, have appointed four Independent Directors to enhance corporate governance.

## 2. Remuneration paid during the most recent fiscal year to directors, supervisors, the general manager, and assistant general managers

### (1) Remuneration of Directors and Supervisors in the Most Recent Year:

#### 1. Remuneration of Directors and Independent Directors

Unit: NT\$ thousands

| Title                      | Name              | Remuneration          |  |                   |  |                             |  |                |  | Ratio of Total Remuneration (A+B+C+D) and to Net Income (%) |  | Relevant Remuneration Received by Directors Who are Also Employees |  |                   |  |                       |  | Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) |   | Remuneration from ventures other than subsidiaries or from the parent company |                  |      |
|----------------------------|-------------------|-----------------------|--|-------------------|--|-----------------------------|--|----------------|--|---|--|--|--|-------------------|--|-----------------------|--|---|---|---|------------------|------|
|                            |                   | Base Compensation (A) |  | Severance Pay (B) |  | Director's Compensation (C) |  | Allowances (D) |  |   |  | Salary, Bonuses, and Allowances (E)                                |  | Severance Pay (F) |  | Employee Compensation |  |   |   |   |                  |      |
|                            |                   | The company           | All companies in the consolidated financial statements | The company       | All companies in the consolidated financial statements | The company                 | All companies in the consolidated financial statements | The company    | All companies in the consolidated financial statements | The company   | All companies in the consolidated financial statements | The company  | All companies in the consolidated financial statements | The company       | All companies in the consolidated financial statements | The company           | All companies in the consolidated financial statements |   |   |   |                  |      |
| Chairman                   | Hsu, Bang-Fu      | 13,612                | 13,612   | -                 | -  | 79,286                      | 79,286   | 420            | 420  | 93,318<br>2.18%   | 93,318<br>2.18%  | -  | -  | -                 | -  | -                     | -  | -   | - | 116,703<br>2.72%  | 117,253<br>2.74% | NONE |
| Vice Chairman              | Hsu, Shou-Hsiung  |                       |  |                   |  |                             |  |                |  |   |  |  |  |                   |  |                       |  |   |   |   |                  |      |
| Independent Director       | Hu, Len-Kuo       |                       |  |                   |  |                             |  |                |  |   |  |  |  |                   |  |                       |  |   |   |   |                  |      |
| Independent Director       | Lei, Whey-Min     |                       |  |                   |  |                             |  |                |  |   |  |  |  |                   |  |                       |  |   |   |   |                  |      |
| Independent Director       | Liao, Chih-Hsiang |                       |  |                   |  |                             |  |                |  |   |  |  |  |                   |  |                       |  |   |   |   |                  |      |
| Independent Director       | Yeh, Yun-Ching    |                       |  |                   |  |                             |  |                |  |   |  |  |  |                   |  |                       |  |   |   |   |                  |      |
| Director                   | Shu, Yi-Cheun     | -                     | -  | -                 | -  | -                           | -  | -              | -  | -   | -  | -  | -  | -                 | -  | -                     | -  | -   | - | -   | -                |      |
| Director                   | Weng, Jen-Pei     |                       |  |                   |  |                             |  |                |  |   |  |  |  |                   |  |                       |  |   |   |   |                  |      |
| Director & General Manager | Hsu, I-Te         |                       |  |                   |  |                             |  |                |  |   |  |  |  |                   |  |                       |  |   |   |   |                  |      |
| Director & CEO             | Hsu, I-Sheng      | -                     | -  | -                 | -  | -                           | -  | -              | -  | -   | -  | 19,098   | 19,648   | -                 | -  | 4,287                 | -  | 4,287   | - | -   | -                | -    |

Please describe the policy, system, standard, and structure of remuneration to Independent Directors, and the correlation between duties, risk, and time input with the amount of remuneration:

Remuneration of the Directors was construed, as stipulated in the Company's Articles of Incorporation, authorizing the Board of Directors to consider the level of operational involvement and contribution, and taking normal standards adopted by peer companies, that Directors' remuneration would not be more than 2%, as stipulated in the 27<sup>th</sup> article, within reasonable range.

\* In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): NONE

Note: Chairman, General Manager and CEO were all provided with a limousine, with monthly payment paid to the rental car company.

| Range of Remuneration for the Company's Directors | Name of Directors  |  |  |  |
|---|--|--|--|--|
|   | Total of (A+B+C+D)   |  | Total of (A+B+C+D+E+F+G)   |  |
|   | The company  | Companies in the consolidated financial statements   | The company  | Companies in the consolidated financial statements   |
| Less than NT\$ 1,000,000                          | -  | -  | -  | -  |
| NT\$1,000,000 (incl.) ~ NT\$2,000,000 (excl.)     | -  | -  | -  | -  |
| NT\$2,000,000 (incl.) ~ NT\$3,500,000 (excl.)     | -  | -  | -  | -  |
| NT\$3,500,000 (incl.) ~ NT\$5,000,000 (excl.)     | -  | -  | -  | -  |
| NT\$5,000,000 (incl.) ~ NT\$10,000,000 (excl.)    | Hsu, I-Te, Hsu, I-Sheng, Weng, Jen-Pei, Shu, Yi-Cheun, Hu, Len-Kuo, Lei, Whey-Min, Liao, Chih-Hsiang, Yeh, Yun-Ching                                 | Hsu, I-Te, Hsu, I-Sheng, Weng, Jen-Pei, Shu, Yi-Cheun, Hu, Len-Kuo, Lei, Whey-Min, Liao, Chih-Hsiang, Yeh, Yun-Ching                                 | Weng, Jen-Pei, Shu, Yi-Cheun, Hu, Len-Kuo, Lei, Whey-Min, Liao, Chih-Hsiang, Yeh, Yun-Ching  | Weng, Jen-Pei, Shu, Yi-Cheun, Hu, Len-Kuo, Lei, Whey-Min, Liao, Chih-Hsiang, Yeh, Yun-Ching  |
| NT\$10,000,000 (incl.) ~ NT\$15,000,000 (excl.)   | Hsu, Bang-Fu, Hsu, Shou-Hsiung   | Hsu, Bang-Fu, Hsu, Shou-Hsiung   | Hsu, Bang-Fu, Hsu, Shou-Hsiung   | Hsu, Bang-Fu, Hsu, Shou-Hsiung   |
| NT\$15,000,000 (incl.) ~ NT\$30,000,000 (excl.)   | -  | -  | Hsu, I-Te, Hsu, I-Sheng  | Hsu, I-Te, Hsu, I-Sheng  |
| NT\$30,000,000 (incl.) ~ NT\$50,000,000 (excl.)   | -  | -  | -  | -  |
| NT\$50,000,000 (incl.) ~ NT\$100,000,000 (excl.)  | -  | -  | -  | -  |
| NT\$100,000,000 or above                          | -  | -  | -  | -  |
| Total   | Hsu, Bang-Fu, Hsu, Shou-Hsiung, Hsu, I-Te, Hsu, I-Sheng, Shu, Yi-Cheun, Weng, Jen-Pei, Hu, Len-Kuo, Lei, Whey-Min, Liao, Chih-Hsiang, Yeh, Yun-Ching | Hsu, Bang-Fu, Hsu, Shou-Hsiung, Hsu, I-Te, Hsu, I-Sheng, Shu, Yi-Cheun, Weng, Jen-Pei, Hu, Len-Kuo, Lei, Whey-Min, Liao, Chih-Hsiang, Yeh, Yun-Ching | Hsu, Bang-Fu, Hsu, Shou-Hsiung, Hsu, I-Te, Hsu, I-Sheng, Shu, Yi-Cheun, Weng, Jen-Pei, Hu, Len-Kuo, Lei, Whey-Min, Liao, Chih-Hsiang, Yeh, Yun-Ching | Hsu, Bang-Fu, Hsu, Shou-Hsiung, Hsu, I-Te, Hsu, I-Sheng, Shu, Yi-Cheun, Weng, Jen-Pei, Hu, Len-Kuo, Lei, Whey-Min, Liao, Chih-Hsiang, Yeh, Yun-Ching |



(2) Remuneration of CEO and General Manager in the Most Recent Year:

1. Remuneration of General Manager and CEO

Unit: NT\$ thousands

| Title           | Name         | Salary(A)   |  | Severance Pay (B) |  | Bonuses and Allowances (C) |  | Employee Compensation (D) |       |  |       | Ratio of total compensation (A+B+C+D) and to net income (%) |  | Remuneration from ventures other than subsidiaries or from the parent company |
|-----------------|--------------|-------------|--|-------------------|--|----------------------------|--|---------------------------|-------|--|-------|---|--|---|
|                 |              | The company | Companies in the consolidated financial statements | The company       | Companies in the consolidated financial statements | The company                | Companies in the consolidated financial statements | The company               |       | Companies in the consolidated financial statements |       | The company   | Companies in the consolidated financial statements |   |
|                 |              |             |  |                   |  |                            |  | Cash                      | Stock | Cash   | Stock |   |  |   |
| CEO             | Hsu, I-Sheng | 7,760       | 8,310  | -                 | -  | 11,338                     | 11,338   | 4,287                     | -     | 4,287  | -     | 23,385<br>0.55%   | 23,935<br>0.56%                                    | None  |
| General Manager | Hsu, I-Te    |             |  |                   |  |                            |  |                           |       |  |       |   |  |   |

| Range of Remuneration                            | Names of General Manager and CEO |  |
|--|----------------------------------|--|
|  | The company                      | Companies in the consolidated financial statements |
| Less than NT\$ 1,000,000                         | -                                | -  |
| NT\$1,000,000 (incl.) ~ NT\$2,000,000 (excl.)    | -                                | -  |
| NT\$2,000,000 (incl.) ~ NT\$3,500,000 (excl.)    | -                                | -  |
| NT\$3,500,000 (incl.) ~ NT\$5,000,000 (excl.)    | -                                | -  |
| NT\$5,000,000 (incl.) ~ NT\$10,000,000 (excl.)   | -                                | -  |
| NT\$10,000,000 (incl.) ~ NT\$15,000,000 (excl.)  | -                                | -  |
| NT\$15,000,000 (incl.) ~ NT\$30,000,000 (excl.)  | Hsu, I-Te, Hsu, I-Sheng          | Hsu, I-Te, Hsu, I-Sheng                            |
| NT\$30,000,000 (incl.) ~ NT\$50,000,000 (excl.)  | -                                | -  |
| NT\$50,000,000 (incl.) ~ NT\$100,000,000 (excl.) | -                                | -  |
| NT\$100,000,000 or above                         | -                                | -  |
| Total  | Hsu, I-Te; Hsu, I-Sheng          | Hsu, I-Te; Hsu, I-Sheng                            |

## 2. Remuneration of Managerial Officers in detail

December 31, 2024

|                     | Title  | Name            | Stock Amount | Cash Amount         | Total              | Ratio of Total Amount to Net Income (%) |
|---------------------|--|-----------------|--------------|---------------------|--------------------|---|
| Managerial Officers | CEO  | Hsu, I-Sheng    | -            | NT\$15,763 thousand | NT\$15,763thousand | 0.37 %                                  |
|                     | General Manager  | Hsu, I-Te       |              |                     |                    |   |
|                     | International Division Vice General Manager                  | Hsu, I-Ming     |              |                     |                    |   |
|                     | Procurement Division Div. Head                               | Sun, Shih-Ming  |              |                     |                    |   |
|                     | Power Division Div. Head                                     | Chu, Huei-Long  |              |                     |                    |   |
|                     | Electrical Engineering Division Div. Head                    | Ku, Fu-Chen     |              |                     |                    |   |
|                     | Head of Management Division / Corporate Governance / Finance | Hsu, I-Yang     |              |                     |                    |   |
|                     | Technology Division Division Head                            | Lee, Hsiao-Li   |              |                     |                    |   |
|                     | New Energy Engineering Division Division Head                | Wang, Yiao-Fan  |              |                     |                    |   |
|                     | Switch Division Division Head                                | Tu, Cheng-Fah   |              |                     |                    |   |
|                     | Domestic Business Division Division Head                     | Chen, Meng-Yueh |              |                     |                    |   |
|                     | Information Center   | Lin, Cheng-Chin |              |                     |                    |   |
|                     | Accounting Manager   | Chiu, Hsu-Lan   |              |                     |                    |   |

(3) Comparison of Remuneration for Directors, CEO, General Manager, and Vice Presidents in the Most Recent Two Fiscal Years and the ratio of the abovementioned total amount to Net Income in Individual Financial Statements, and the Remuneration policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and correlation between with business performance and risks.

1. Remuneration paid to Directors, CEO, General Manager and Vice Presidents were NT\$139,972 thousand and NT\$91,011 thousand and ratios of remuneration paid to the abovementioned Managerial Officers to net income were 3.27% and 3.53% in 2024 and 2023, respectively.
2. The compensation to Chairman, Vice Chairman, and the Directors were determined by the Board of the Company, authorized by what were stipulated in the Articles of Incorporation, in accordance with the individual performance and the market trends. The compensation is measured based on the employee's personal achievements, contribution made to the business operation, and the market averages. The remuneration to CEO and General Manager were stipulated in the "Remuneration Policy and Performance Evaluation for Managerial Officers."

### 3. The state of the company's implementation of corporate governance

#### (1) Operations of the Board of Directors

1. A total of 8 meetings of the Board of Directors were held in 2024. The attendance status of director and supervisor was as follows:

| Title                | Name              | Attendance in Person (times) | By Proxy | Attendance Rate (%) | Remarks |
|----------------------|-------------------|------------------------------|----------|---------------------|---------|
| Chairman             | Hsu, Bang-Fu      | 8                            | 0        | 100%                |         |
| Vice Chairman        | Hsu, Shou-Hsiung  | 8                            | 0        | 100%                |         |
| Director             | Shu, Yi-Cheun     | 7                            | 0        | 88%                 |         |
| Director             | Hsu, I-Te         | 8                            | 0        | 100%                |         |
| Director             | Hsu, I-Sheng      | 8                            | 0        | 100%                |         |
| Director             | Weng, Jen-Pei     | 8                            | 0        | 100%                |         |
| Independent Director | Hu, Len-Kuo       | 7                            | 0        | 88%                 |         |
| Independent Director | Lei, Whey-Min     | 8                            | 0        | 100%                |         |
| Independent Director | Liao, Chih-Hsiang | 8                            | 0        | 100%                |         |
| Independent Director | Yeh, Yun-Ching    | 8                            | 0        | 100%                |         |

2. Other mentionable items:

(1) If any of the following circumstances occur, all Independent Directors' opinions and the status of the Company's responses: NONE.

1-1 Matters referred to in Article 14-3 of the Securities and Exchange Act

1-2 Other matters involving objections or reservations expressed by independent directors that were recorded or stated in writing that require a resolution by the board of directors

(2) If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.

(3) Implementation Status of Board Evaluations

| Evaluation cycle | Evaluation period                               | Scope of evaluation   | Evaluation method   | Evaluation items  |
|------------------|---|---|---|---|
| Once a year      | Jan 1 <sup>st</sup> ~ Dec 31 <sup>st</sup> 2024 | Board of Directors<br>Individual Directors<br>All Functional Committees | Self-evaluation by the Board of Directors<br>Self-assessment by the Directors | As defined in the "Scope of evaluation: Board of Directors and Individual Directors," evaluation will be conducted in accordance with 5 aspects, as defined in the appraisal criteria |

(4) Evaluation of Implementation Status for enhancing capability of the Board in Current Year and Most Recent Year:

1. The Company continued to enhance information transparency and disclose Corporate Governance related information to protect Shareholders' best interest.
2. To assist the Directors in performing their duties and optimize the efficiency of the Board, the Company has established "Performance evaluation of the Board of Directors" in 2020. The 2024 Directors' self-evaluation was presented to the Board of Directors on March 10, 2025 and the results were as follows:

| Evaluation Item                                   | Evaluation Description  | Result      |
|---|---|-------------|
| Self-evaluation by the Board                      | A. level of participation in company operations<br>B. quality enhancement of Board decisions<br>C. Board composition and structure<br>D. appointment of directors and their continued development<br>E. internal controls   | Outstanding |
| Self-evaluation by the individual Directors       | A. grasp of company targets and missions<br>B. understanding of the director's role and responsibilities<br>C. level of participation in company operations<br>D. internal relationship management and communication<br>E. director's specialty and continued development<br>F. internal controls | Outstanding |
| Self-evaluation by Audit Committee members        | A. participation in company operations<br>B. understanding of the responsibilities of functional committees<br>C. improvement of the decision-making quality of functional committees<br>D. composition of functional committees, and member selection<br>E. internal control                     | Outstanding |
| Self-evaluation by Remuneration Committee members | A. participation in company operations<br>B. understanding of the responsibilities of functional committees<br>C. improvement of the decision-making quality of functional committees<br>D. composition of functional committees, and member selection<br>E. internal control                     | Outstanding |

3. To strengthen the functionality of Corporate Governance, the Company has elected 4 Independent Directors and has established an Audit Committee and a Remuneration Committee to assist the board in carrying out its various duties. In the future, other types of functional committees might also be established, if deemed necessary for accommodating business operating needs.

## (2) Implementation Status of Audit Committee

The Audit Committee comprises 4 independent directors. The Audit Committee assists the Board in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices of the Company. Audit items were in accordance with the Article 8 in "Audit Committee Charter."

In 2024, annual assessment tasks included: review quarterly financial statements and reports, endorsement guarantee censorship, annual profit distribution, affiliated product trading, material assessment trading, audit "account receivable non-Loaning of Funds and Making of Endorsements/Guarantees case" and effectiveness of Internal Control System. Proposals were reviewed and approved and will be submitted to the Board of Directors for discussion.

1. A total of 8 Audit Committee meetings were held in 2024. The attendance status of the Independent Directors was as follows:

| Title                | Name              | Attendance in Person (times) | By Proxy | Attendance Rate (%) | Remarks |
|----------------------|-------------------|------------------------------|----------|---------------------|---------|
| Independent Director | Hu, Len-Kuo       | 7                            | 0        | 88%                 |         |
| Independent Director | Lei, Whey-Min     | 8                            | 0        | 100%                |         |
| Independent Director | Liao, Chih-Hsiang | 8                            | 0        | 100%                |         |
| Independent Director | Yeh, Yun-Ching    | 8                            | 0        | 100%                |         |

2. Other mentionable items:

- (1) If any of the following circumstances occur, all Audit Committee resolutions should clearly state the following: Audit Committee convened dates, Sequence No., Resolution description, consent or dissent opinions of the Independent Directors, key suggestion description and result as well as action status of the Company:

1-1 Matters referred to in Article 14-5 of the Securities and Exchange Act.

| Audit Committee Dates | Sequence No.    | Content   | Resolution  |
|-----------------------|-----------------|---|---|
| March 8, 2024         | 1 <sup>st</sup> | <p>Discussion:</p> <ol style="list-style-type: none"> <li>1. 2023 Consolidated Financial Statements, Individual Financial Statements, and Business report</li> <li>2. The Company's 2023 Profit Distribution.</li> <li>3. Capitalization of Retained Earnings and Issuance of New Shares.</li> <li>4. Independence Declaration and Competency Assessment of the CPA.</li> <li>5. Proposal to Establish General Principles for the Company's Pre-Approved Non-Assurance Services Policy.</li> <li>6. Report on Forward Foreign Exchange Contracts (Pre-Purchase/Pre-Sale).</li> <li>7. Cases Where the Company's Outstanding Credit Exceeds Three Months Past the Normal Term with Amounts Over NT\$20 Million (Non-Lending Nature) as of December 2023.</li> <li>8. Proposal for the Company's 2023 Internal Control System Statement.</li> <li>9. The subsidiary, Fortune Electric Extra High Voltage Co., Ltd. intends to apply for credit</li> </ol> | <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> |

| Audit Committee Dates | Sequence No.    | Content  | Resolution  |
|-----------------------|-----------------|--|---|
|                       |                 | facilities from three financial institutions, including Cathay United Bank, for operational purposes. The Company is requested to provide a corporate guarantee as collateral for the financing.   | for further discussion.   |
| April 23, 2024        | 2 <sup>nd</sup> | <p>Discussion:</p> <ol style="list-style-type: none"> <li>1. Report on Forward Foreign Exchange Contracts (Pre-Purchase/Pre-Sale).</li> <li>2. Amendment to the Company's 2023 Profit Distribution Proposal.</li> <li>3. Amendment to the Capitalization of Retained Earnings and Issuance of New Shares Proposal.</li> <li>4. The subsidiary, Fortune Electric Extra High Voltage Co., Ltd., intends to apply for a credit facility from Mega International Commercial Bank for operational purposes. The Company is requested to provide a corporate guarantee as collateral for the financing.</li> </ol> | <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> |
| May 10, 2024          | 3 <sup>rd</sup> | <p>Discussion:</p> <ol style="list-style-type: none"> <li>1. Q1 2024 Consolidated Financial Statements.</li> <li>2. Report on Forward Foreign Exchange Contracts (Pre-Purchase/Pre-Sale).</li> <li>3. Cases Where the Company's Outstanding Credit Exceeds Three Months Past the Normal Term with Amounts Over NT\$20 Million (Non-Lending Nature) as of March 2024.</li> <li>4. Proposal to Construct a 1.5-Generation Plant at the Company's Guanyin III plant.</li> </ol>   | <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> |
| July 10, 2024         | 4 <sup>th</sup> | <p>Discussion:</p> <ol style="list-style-type: none"> <li>1. Report on Forward Foreign Exchange Contracts (Pre-Purchase/Pre-Sale).</li> </ol>  | Proposal was approved upon consent of all members present and submitted to the Board for further discussion.  |
| August 9, 2024        | 5 <sup>th</sup> | <p>Discussion:</p> <ol style="list-style-type: none"> <li>1. Q2 2024 Consolidated Financial Statements.</li> <li>2. Report on Forward Foreign Exchange Contracts (Pre-Purchase/Pre-Sale).</li> <li>3. Cases Where the Company's Outstanding Credit Exceeds Three Months Past the Normal Term with Amounts Over NT\$20 Million (Non-Lending Nature) as of June 2024.</li> </ol>   | <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p>   |
| September 30, 2024    | 6 <sup>th</sup> | <p>Discussion:</p> <ol style="list-style-type: none"> <li>1. Q2 2024 Consolidated Financial Statements.</li> <li>2. Report on Forward Foreign Exchange Contracts (Pre-Purchase/Pre-Sale).</li> <li>3. Cases Where the Company's Outstanding Credit Exceeds Three Months Past the Normal Term with Amounts Over NT\$20</li> </ol>   | <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p>   |

| Audit Committee Dates | Sequence No.    | Content   | Resolution  |
|-----------------------|-----------------|---|---|
|                       |                 | Million (Non-Lending Nature) as of March 2024.  |   |
| November 8, 2024      | 7 <sup>th</sup> | <p>Discussion:</p> <p>1.Q3 2024 Consolidated Financial Statements.</p> <p>2. Report on Forward Foreign Exchange Contracts (Pre-Purchase/Pre-Sale)</p> <p>3. Cases Where the Company's Outstanding Credit Exceeds Three Months Past the Normal Term with Amounts Over NT\$20 Million (Non-Lending Nature) as of September 2024.</p> <p>4. Proposal to Amend the Company's Internal Control System Handling Guidelines.</p> <p>5. Capital Increase Proposal for Affiliated Company, Synergy Co., Ltd.</p> | <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> |
| December 30, 2024     | 8 <sup>th</sup> | <p>1. Report on Forward Foreign Exchange Contracts (Pre-Purchase/Pre-Sale)</p> <p>2. Proposal to Establish a Sustainability Information Management Policy and Add Internal Control Procedure CA-116 for Sustainability Information Management.</p>  | <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p> <p>Proposal was approved upon consent of all members present and submitted to the Board for further discussion.</p>   |

1-2 Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: NONE.

- (2) If there are Independent Directors' avoidance of motions in conflict of interest and its status: NONE.
- (3) Communication between Independent Directors, Internal Audit (IA) managers and CPA: IA managers submitted monthly audit report to Independent Directors and would initiate direct communication, if deemed necessary. Participated in the routine quarterly Board Meetings and reported implementation status of audit matters. Internal Control Statement would be reviewed and approved by Audit Committee with onward submitting to the Board.

**Communication between Independent Directors and Internal Audit (IA) managers:**

| Date                                  | Key Points  | Results                     |
|---------------------------------------|---|-----------------------------|
| March 8, 2024<br>(Board Meeting)      | October 2023- January 2024 Internal Audit execution status report | Agreed for future reference |
| April 23, 2024<br>(Board Meeting)     | February 2024- March 2024 Internal Audit execution status report  | Agreed for future reference |
| July 10, 2024<br>(Board Meeting)      | April 2024- May 2024 Internal Audit execution status report       | Agreed for future reference |
| August 9, 2024<br>(Board Meeting)     | June 2024 Internal Audit execution status report                  | Agreed for future reference |
| September 30, 2024<br>(Board Meeting) | July 2024- August 2024 Internal Audit execution status report     | Agreed for future reference |
| November 8, 2024<br>(Board Meeting)   | September 2024 Internal Audit execution status report             | Agreed for future reference |
| December 30, 2024<br>(Board Meeting)  | October 2024-November 2024 Internal Audit execution status report | Agreed for future reference |
| March 10, 2025<br>(Board Meeting)     | December 2024-January 2025 Internal Audit execution status report | Agreed for future reference |

**Communication between Independent Directors and CPA:**

| Dates                                 | Key Points  | Results     |
|---------------------------------------|---|-------------|
| March 8, 2024<br>(Audit Committee)    | CPA gave out explanation regarding 2023 financial and profit/loss position, key audit conclusion report, IFRS Sustainability Disclosure Standard, IESBA Compliance, etc.  | No Comments |
| November 8, 2024<br>(Audit Committee) | CPA gave out explanation regarding: IFRS Sustainability Disclosure Standards; Amendments to relevant Securities and Exchange Act regulations; Introduction to IFRS 18; Revisions to the Statute for Industrial Innovation and conducted communications with the Company concerning Key audit matters for the 2024 financial statements and other relevant matters | No Comments |
| March 10, 2025<br>(Audit Committee)   | CPA gave out explanation regarding: 2024 financial status and profit/loss performance; Key audit conclusions report; Article 14, Paragraph 6 of the Securities and Exchange Act; IESBA standards.   | No Comments |

**(3) Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”**

| Evaluation Item   | Implementation Status |    |   | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons |
|---|-----------------------|----|---|--|
|   | Yes                   | No | Abstract  |  |
| 1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”? | V                     |    | The Company has established the Corporate Governance Best-Practice Principles and its information has been disclosed on the Company’s website | No deviation   |
| 2. Shareholding structure & shareholders’ rights  |                       |    |   |  |
| (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes, and litigations, and implement based on the procedure?       | V                     |    | The Company has designated Spokesperson or Deputy Spokesperson to be responsible for investors’ suggestions or disputes                       | No deviation   |
| (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?   | V                     |    | Shareholders’ list provided by agent for stock affairs  |  |
| (3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?   | V                     |    | The Company has established “Supervision and Management of Subsidiaries” management procedure   |  |
| (4) Does the company establish internal rules against insiders trading with undisclosed information?  | V                     |    | The Company has established “Management Procedures for Preventing Insider Trading.”   |  |

| <p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p> <p>(2) Does the company, in accordance with the governing law, voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p> <p>(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?</p> <p>(4) Does the company regularly evaluate the independence of CPAs?</p> | <p>V</p> <p>V</p> <p>V</p> <p>V</p> | <p>In the 20<sup>th</sup> Article in the Company's "Corporate Governance Regulation", it was stipulated that diversification was the key directive in Corporate Governance; the above-mentioned has been disclosed on the Company's website. The Company's current Board Members, Hsu, Bang-Fu, Hsu, Shou-Hsiung, Shu, Yi-Cheun, Hsu, I-Sheng, Hsu, I-Te, and Weng, Jen-Pei are all shrewd business leaders with sound operational judgement and management, crisis handling, and are all equipped with industry knowledge and international market views. Four Independent Directors, Lei, Whey-Min, Hu, Len-Kuo, Liao, Chih-Hsiang, and Yeh, Yun-Ching, among them, Lei, Whey-Min and Hu, Len-Kuo were both lecturers at International Trade Department, National Cheng-Chi University, and were all familiar with global trading business and enterprise operation....etc.; Lei, Whey-Min was CPA partner of Chainye Accounting Firm and would be very beneficial to the company when he got involved in terms of business management, accounting, financials as well as corporate governance....etc. Yeh, Yun-Ching is a PhD from the Law School and is currently a full-time University Professor, and is able to supervise the Company to minimize the legal risks associated with the Company. Although Board Members of the Company have fulfilled the requested diversification, and are expected to oversee and guide the Company more effectively in response to the trend of international development. Please refer to page 10 for diversification implementation status.</p> <p>Established Remuneration Committee in accordance with regulations and all Independent Directors served as committee members. Board meeting passed the resolution of setting up Sustainable development Committee on March, 2022.</p> <p>The Company has established "Performance Evaluation of the Board of Directors" in 2020. Since then, Board evaluation was assessed every year and has completed declaration of appraisal results by 1Q of the following year.</p> <p>2024 performance evaluation results submitted to the Board of Directors on March 10, 2025.</p> <p>The Board of the Company reviewed independence and competency of its certifying CPAs at least once a year and in addition to requesting the CPAs to provide "Declaration of Independence and Detachment" and "Audit Quality Indicators Report", they are also evaluated according to the Independence Evaluation Criteria and the 13 AQI Indicators, and do not have any financial interest or business relationship other than financial statement certification fee. CPAs did not have a significant close business relationship with the Company nor any monetary loans with the Company. Family members of the CPAs will not violate independence. CPAs would be appointed, with the aforementioned criteria being met, and the Audit Committee discuss with resolution and report on March 10 of 2024, also with the resolution of Board of Directors on March 10 of 2025, then their information would be disclosed on the Company's website.</p> <p><a href="https://www.fortune.com.tw/tw/Investor_governance_05.html#governance">https://www.fortune.com.tw/tw/Investor_governance_05.html#governance</a></p> | <p>No deviation</p> <p>No deviation</p> <p>No deviation</p> <p>Independence evaluation items</p> <table border="1"> <thead> <tr> <th colspan="2">2-Subsidiary (emp)</th> <th colspan="2">3-Subsidiary (emp)</th> </tr> <tr> <th colspan="2">Whether the CPA has a direct or significant indirect financial interest relationship with the Company?</th> <th>No</th> <th>Yes</th> </tr> </thead> <tbody> <tr> <td colspan="2">Whether the CPA has any financing or guarantee with the Company or its director of the Company?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td colspan="2">Whether the CPA has close business relationship and provide close and continuous relationship with the Company?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td colspan="2">Whether the CPA and their immediate relatives have served as directors, managers or positions that have significant influence on audit work in the Company at present or in the last two years?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td colspan="2">Whether the CPA has provided any non-audit services that may adversely affect the audit result to the Company?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td colspan="2">Whether the CPA has been involved in audit or other activities related to the Company?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td colspan="2">Whether the CPA has acted as the director of the Company or its subsidiaries or affiliates with the Company?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td colspan="2">Whether the CPA has any relations with the Company's directors, managers, or persons who have a significant influence on the audit work?</td> <td>No</td> <td>Yes</td> </tr> </tbody> </table> | 2-Subsidiary (emp) |  | 3-Subsidiary (emp) |  | Whether the CPA has a direct or significant indirect financial interest relationship with the Company? |  | No | Yes | Whether the CPA has any financing or guarantee with the Company or its director of the Company? |  | No | Yes | Whether the CPA has close business relationship and provide close and continuous relationship with the Company? |  | No | Yes | Whether the CPA and their immediate relatives have served as directors, managers or positions that have significant influence on audit work in the Company at present or in the last two years? |  | No | Yes | Whether the CPA has provided any non-audit services that may adversely affect the audit result to the Company? |  | No | Yes | Whether the CPA has been involved in audit or other activities related to the Company? |  | No | Yes | Whether the CPA has acted as the director of the Company or its subsidiaries or affiliates with the Company? |  | No | Yes | Whether the CPA has any relations with the Company's directors, managers, or persons who have a significant influence on the audit work? |  | No | Yes |
|--|-------------------------------------|--|--|--------------------|--|--------------------|--|--|--|----|-----|---|--|----|-----|---|--|----|-----|---|--|----|-----|--|--|----|-----|--|--|----|-----|--|--|----|-----|--|--|----|-----|
| 2-Subsidiary (emp)   |                                     | 3-Subsidiary (emp)   |  |                    |  |                    |  |  |  |    |     |   |  |    |     |   |  |    |     |   |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |
| Whether the CPA has a direct or significant indirect financial interest relationship with the Company?   |                                     | No   | Yes  |                    |  |                    |  |  |  |    |     |   |  |    |     |   |  |    |     |   |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |
| Whether the CPA has any financing or guarantee with the Company or its director of the Company?  |                                     | No   | Yes  |                    |  |                    |  |  |  |    |     |   |  |    |     |   |  |    |     |   |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |
| Whether the CPA has close business relationship and provide close and continuous relationship with the Company?  |                                     | No   | Yes  |                    |  |                    |  |  |  |    |     |   |  |    |     |   |  |    |     |   |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |
| Whether the CPA and their immediate relatives have served as directors, managers or positions that have significant influence on audit work in the Company at present or in the last two years?  |                                     | No   | Yes  |                    |  |                    |  |  |  |    |     |   |  |    |     |   |  |    |     |   |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |
| Whether the CPA has provided any non-audit services that may adversely affect the audit result to the Company?   |                                     | No   | Yes  |                    |  |                    |  |  |  |    |     |   |  |    |     |   |  |    |     |   |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |
| Whether the CPA has been involved in audit or other activities related to the Company?   |                                     | No   | Yes  |                    |  |                    |  |  |  |    |     |   |  |    |     |   |  |    |     |   |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |
| Whether the CPA has acted as the director of the Company or its subsidiaries or affiliates with the Company?   |                                     | No   | Yes  |                    |  |                    |  |  |  |    |     |   |  |    |     |   |  |    |     |   |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |
| Whether the CPA has any relations with the Company's directors, managers, or persons who have a significant influence on the audit work?   |                                     | No   | Yes  |                    |  |                    |  |  |  |    |     |   |  |    |     |   |  |    |     |   |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |
| <p>4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?</p>  | <p>V</p>                            | <p>In 2021, the Company has established Corporate Governance supervisor, approved by Board of Directors, to be responsible for Corporate Governance matters such as: handling of Board Meeting and Shareholders' Meeting, facilitating Directors to assume office and continuous learning, supporting Directors with materials for executing business, and assisting Directors to follow codes and acts..., etc.</p> <p>There were 15 Hours of training in 2024 and completed filing declaration within stipulated deadline. Please refer to the Company's website for detailed course content.</p>  | <p>No deviation</p>  |                    |  |                    |  |  |  |    |     |   |  |    |     |   |  |    |     |   |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |
| <p>5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?</p>  | <p>V</p>                            | <p>The Company provided detailed contact information in the "Stakeholder Area" section of the corporate website. In addition, personnel are in place to exclusively deal with issues of social responsibility, ensuring that various interested parties have channels, such as Special Column, &amp;As, Request-and-Reply..., etc. for all stakeholders to communicate with the Company. Starting 2021, the Company has authorized Deloitte to set up a channel, "Whistle Blower Platform," for all employees to seek assistance escalate injustice behaviors violating company requests.</p> <p><a href="https://www.fortune.com.tw/tw/contact_stakeholder.aspx">https://www.fortune.com.tw/tw/contact_stakeholder.aspx</a></p> <p><a href="https://www.fortune.com.tw/tw/contact_whistle.html">https://www.fortune.com.tw/tw/contact_whistle.html</a></p>  | <p>No deviation</p>  |                    |  |                    |  |  |  |    |     |   |  |    |     |   |  |    |     |   |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |
| <p>6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?</p>   | <p>V</p>                            | <p>Stock Transfer Department of Taishin Securities Co., Limited</p>  | <p>No deviation</p>  |                    |  |                    |  |  |  |    |     |   |  |    |     |   |  |    |     |   |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |  |  |    |     |



|  |                            |  |  |
|--|----------------------------|--|--|
| <p>7. Information Disclosure</p> <p>(1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?</p> <p>(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</p> <p>(3) Does the Company disclose and announce Annual Financial Statements within two months after end of each Fiscal Year and announced Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?</p>   | <p>V</p> <p>V</p> <p>V</p> | <p>Please go to “Investor Service” on the Company’s website.</p> <p>The Company has assigned an appropriate person to handle information collection and disclosure, and Spokesperson procedure has been established and implemented. The Company has established “Procedures for Handling Material Inside Information” as the basis for material information handling and the said procedure has been approved by the Board. According to the regulations, the information session shall host at least once a year, and the relevant information will be upload to the Company website.</p> <p>The Company has reported annual financial statements within 75 days after the end of each fiscal year and made declaration accordingly.</p> <p>The Company announced and reported its financial statements for Q1, Q2, and Q3 within 45 days and filed monthly operating status 10<sup>th</sup> on every month.</p> | <p>No deviation</p> <p>No deviation</p> <p>Will implement according to regulations accordingly</p> |
| <p>8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)? Implemented in accordance with the regulation and no deviation.</p> <p>1. The Company has established “Corporate Governance Management Guidelines”, “Corporate Ethical Management” and “Ethical Management Procedure and Behavior Guidelines.” to be strictly in compliance with laws and regulations. To strengthen management system, employee service codes and associated procedures are summarized as below:</p> <ul style="list-style-type: none"> <li>i. Employee should be diligent, loyal, in compliance with the Company’s management guidelines and adhere to the reasonable instructions made by supervisors and manages; managers of all levels should guide subordinates in a friendly way.</li> <li>ii. Company-wide, public properties should be handled with care to reduce loss or damage. Externally, business secrets as well as job confidentiality should strictly be abided by.</li> <li>iii. No taking advantage of position power and authority for your own or other people’s personal benefits.</li> <li>iv. No taking bribes, gifts, kickbacks, or any unlawful gains.</li> <li>v. Be compliant with Labor Safety and Health Codes, maintain safety in worksites, and health and comfort of the environment.</li> <li>vi. If there’s no written consent from the Company, employee shall not operate for himself/herself or a third party for business similar or same with the Company; nor shall employee be, shareholder with infinite responsibility, executive business shareholder, Director, Manager, or the corporation’s named or secret partner, for same type of business as that of the Company.</li> <li>vii. No spreading of inappropriate speeches or pictures to result in affecting fulfilling labor contracts which led to tangible or intangible losses to the Company.</li> <li>viii. No fabricating, lying about attendance record nor reimburse or claim the expenses falsely.</li> <li>ix. No prejudices, namely, races, class of rank, language, thoughts, religion, political parties, origination, gender, marriage, appearance, facial features, disabilities, nor previous union membership will be cast upon when hiring employees/</li> <li>x. No hiring of child labor under 15 years old; following government policy and to continue to recruit retired people, middle-aged people, people with disabilities and indigenous residents.</li> <li>xi. Implement “Gender Equality in Employment Act” and “Sexual Harassment Prevention Act” preventive measures.</li> <li>xii. Abide by “Work Rules” and committed in enterprise ethics and professional ethics establishment to maintain good labor relations</li> <li>xiii. Act in accordance with the 6<sup>th</sup> Article in New Act of “Occupational Safety and Health Act,” that professional health management service system be promoted to enhance employee management and ensure friendly work environment and warrant a safe working environment and hygiene.</li> </ul> |                            |  |  |

2. Established association and organize strategic alliance of Satellite Plant system to ensure material quality and delivery.  
3. 2024 Directors and Managerial Officers' training records:

| Name & Title                              | Sponsoring Organization   | Course Names and Hours   | Course attended | Total Hours |
|---|---|--|-----------------|-------------|
| Hsu, Bang-Fu<br>Chairman                  | (1-3)<br>Republic of China<br>Securities and Futures<br>Institute (SFI)<br>(4) Taiwan Listed<br>Companies Association<br>(5) Importers and<br>Exporters Association<br>of Taipei (IEAT)<br>(6) Taiwan Institute of<br>Directors | 1. Global Economic Outlook for Second Half of 2024 (3H)<br>2. Corporate ESG Sustainability Governance: Understanding and Implementation - Global Net Zero Trends and Corporate Response Strategies (3H)<br>3. 2024 Global Economic Outlook (3H)<br>4. Key Observations on the 2024 Global Economy (3H)<br>5. ITBS 10th Anniversary Forum "Mastering Digital Innovation for 2024 Global Business Trends" (3H)<br>6. Identifying Taiwanese Enterprises' International Competitiveness in the Global Competitive Landscape (1H) | 1-2             | 6H          |
| Hsu, Shou-Hsiung<br>Vice Chairman         |   |  | 1-2             | 6H          |
| Hsu, I-Te<br>Director & General Manager   |   |  | 1-2<br>4-6      | 13H         |
| Hsu, I-Sheng<br>Director & CEO            |   |  | 1-2             | 6H          |
| Shu, Yi-Cheun<br>Director                 |   |  | 1-3             | 9H          |
| Weng, Jen-Pei<br>Director                 |   |  | 1-2             | 6H          |
| Lei, Whey-Min Independent<br>Director     |   |  | 1-2             | 6H          |
| Hu, Len-Kuo Independent<br>Director       |   |  | 1-2             | 6H          |
| Liao, Chih-Hsiang<br>Independent Director |   |  | 1-2             | 6H          |
| Yeh, Yun-Ching Independent<br>Director    |   |  | 1-2             | 6H          |

4. Risk management's organization framework, policy, and risk measurement standard implementation status:

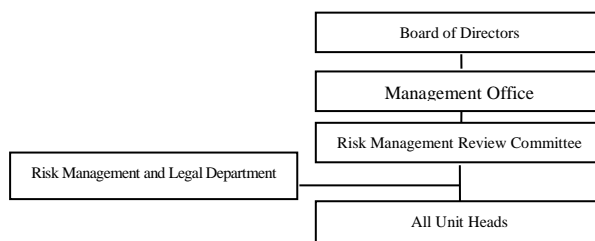
The Company established risk management organization and system based its mission statements: "Comfort Employees", "Comfort Customers", "Comfort Shareholders", and "Comfort Society." By way of integrating all potential risk in business management, finance and hazards to operation and profitability, through cost-effective methods, sufficient risk management would be provided to the Company's interested parties, shareholders, and other relevant groups.

■ Risk Management Mission:

Construct and implement effective risk management mechanism and continue to improve to create top-quality substance for enterprise and reach operational goals.

■ Risk Management Organization:

Based on risk management framework, adopted from ISO31000, the Company utilizes PDCA management cycle to set up risk management system. Authorized by the Board of Directors, Head of Management Division will be the chairperson of risk management, who oversees management organization operation and programs promoting. Please refer to the organization chart as below:



● Description of the organization:

(1) Management Division

Highest authority of the Company's risk management, with a clear picture of the risk (including legal risk) that the Company' is facing, that ensures effectiveness of risk management, to fulfill legal compliance, promoting and implementing overall risk management mechanism and takes up ultimate responsibility of risk management.

(2) Risk Management and Legal Department

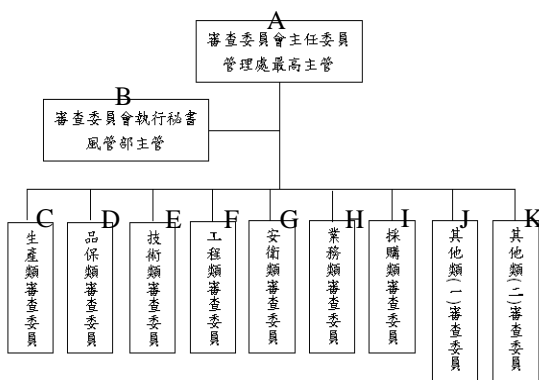
Risk management policy was made by Management division for Risk Management and Legal Department (RML Dep.) to execute and further assist all departments to set up risk management goals as well as enhancing control over risk management activities, while urging all to reduce legal risk exposures. After periodic supervision all departments' risk exposures, Risk & Legal Management Department will submit evaluation report to all Heads of Divisions and Risk Management Review committee.

(3) Risk Management Review Committee

Risk Management Review Committee was composed by all departments' experts (please find below chart for details.) Risk Review meeting will be held regularly, to implement full involvement of risk management policy and to broaden benefits of risk management system as well as minimize risk of information asymmetry. Risk information and intelligence collecting system has also been set up for the Company to keep abreast of internal and external relevant risk information to benefit from risk prevention.

(4) All Unit Heads

All Unit Heads hold responsible for 1<sup>st</sup> line of risk management defense, and will identify, analyze, evaluate, assess, handle and supervise concerned unit's internal risk, to ensure risk management mechanism and procedure were effectively implemented.



|   |   |
|---|---|
| A | Review Committee Chairperson<br>Head of Management Division     |
| B | Review Committee Executive Secretary<br>Head of Risk Management |
| C | Production Review Member  |
| D | Quality Assurance Review Member                                 |
| E | Technology Review Member  |
| F | Engineering Review Member                                       |
| G | Safety and Health Review Member                                 |
| H | Sales Review Member   |
| I | Procurement Review Member                                       |
| J | Other Category (I) Review Member                                |
| K | Other Category (II) Review Member                               |

● All operating mechanism of risk management

To engage effectiveness of risk management execution, all roles and responsibilities, have been categorized and defined as below table:

| Responsible Authority                                       | Task Items   |
|---|--|
| CEO Office / General Manager Office                         | Assist cross-unit and all level of risk management communication and coordination  |
| Audit Office  | Supervise and audit all units to confirm whether risk management operation is in place   |
| Management Division   | Lead the formation of the Company's risk management mechanism<br>Promote and supervise overall risk management plans<br>Assess and evaluate risk profile of the Company and risk appetites of all business groups  |
| Management Division<br>Risk Management and Legal Department | Establish standardize risk management tools<br>Assist in identifying and analyzing all departments' risk<br>Evaluate over company risk (including legal risk)<br>Assist in handling all departments' of extremely risky events and high-risk events<br>Assist in handling all professional risks and company strategy risk |
| Management Division<br>Human Resources Department           | Assist in promoting risk management corporate culture<br>Set up all departments' risk management related performance KPIs  |
| Management Division<br>Finance Department                   | Assist the Company in financial risk management  |
| Divisional Heads  | Establish responsible unit's risk management plans and goals<br>Evaluate responsible unit's applicability of risk management<br>Assist in supervising and controlling all departments' risk  |
| All Units' Head   | Evaluate effectiveness and consistency of risk management plan in practice<br>Responsible for identifying, analyzing and supervising responsible unit's risk   |
| Employees   | Communicate with supervisor the risk associated with responsible business<br>Clearly understand the importance of responsible business' risk profile   |
| Review Committee Members                                    | Assist Risk Management Department (RML Dep.) in handling risk management relevant tasks<br>Identify and analyze overall company integrated risk events<br>Evaluate effectiveness of overall company integrated risk events   |

● Risk Management Matters and management framework

|    | Major Risk evaluation matters   | Risk Management Responsible Authority   | Risk Review and Control  | Decision and supervision mechanism   |
|----|---|---|--|--|
| 1. | Strategic risk: industry, strategy, annual targets, business environment, reputation, and human resources, ..., etc.  | General Manager Office, CEO Office, Domestic Business Division, International Business Department, New Energy Engineering Business Division, Management Division  | All Division Heads, CEO Office · General Manager Office · Risk Management Review Committee | The Board of Directors : highest directing unit for giving instruction and making decision<br><br>Audit Office : Confirm whether corporate risk management mechanism is in place |
| 2. | Operating risk: workflow, job safety, product quality, sales & marketing, suppliers, ..., etc.  | General Manager Office, CEO Office, Electrical Engineering Division, Power Division, Switch Division, New Energy Engineering Business Division, Safety & Health Department, Procurement Division, Domestic Business Division, International Business Department, Technology Division, Management Division |  |  |
| 3. | Financial risk: capital, credit line, inventory, and bad debts, ..., etc.   | General Manager Office, CEO Office, Domestic Business Division, International Business Department, New Energy Engineering Business Division, Procurement Division, Management Division, Electrical Engineering Division, Power Division, Switch Division  |  |  |
| 4. | Information risk: R&D capability, information security, internal/external information communication, knowledge transformation, and legal related, ..., etc. | General Manager Office, CEO Office, Technology Division, Domestic Business Division, International Department, Management Division, Information Center, Switch Division   |  |  |

■ Risk Management Policy and measurement criteria:

On August 19<sup>th</sup> of 2010, the Company's Board of Directors passed Risk Management Commitment and Risk Management Policy project which include launch risk management system and implement risk management brochure publication. Management Policy mandates are as below:

- Corporate Value Creation  
Prevent possible risk by optimizing customers and shareholders' interests as well as in line with corporate operating directives, whereas seeking balance between risk and reward and created benefits for all.
- Pursuit of Corporate Sustainability  
Establish and promote Risk Management System to effectively identify, analyze, evaluate and handle all risks resulting from business engagement, and supervise and review its operating results. Ensure risk lies within the risk appetite of associated stakeholders to fulfill corporate sustainability.
- All-participating Risk Management  
Through corporate commitment and risk management mechanism, from top to bottom, to reinforce employee risk awareness. From bottom to top, through employee training, cultivation of employee risk management capability, to create corporate risk management culture as well as implementing risk management in all employee's daily life and work so that risk management is embedded in company operation.
- All risk management matters and detailed assessment operation description, please refer to page 74-76 for details. The Company has committed to govern all company products, workflow and activities are in accordance with what's stipulated and defined in ISO31000.
- Report to the Board of Directors previous year risk control management execution status at the beginning of each year:  
(At least once a year)
- On March 8, 2024 the 2023 risk management implementation progress was reported to the Board of Directors:
  - Risk management task was conducted on schedule: identified 129 risk matters, including Operation & Environment Climate., etc. pinpoint items with larger impact or needed timely improvement, and provide improvement plans. In addition, continue to exercise control over risk matters not yet submitted improvement plans; for those risk matters with higher risk levels, all units will monitor and exercise control individually and report to Risk Management and Legal Department.
  - Risk Management Training implementation: up to end of 2023, for newcomer training and Risk recognition and control training, there were 182 people being trained with accumulated training hours of 302 hrs.
  - 2023 risk management results: completed 84 risk handling strategies and after assessment, 88% of risk matters could be reduced with effective controls.
- On March 10, 2025 the 2024 risk management implementation progress was reported to the Board of Directors:
  - Risk management task was conducted on schedule: identified 181 risk matters, including Operation & Environment Climate., etc. pinpoint items with larger impact or needed timely improvement, and provide improvement plans. In addition, continue to exercise control over risk matters not yet submitted improvement plans; for those risk matters with higher risk levels, all units will monitor and exercise control individually and report to Risk Management and Legal Department.
  - Relevant Training implementation: up to end of 2024, for newcomer training and Risk recognition and control training, there were 204 people being trained with accumulated training hours of 364 hrs.
  - Risk management results: completed 204 risk handling strategies and after assessment, 85% of risk matters could be reduced with effective controls.

5. The Company has established "Management Procedures for Preventing Insider Trading", in accordance with "Internal Control System Handling Procedure Amendment", which included defining range of internal material information affecting share prices, confidential handling and measures prohibited for selling and buying prior to internal material information affecting share prices made public and such material information's description, time, ways of communication and personnel, in order to prevent violation of insider trading occurrences.

6. For the Company's Directors and Managerial Officers to commit in business management comfortably, we have arranged liability insurance of USD 5 million for the Directors and Managerial Officers.

9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures:

1. To reinforce the Board's structure and operation, the Company has established Audit Committee to replace Supervisors' functions.
2. The Company has been rated grade A for TWSE/TPEx Listed Companies in information transparency for many years consecutively. Governance self-assessment criteria included the following four categories: "protect shareholders' best interest and treat them fairly", "reinforce the Board's structure and operation", "enhance information transparency", and "fulfill Corporate Social Responsibility" and four categories of "implement sustainable development". The Company ranked in the range of 21%-35% for both the 4<sup>th</sup> and 5<sup>th</sup> sessions and in the range of 36%-50% for the 6<sup>th</sup> through 11<sup>th</sup> sessions.

(4) Composition, Responsibilities and Operations of the Remuneration Committee or Nomination Committee

1. Members of Remuneration Committee (the Company has yet to establish Nomination Committee)

April 15, 2025

| Title                | Criteria          |  | Independence Criteria  | Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member |
|----------------------|-------------------|--|--|---|
|                      | Name              | Professional Qualification and Experience  |  |   |
| Independent Director | Lei, Whey-Min     | 1. Had over five years of working experience necessary for the company business operation.<br>2. Currently serves as Honorary Chairman of Alumni of International Business; permanent consultant of Taiwan Korean Trade Association..., etc.<br>3. Was Chief of on-the-job training team of Center for Public and Business Administration Education, NCCU; Dean's office secretary of Institute of International Trade of National Chengchi University; lecturer of International Trade Department and Institute of International Trade of National Chengchi University.<br>4. Not having any matters as defined in Article 30 of the Company Act. | An Independent Director who maintains independence, including but not limited to himself, spouse, relative within the second degree of kinship, not being an employee, director, supervisor of the Company or any of its affiliates; not having any shares of the Company; not providing commercial, legal, financial, accounting, or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation | 0   |
| Independent Director | Hu, Len-Kuo       | 1. Had over five years of working experience necessary for the company business operation.<br>2. Currently serves as Adjunct Professor of International Trade Department, National Chengchi University<br>3. Was external Independent Director of KGI Securities Co.; Dean of Business School of National Kaohsiung University of Science and Technology; Dean of International Trade Department and Institute of International Trade of National Chengchi University; Council Member of Council Committee Small and Medium Enterprise Administration.<br>4. Not having any matters as defined in Article 30 of the Company Act.                   | An Independent Director who maintains independence, including but not limited to himself, spouse, relative within the second degree of kinship, not being an employee, director, supervisor of the Company or any of its affiliates; not having any shares of the Company; not providing commercial, legal, financial, accounting, or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation | 0   |
| Independent Director | Liao, Chih-Hsiang | 1. Had over five years of working experience necessary for the company business operation.<br>2. Currently serves as Partner CPA of Chain Ye Accounting Firm.<br>3. CPA and Certified Internal Auditor of Taiwan ROC; was Assistant Manager of Audit Department of Deloitte Taiwan and Assistant Manager of Overseas Investment Department of KGI Securities.<br>4. Not having any matters as defined in Article 30 of the Company Act.  | An Independent Director who maintains independence, including but not limited to himself, spouse, relative within the second degree of kinship, not being an employee, director, supervisor of the Company or any of its affiliates; not having any shares of the Company; not providing commercial, legal, financial, accounting, or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation | 0   |
| Independent Director | Yeh, Yun-Ching    | 1. Had over five years of working experience necessary for the company business operation.<br>2. Currently serves as a full-time Professor at Shih Hsin University; Director of CHO Pharma (representative of Academia   | An Independent Director who maintains independence, including but not limited to himself, spouse, relative within the second degree of kinship, not being an employee, director, supervisor of the Company or any of its affiliates; not having any  | 0   |

|  |  |   |  |  |
|--|--|---|--|--|
|  |  | Sinica).<br>3. Passed the Bar Exam and certified as a patent attorney. Served as Director of the Academia Sinica, Department of Intellectual Property and Technology Transfer<br>4. Not having any matters as defined in Article 30 of the Company Act. | shares of the Company; not providing commercial, legal, financial, accounting, or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation |  |
|--|--|---|--|--|

## 2. Operating information and state of Remuneration Committee

(1) There are 4 members in the Remuneration Committee, composed of by all the Independent Directors.


(2) Current term of the members: June 15<sup>th</sup>, 2023 ~ June 14<sup>th</sup> 2026. Two Remuneration Committee meetings were held in the Most Recent Year. 2024 attendance record of the Remuneration Committee members was as follows:

| Title            | Name              | Attendance in Person | By Proxy | Attendance Rate (%) | Remarks  |
|------------------|-------------------|----------------------|----------|---------------------|--|
| Convener         | Hu, Len-Kuo       | 2                    | 0        | 100%                | Roles & Responsibility were established in accordance with what was stipulated in "The Independent Director's Roles and Responsibility". |
| Committee Member | Lei, Whey-Min     | 2                    | 0        | 100%                |  |
| Committee Member | Liao, Chih-Hsiang | 2                    | 0        | 100%                |  |
| Committee Member | Yeh, Yun-Ching    | 2                    | 0        | 100%                |  |

## 3. Other mentionable items:

| Remuneration Committee   | Motions and follow-up processing   | Result  | The Company's response regarding Remuneration Committee's opinions    |
|--|--|---|---|
| The 3 <sup>rd</sup> time of the 5 <sup>th</sup> Term<br>March 8, 2024    | 2023 distribution of directors' remuneration and employees' compensation, as well as the amount and distribution method for employees serving as directors and managers. | Motion was approved upon consent of all members present | To be implemented in accordance with Remuneration Committee's opinion |
| The 4 <sup>th</sup> time of the 5 <sup>th</sup> Term<br>November 8, 2024 | As of October 2024, reward statistics of the Company's Managerial Officers   | Motion was approved upon consent of all members present | To be implemented in accordance with Remuneration Committee's opinion |

(5) Fulfillment of Corporate Sustainable Development & Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons:

| Implementation Item   | Implementation Status Explanation |    |  | Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons |
|---|-----------------------------------|----|--|---|
|   | Yes                               | No | Abstract   |   |
| (1) Does the company establish exclusively (or concurrently) dedicated first-line managers, authorized by the Board, to oversee and propose the corporate sustainable development implementation status and reporting to the board? | V                                 |    | <p>Sustainable Development Committee, a functional committee, was approved by the Board of Directors on March 2022. The Chairman and Vice Chairman serve as chief committee members, the GM and CEO serve as deputy chief committee members, the Executive Secretary served by the Chief Corporate Governance Officer, and the members are served by the assigned internal managers of the Company. In accordance with Article 27 of the Company's Corporate Governance Best Practice Principles, we have established a Sustainability Committee Charter, covering the duties and responsibilities of the committee members, etc., to be complied with.</p> <p>And authorized the Sustainability Committee to serve as a platform of vertical integrated and horizontal cross-departmental communication to identify sustainability issues related to the Company's operations and stakeholders' concerns, to formulate strategies and work objectives, to plan and execute annual projects, and to track the effectiveness to ensure the sustainability strategy is fully implemented in the Company's daily operations.</p> <p>The Sustainability Committee prepared a report on ESG short-, medium- and long-term goals setting to the Board of Directors on March 10, 2025.</p> <p>The Board shall evaluate the probability of the success of the goals setting and shall urge the management team to make adjustments when necessary.</p> | No deviation  |
| (2) Does the company establish and disclose the Corporate Sustainable Best-Practice Principles based on “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”?  | V                                 |    | <p>The Company's risk assessment boundary is based on the Company, for environmental categories, the boundary includes:</p> <p>The Company's Zhongli Plant I, the Guan Yin Plant II, and the Guan Yin Plant III and subsidiary Fortune Electric Extra High Voltage Co. For social categories, the disclosure scope covers: Taipei Office, Zhongli Plant I, the Guan Yin Plant II, and the Guan Yin Plant III and subsidiary Fortune Electric Extra High Voltage Co. and Kaohsiung Office.</p> <p>The Sustainability Committee analyzes the materiality principle of the sustainability report, communicates with internal and external stakeholders, and integrates the assessment information from each department to assess the materiality of ESG issues, and formulates a risk management policy that effectively identifies, measures, evaluates, supervises, and controls the risks, as well as adopts a specific action plan to minimize the impacts of the related risks.</p> <p>Based on the assessed risks, formulate relevant risk management policies or strategies:</p>   | No deviation  |
| (3) Environmental issues<br>1) Does the company establish proper environmental management systems based on the characteristics of their industries?   | V                                 |    | The Company has adopted ISO14001, according to industry characteristics to have environmental management system in place. We execute production waste management, waste reduction and disposal, as well as resource recovery from waste, ..., etc., and obtained ISO14001 Environmental Management System certification in 2023.   | Implemented in accordance with the regulation and no deviation.   |
| 2) Does the company endeavor to enhance energy efficiency and use renewable materials which have low impact on the environment?   | V                                 |    | Through the Energy Management System, the Company endeavors to enhance energy efficiency and improve facility energy consumption. On March 24 <sup>th</sup> , 2022, the Company was awarded by the result of “2021 Taoyuan City Low-Carbon Technology Industry subsidy and incentive program” and was granted funding for promoting lighting equipment, water Chiller and raining recycling device. Last year, the Company spent more than 5 million NTD in Green Mark products, namely,   | Implemented in accordance with the regulation and no deviation.   |

| Implementation Item  | Implementation Status Explanation |    |  | Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons  |
|--|-----------------------------------|----|--|--|
|  | Yes                               | No | Abstract   |  |
| <p>3) Does the company evaluate the potential risks and opportunities in climate change with regards to the present and future of its business, and take appropriate action to counter climate change issues?</p> <p>4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?</p>                                       | V                                 |    | <p>laptops, PCs, Air Conditioning equipment, A4 size papers, and leasing of company vehicles; on December 12<sup>th</sup> of 2022, the company obtained Green Procurement certified documents from Environmental Protection Administration (EPA), Executive Yuan. In 2024, it has already exceeded NT\$10 million. This achievement ensured a bonus point for Tai Power bidding project and the Company will be awarded for Green Procurement Excellent Manufacturer by Taoyuan City Government. The Company has developed recycling equipment for Green House Gas (GHG) SF6; recycling mechanism is in place for production, inspection and repair and maintenance to reduce the impact of environment overload to the minimum. For the use of insulating oil, some manufacturing of transformer could use recyclable insulating oil, such as plant oil for which the transformer will become more environmentally friendly. Regarding our supply chains, some vendors also cooperated with us and recycle some of their products, which also helped to reduce the impact on the environment.</p> <p>The Company adopted ISO50001 and emphasized issues’ resolution and responses pertinent to the stakeholders. Potential risk and opportunities have been identified to counteract and improve, projects for power, oil and water consumption have been arranged to manage resources, water recycling, resource recovery from waste and carbon footprint to best demonstrate corporate responsibility execution results. The Sustainability Report referred to the Recommendations on Task Force on Climate-related Financial Disclosures (TCFD) framework, and disclosed the 11 recommended disclosures under the 4 recommended disclosures of governance, strategy, risk management, indicators and targets for climate-related risks and opportunities of the business.</p> <p>The Company promoted ISO14001 and ISO50001, with the intention of setting up goals in environment protection, energy reduction, to dutifully fulfill social responsibility. The Company established recycling system of SF6 residual steel bottom, factory paint equipment and method improvement, and conducted inventory checking on Green House Gas, water consumption and waste total weight. Through third party certification as well as management configuration of the system, we have set our target for electricity saving of 1%. Compared to the previous year, in 2024 Zhongli Plant has achieved 9.1% energy saving per million of output value, Guan Yin Plant II has achieved 23.9%, Guan Yin Plant III has achieved 17%, and the subsidiary (Fortune Electric Extra High Voltage) has achieved 29.9% energy saving per million of output value, all with impressive performances.</p> | <p>Implemented in accordance with the regulation and no deviation.</p> <p>Implemented in accordance with the regulation and no deviation.</p>  |
| <p>(4) Social issues</p> <p>1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p> <p>2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?</p> <p>3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?</p> | V                                 | V  | <p>The Company complied with relevant codes of Internal Human Rights, and formulate “Fortune Electric Co., Ltd. human right policy and statement” and related regulation such as Basic Labor Rights, Gender Equality, Right-to-Work and Anti-Discrimination strictly. Implemented recruitment and employment terms, cared for Underprivileged Groups, prohibition on employment of child labor, fair and equal in compensation, benefits, training, and evaluation. An effective and appropriate complaint mechanism has been provided to ensure the fairness and transparency in complaint handling, including setting up of “Work Rule” by relevant codes as well as all sorts of management procedures and further to disclose in communication platform for all to reference to.</p> <p>In accordance with the Company’s “Comfort Employee” and upholding “Quality, Participation, Welfare, and Continuity” management principles, in addition to comply with relevant labor codes and acts, we have established “Welfare Committee” to handle all sorts of employee benefits measures as well as human resources management procedures including employee retention, training and development, promotion, year-end bonus and employee remuneration, which were all reflected in employee compensation and benefits.</p> <p>The Company conducted planned environment inspection and equipment maintenance as well as setting up EHS employee health and safety information platform website to promote a safe and healthy working environment by adopting 3 management systems, ISO45005, ISO14001and ISO50001. We hold regular monthly workplace safety meetings and reports, and each unit makes its own safety proposals to form a safety culture. We also have established a safety and health performance review to reward and demand both, enabling each unit to proactively establish occupational safety and protection, reduce occupational disaster risks, and ensure the employees’</p>  | <p>Implemented in accordance with the regulation and no deviation.<br/><a href="https://www.fortune.com.tw/tw/Investor_human_right.html">https://www.fortune.com.tw/tw/Investor_human_right.html</a></p> <p>Implemented in accordance with the regulation and no deviation.</p> <p>Implemented in accordance with the regulation and no deviation.</p> |



| Implementation Item   | Implementation Status Explanation |    |  | Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons |
|---|-----------------------------------|----|--|---|
|   | Yes                               | No | Abstract   |   |
|   |                                   |    | operational safety. Budget has been allocated to establish Sports Centers and periodically implement healthy promoting plans, such as Smoking Cessation as well as Weight Loss programs; in addition to these measures, the Company promulgate Four Guidance published by Occupational Safety and Health Administration jointly with on-site medical personnel for health consciousness promotion. In 2024, we held seminars and activities on weight loss, smoking cessation, acupressure, and lifting safety, with 15-30 participants each, in order to raise employees' awareness of their own safety and health. All our plants have obtained ISO45001 certification, and we continue to conduct internal audits and external tracking every year to maintain the validity of our certificates. In 2024, there were 9 occupational accidents and 9 people suffered minor injuries, accounting for 1.06 % of the total number of employees. For the prevention of accidents at work, in addition to actively providing personal protective equipment such as safety gear and face shield, and promoting a zero-accident culture to reduce human error, enhance intrinsic equipment safety. Conduct regular safety campaigns and training programs focusing on traffic safety and lifting and rigging operations, in accordance with the company's procedures for handling public injuries and rewards and punishments, to investigate and analyze the causes of accidents and review them, and to take effective precautionary measures to prevent similar accidents from recurring. We arranged for a 4-hour emergency response exercise in each of the first and second halves of the year, in order to ensure our employees, receive appropriate training, including the actual operation of fire-fighting facilities, evacuation and muster drills, and training of emergency first-aid CPR+AED use, which significantly improves their autonomy in preventing and rescuing from disasters. There were zero fire incidents in 2024. |   |
| 4) Does the company provide its employees with career development and training sessions?  | V                                 |    | The Company has established a Talent Development Quality Management Manual to guide employee career planning and established a sound training quality management system including, newcomer orientation, pre-service training, on-the-job training, all sorts of career capability trainings. And linked with capability deficiency training and promotion mechanism. The Company formulates training and development plans every year based on corporate policies and employee capability analyses. In recognition of these efforts, the Company was awarded the TTQS Silver Medal in 2024.   | Implemented in accordance with the regulation and no deviation.   |
| 5) Do the company's products and services comply with relevant laws and international standards in relation to issues like customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer & client protection and grievance procedure policies implemented? | V                                 |    | Products were designed according to relevant conformity of countries and would only be ready for market sales after passing related certification. Please contact all branch office's toll-free hotlines. For details, please refer to our website:<br><a href="https://www.fortune.com.tw/tw/contact_map.html">https://www.fortune.com.tw/tw/contact_map.html</a>   | Implemented in accordance with the regulation and no deviation.   |
| 6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights?   | V                                 |    | As stipulated in the procurement operating procedures, suppliers of Fortune Electric must observe relevant regulations of ISO and RoHS, and ensure restricted use or prohibit use of the 6 major hazardous matters, as defined in RoHS. As stipulated in IP2036, “Suppliers’ safety and health management procedure”, suppliers took advantage of Work Certificate Management, Safety & Hygiene Education Training, Consultative Organization Meeting, and safety patrol. With suppliers’ sound work safety and health measures, accidents would be reduced. By doing so, staff, equipment and property were kept safe and occupational hazards would be reduced and further minimize the impact to the environment. By way of counseling system, suppliers over all awareness of all sort of safe and health have been lifted and to maintain safety in our working environment. The Company has signed “Environment and Occupation Safety Cooperation Commitment” of IW1611, which demonstrated our commitment in reducing and preventing of pollution, our continuity in promoting waste reduction as well as our determination in compliance with relevant environmental codes. For occupational safety, hazard prevention and “Independence, Interdependence and Dependence” protection policy has been in place for all to understand potential risk in all sorts of activities whereby risk would be reduced. To be in line with the requirement of the Company's environment and occupational safety and health procedures, ISO 14001 Environmental Management System, ISO45001 Occupational Health and Safety management System, and ISO50001 Energy Management have been adopted to be one of the main criteria in supplier selection. It is clearly stipulated in the contract with suppliers that relevant codes must be observed in environmental health and safety; suppliers should uphold the spirits of corporate social  | Implemented in accordance with the regulation and no deviation.   |

| Implementation Item   | Implementation Status Explanation |    |  | Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons |
|---|-----------------------------------|----|--|---|
|   | Yes                               | No | Abstract   |   |
|   |                                   |    | responsibility and reduce operational impact to environment, community as well as humanity. Further, concept of sustainable consumption has been promoted and introduced and the following principles in R&D, procurement, production, operation, and services have to been observed accordingly:<br>1. Reduce product and service's waste of energy and resources.<br>2. Decrease emission of contaminated material, toxic matters, and waste and shall handle and dispose of waste properly.<br>3. Increase material or product's recyclability and reusability.<br>4. Fully maximize reusable material for sustainability.<br>5. Extend product durability.<br>6. Increase product and service effectiveness.<br>Both parties strive to commit in implementing corporate social responsibility. Should Party B involve in violation of corporate social responsibility matters, or created explicit impact against the community and society, the contact may be terminated or cancelled immediately.<br>To reinforce supplier quality management mechanism and further to implement source of supply's impact against environment and society, suppliers and material development roles and responsibilities have been stipulated in IW1611 (Supplier Development Evaluation) with the aforementioned relevant operational guidelines, to jointly fulfill corporate social responsibility. |   |
| (5) Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose sustainable development report and non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third-party verification unit   | V                                 |    | The Company has prepared the 2023 ESG Sustainability Report in accordance with the GRI Universal Standards 2021, and has obtained a third-party assurance from a third-party assurance organization, AFNOR Asia Ltd., a member of AFNOR Group, to verify the third-party's assurance.<br>Please refer to the Company website<br><a href="https://www.fortune.com.tw/tw/sustainable_journal.html">https://www.fortune.com.tw/tw/sustainable_journal.html</a>  | Implemented in accordance with the regulation and no deviation.   |
| <p>(6) Describe the difference, if any, between actual practice and the corporate sustainable development principles, if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies:<br/>The Company has established “Corporate Social Responsibility Codes of Practice” for all employees to adhere. Volunteer programs were held randomly, aiming to foster employees' awareness of corporate social responsibility. While engaging in business operations, the Company actively fulfills Corporate Social Responsibility to cope with international trend and pay attention to the rights of Interested Parties. The Company is seeking sustainability and profitability as well as high regards for environment, and corporate governance. These are the Company's management directives and operational activities:<br/>We uphold “Comfort Employee”, Comfort Customer”, “Comfort Shareholders” and “Comfort Society” missions and dedicate ourselves in Corporate Governance, rights of stakeholders; while pursuing sustainable business and profitability, we care about environment and social responsibility and ethical management and incorporate these important ideas into our management directives and operating activities. We expand Green Energy business and dutifully fulfill corporate social responsibility and sustainability. There is no deviation between actual operation and guidelines.</p> <p>(7) Other useful information for explaining the status of corporate sustainable development practices:<br/>The Company upholds operating concepts of “developing high-quality, and beneficial to human beings” product, supplying to the society with abundant quantity and reasonable prices, to improve society, making profit, benefiting employees, pursuit of happiness, sharing prosperity and peace in harmony.” In other words, “Comfort Employees”, “Comfort Customers”, “Comfort Shareholders”, and “Comfort Society” are our mission statements.<br/>The Company solves customer and society problem in power supply with high quality, benefit the society directly and dedicated to power business the most by fulfilling corporate social responsibility, and is in harmony with the environment, by producing Green Electrical Engineering environmentally friendly products.<br/>To understand stakeholders' reasonable expectations and needs, a special section for information asking and opinions for stakeholders has been placed in corporate website:<br/><a href="https://www.fortune.com.tw/tw/contact_stakeholder.aspx">https://www.fortune.com.tw/tw/contact_stakeholder.aspx</a><br/>The Company establishes a sustainable workplace environment and continuously cares for employees by implementing the following employee satisfaction survey measures:<br/>Conducting mid-year and year-end employee organizational climate questionnaire surveys twice annually across ten dimensions including structure, responsibility, rewards, risk, interpersonal relationships, support, standards, conflict, identity, and benefits to understand colleagues' genuine perceptions and feelings, with related survey reports published in the Management Office weekly report, while for opinions or suggestions provided by colleagues, the relevant responsible units verify actual conditions and evaluate improvement necessity and benefits before authorized supervisors systematically respond with feedback to colleagues.<br/>The Company adopted the following measures to fulfill social responsibility as well as be neighborly and care for the society:</p> <ol style="list-style-type: none"> <li>Major shareholders established a foundation for founder Mr. Hsu, “Mr. Hsien-Liang Hsu Social Welfare Charity Foundation”, engaged in scholarships for underprivileged students and social welfare matters.</li> <li>Join Taoyuan County's harmony plan (Volunteer Service Act) and renamed the foundation as “Taipei Hsien-Liang Hsu Social Welfare Foundation Fortune Electric Taoyuan Plant Volunteer Committee”, to promote for handicapped, juvenile, family, senior citizens, children and composite benefits volunteering service work, as well as participating Taoyuan City's charity donation and all sorts of non-profit charity activities. For details, please refer to our corporate website:<br/><a href="http://www.fortune.com.tw/emp/charity/index.asp">http://www.fortune.com.tw/emp/charity/index.asp</a></li> <li>Donation to Tungkai Rotary Club and Yoneyama Rotary Club for social charity relief.</li> <li>Participated in Kuan Yin District neighborly activities, by promoting “Fortune Electric Benevolent Bank” (giving away without returning) campaign, subsidizing middle-to-low income holders, and further dedicated in underprivileged, child care, adoption, community blood-donation, school donations, beach &amp; mountain cleaning, street cleaning and drainage dredging project. Second-hand clothing and old shoe recycling, endangered species adoption, environmental education funding sponsorship, cancer patient nutrition supplementation program, long-term food bank support initiative, energy-vulnerable household assistance scheme, and disability assistive device repair support.</li> <li>Long-term participation in government tree-planting campaigns, coordinating with community development initiatives for carbon-sequestering afforestation to combat global warming, and implementing eco-friendly “Love the Earth” environmental activities.</li> <li>Cooperated with Taoyuan City government and executed O3 improvement plan, demonstrating real action to preserve earth.</li> <li>Joined Taoyuan City factory neighboring river, Kuan Yi Stream's adoption program, and passed down environmental protection and water resources concepts to employees, expecting to fulfill environment protection and earth-loving cultural heritage.</li> <li>To cooperate with Tai Power necessity-reaction plan, by enhancing Tai Power's operating reserve capacity during summer peaks, to adapt to Industrial Area's power consumption with dexterity.</li> <li>Collaborating between industry and academia and all sorts of cooperation project, to provide students with on-the-job training, part-time job and internship.</li> <li>Fulfill corporate responsibility and recruited R&amp;D Substitute Services, to incubate R&amp;D technology talents with special skillsets.</li> <li>Participated in government's career promotion fair and reward program, to provide more job opportunities and lower unemployment rate.</li> <li>In response to government's policy, provide job opportunities to the underprivileged, disabled, indigenous peoples, middle-aged people, and all sorts of training subsidy projects to fulfill social responsibility.</li> <li>Set up Emergency power-restoration service system and provided customers with the shortest time to restore power supply in all-year-round.24hrs service, to fulfill “Comfort Society” Fortune Electric spirits.</li> <li>The Company was awarded the 2008 National Sustainable Development Awards by the Executive Yuan.</li> <li>The Company was awarded the 8th National Industrial Innovation Award by the Industrial Development Bureau, Ministry of Economic Affairs.</li> <li>The Company was awarded the 18th place in the 2015 of CommonWealth Magazine CSR Corporate Citizen Award.</li> </ol> |                                   |    |  |   |

| Implementation Item   | Implementation Status Explanation |    |          | Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons |
|---|-----------------------------------|----|----------|---|
|   | Yes                               | No | Abstract |   |
| <p>xvii. The Company was awarded 2016 "10<sup>th</sup> Service Quality Excellence Award" by Taoyuan City.</p> <p>xviii. From 2015 to 2018, the Company was awarded by CommonWealth Magazine for CSR Corporate Citizen Award, best demonstration of the company's operating results in Corporate Governance, Enterprise Commitment, Social Participation, and Environmental Protection.</p> <p>xix. Awarded "2018 Innotech Expo" Platinum Medal and Silver Medal.</p> <p>xx. Awarded "Taiwan Excellence Awards" in 2018 and 2019.</p> <p>xxi. The Company was awarded again the "2020 Taoyuan City Gold Enterprise Excellence Award – Mastermind Award" for the Company's dedicated efforts in Taoyuan industry creativity as well as prospering jointly with Taoyuan, and further enhanced competitiveness and branding internationally.</p> <p>xxii. Won Gold Medal in the 2021 Taiwan Innotech Expo.</p> <p>xxiii. Hsu I-Te, General Manager of the Company, was awarded with honor as "Taiwan MVP Managers"</p> <p>xxiv. The Company was honored with the "Smart Manufacturing Transformation Award" of 2022 "2<sup>nd</sup> Digital Transformation Ding Ge Award", organized by Harvard Business Review.</p> <p>xxv. The Company was honored the award of "Outstanding Unit in Green Procurement for private Enterprises and Group".</p> <p>xxvi. The Company won the 2023 HR ASIA AWARD Asia's HR Asia--Best Companies to Work for in Asia.</p> <p>xxvii. The Company's internal publication paper uses FSC-certified materials to ensure the printing materials do not come from over-exploitation forests, in an effort to be environmentally friendly and reduce carbon emissions.</p> <p>xxviii. The Company participated in 0403 Hualien Earthquake Fundraising Program in 2024, presenting our corporate citizenship image and fulfilling corporate social responsibility.</p> <p>xxix. The company has once again been recognized by the international "HR Asia" as the only two-time consecutive winner of the "Asia's Best Employer Award" in the heavy electrical industry, and for the first time awarded the "DEI Diversity &amp; Inclusion Award", which affirms our long-term efforts and motivates us to continue providing employees with an even better workplace environment and benefits in the future.</p> <p>xxx. Since its establishment 55 years ago, the Company has adhered to the spirit of avoiding "me too" and keeping pace with the times. Pioneering pre-sales services and courageously venturing into exports, we successfully rose to become the top stock in the heavy electrical sector. Our chairman was invited to attend the "2024 Harvard Business Review Taiwan's Top 100 Business Leaders" award ceremony, marking our first selection as one of "Taiwan's Top 100 Business Leaders.". "At the same time, it was also ranked No. 1 in CommonWealth Magazine's 2024 Top 100 Traditional Industry Performance and No. 1 in CRIF's 2024 first Top 100 Business Performance in the Hybrid Technology Industry.</p> |                                   |    |          |   |

(6) Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

| Evaluation Item   | Implementation Status |    |  | Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
|---|-----------------------|----|--|--|
|   | Yes                   | No | Abstract   |  |
| 1. Establishment of ethical corporate management policies and programs  |                       |    |  |  |
| (1) Does the company have a Board-approved Ethical Corporate Management Policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?   | V                     |    | The Company has established "Ethical Corporate Management Guidelines" and "Ethical Management Operation Procedures and Conduct Guide.", being approved by the Board of Directors, stipulated explicitly in internal rules and external documents about ethical management procedures and methods for all Board Members and management to commit and uphold.                                      | Implemented in accordance with the regulation and no deviation.  |
| (2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies? | V                     |    | The Company has established "Ethical Management Operation Procedures and Conduct Guide.". in accordance with 2 <sup>nd</sup> item of 7 <sup>th</sup> Article in "Ethical Corporate Management Guidelines" to define code of conduct to abide by and routinely make use of all meetings, occasions, and periodicals to strengthen promotion and training to avoid unethical behaviors occurrence. | Implemented in accordance with the regulation and no deviation.  |
| (3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?  | V                     |    | The Company's "Ethical Corporate Management Guidelines", clearly set forth ethical corporate management practices to prevent unethical behaviors in detail, included procedures, guides and training. "Whistleblower protection and report procedures", including penalty and complaint system, and implementation.  | Implemented in accordance with the regulation and no deviation.  |

| Evaluation Item  | Implementation Status |    |   | Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons |
|--|-----------------------|----|---|--|
|  | Yes                   | No | Abstract  |  |
| 2. Fulfill operations integrity policy   |                       |    |   |  |
| (1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?   | V                     |    | Established “Business Standard Operating Procedures” to conduct credit checking in JCIC and reputation in the industry on business partners prior to transaction being taken places, filtrate parties with unethical records to lower transaction and payment collection risk. Ethical fulfillment terms have been incorporated in the Company’s standard contracts. It is stipulated in the Company’s procurement strategy that” Filter out substandard supplier and provide high quality suppliers details to design unit and factory” to avoid doing business with supplier with unethical records.  | Implemented in accordance with the regulation and no deviation.  |
| (2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?                                      |                       | V  | To strengthen ethical corporate management, Human Resources Department and Risk Management & Legal Department oversee establishing ethical corporate management policy and preventive measures whereas Risk Management & Legal Department will cooperate and conform for execution, and report to the Board of Directors in every quarter.<br><a href="https://www.fortune.com.tw/tw/Investor_integrity.html">https://www.fortune.com.tw/tw/Investor_integrity.html</a>   | Will implement in accordance with regulations.   |
| (3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?   | V                     |    | The Company has established “Avoidance of Conflict-of-Interest Policy” to identify, supervise and manage potential risk resulting from conflict of interest. Interested parties would be given proper channels to voluntarily explain if there will be potential conflict of interest with the Company whereas the Company’s best interest would be prioritized, when conflict occurs, the aforementioned explanation would be brought for discussion for final decision.   | Implemented in accordance with the regulation and no deviation.  |
| (4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits? | V                     |    | Internal Audit plans has scheduled compliance practices, based on the Company’s “Ethical Management Operation Procedures and Conduct Guide.”  | Implemented in accordance with the regulation and no deviation.  |
| (5) Does the company regularly hold internal and external educational trainings on operational integrity?  | V                     |    | Periodically conduct internal employee training and promotion; set up “Supplier Cooperation Meeting” and invite all relevant parties of business engagement with the Company to join so that the Company’s determination, policy and preventive measures of Ethical Management would be clearly understood by all.  | Implemented in accordance with the regulation and no deviation.  |
| 3. Operation of the integrity channel  |                       |    |   |  |
| (1) Does the Company establish both a reward/punishment system and an integrity hotline, for ease of whistleblowing? Does the Company appoint designated person appropriately to follow up with the person in question?  | V                     |    | The Company set up “Personnel Assessment Committee” and designated an executive secretary to be contact window for all matters regarding report, investigation, punitive actions, complaint matters as well as rewards and disciplinary system. Since 2021, to boost willingness to report internal inappropriate conducts, the Company has authorized D&T Taiwan to set up Whistle Blowing Platform so that employees have easy access to seek assistance or to report any unfitting actions against company regulations.<br><a href="https://www.fortune.com.tw/tw/contact_whistle.html">https://www.fortune.com.tw/tw/contact_whistle.html</a> | Implemented in accordance with the regulation and no deviation.  |
| (2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?  | V                     |    | A sound whistle-blowing mechanism, providing a solid “Whistleblower protection and reporting procedure”, has been set up completely in 2019, which offered report channel for internal and external whistleblowers, and accepted, investigated, handled, avoidance and confidentiality system, and implemented accordingly.   | Implemented in accordance with the regulation and no deviation.  |
| (3) Does the company provide proper whistleblower protection?  | V                     |    | The aforementioned whistleblowing system, being disclosed internally that, should rules of ethical management been violated, the Company regulations would be handled accordingly. Please find below whistleblowing system summary:<br>(1) Set up internal and external report channels, contact window, handling unit, and complaint and reporting flow.<br>(2) Handled report cases, investigation process, results, punitive actions, and record as well as preserve relevant documentation records.<br>(3) Keep informants’ identity and accusation content   | Implemented in accordance with the regulation and no deviation.  |

| Evaluation Item   | Implementation Status |    |  | Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons |
|---|-----------------------|----|--|--|
|   | Yes                   | No | Abstract   |  |
|   |                       |    | in strict confidence.<br>(4) Whistleblower’s protection measure and state witness leniency.  |  |
| 4. Strengthening information disclosure<br>(1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?   | V                     |    | The Company has established “Corporate Governance Management Guidelines”, “Corporate Ethical Management” and “Ethical Management Procedure and Behavior Guidelines.” which had been disclosed in corporate website. Further, “Employee Moral Character Assessment Guidelines”, as behavioral standards, has also been disclosed in communication platform for all employees to research and adhere. For details on Ethical Management promotion results, please refer to our website:<br><a href="https://www.fortune.com.tw/tw/Investor_integrity.html">https://www.fortune.com.tw/tw/Investor_integrity.html</a> | Implemented in accordance with the regulation and no deviation.  |
| 5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation:<br>The Company has established the "Ethical Corporate Management Policies" and "Ethical Corporate Management Procedure and Behavior Guides", based on "ethical policy", upholds "Quality, Participation, Welfare, and Continuity" management principles. Externally, we pay attention to customer with ethical principles and internally, we have reinforced employee moral characters' evaluation guidelines and request all employees to be disciplined and obey corporate internal regulations and norms. Effective corporate governance and risk management mechanism has been established to create everlasting operating environment. Accordingly, implemented according to guidelines without any deviation. |                       |    |  |  |
| 6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies).<br>1. The Company defined relevant professional ethics regulations in the “Work Rules” and further request all employees to put into effect four big career tests of Truth, Fairness, Reputation, Honorable Friendship and Mutual Benefits. Further, spread out these ideas to customers and suppliers to carry out corporate ethical management belief.<br>2. The Company adheres to Corporate Act, Securities Exchange Act, relevant regulations of TWSE/TPEX Listed Companies and other commercial behavior codes and has been rated grade A for TWSE/TPEX Listed Companies in information transparency for many years consecutively. The Company ranked 21%-35% in the 4 <sup>th</sup> and 5 <sup>th</sup> sessions, and 36%-50% in the 6 <sup>th</sup> to 11 <sup>th</sup> sessions, respectively.         |                       |    |  |  |

(7) Any other information facilitating Corporate Governance implementation status should also be disclosed:

The Company has established “Ethical Corporate Management Guidelines”, “Ethical Management Operation Procedures and Conduct Guide.”, “Work Rules”, and “Personnel Assessment Committee Operating Procedures” detailing the Directors, Managerial Officers, Employees, Appointees, or those in actual control, may not directly or indirectly, provide, commit, request, or taking any unlawful interest in the process of building dealings or commit any other unethical, illegitimate obligations in order to gain or main personal interests. These are the evaluation criteria in which employee career ethics and moral appraisal and has been put in communication platform for all employees to look up and adhere.

(8) Internal Control System Implementation Status

1. Internal Control Statement: The Company has filed the information on the Market Observation Post System. For enquiry, please refer to the following:

Path (New MOPS): Market Observation Post System>Single Company>Corporate Governance>Corporate Regulations/Internal Control>Statement of Internal Controls Announcement

Website (New MOPS): <https://mopsov.twse.com.tw/mops/web/t06sg20>

(9) Major Resolutions of Shareholders' Meeting and Board Meeting in The Most Recent Year up to the Publication Date of the Annual Report:

Major Resolutions of Shareholders' Meeting on June 13, 2024, implementation status and summary:

1. Proposal

The Company's 2023 Consolidated Financial Statements, Individual Financial Statements and Business report are hereby submitted for ratification

Explanation:

- (1) The Company's 2023 Consolidated Financial Statements and Individual Financial Statements have been prepared, along with Business Report, and approved by Audit Committee with onward submission to the Board for approval by Board Meeting on March 8<sup>th</sup>, 2024; these statements and reports were approved without any objection. Hereby, we are seeking the ratification from the Shareholders' Meeting in accordance with the law.
- (2) The abovementioned statements (omitted) are for your ratification.

Resolution:

Ratification votes 215,115,938 votes, 91.98% of voting rights and hereby the motion carried as it was.

2. Proposal:

The Company's Profit Distribution for 2023 is hereby submitted for ratification

Explanation:

- (1) The Company's 2023 net profit after-tax was NT\$2,577,259,769, please refer to 2023 profit distribution table (omitted) for details.
- (2) For your ratification.

Resolution:

Ratification votes: 215,254,038 votes, 92.04% of voting rights and hereby the motion carried as it was.

Execution status:

Proposed to set August 2, 2024 as cash dividend Ex-Dividend Date and would start to pay out from August 30, 2024. (Cash dividend per share would be NT\$6)

3. Proposal:

Amendment to the Company's articles of incorporation, submitted for resolution.

Explanation:

1. To align with operational needs, strengthen the company's working capital, and revise the articles of incorporation based on practical requirements.
2. Comparison table of the original and revised provisions. (omitted)

Resolution: Ratification votes: 214,938,262 votes, 91.90% of voting rights and hereby the motion carried as it was.

Execution Status: The Ministry of Economic Affairs' Business Development Administration approved the amendment registration on August 14, 2024.

4. Proposal:

Capitalization of retained earnings to issue new shares, submitted for resolution.

Explanation:

1. To meet operational needs and strengthen the company's working capital, the Company proposes to allocate NT 261,058,550 from the distributable earnings of 2023 for capitalization, issuing 26,105,855 new shares, each with a par value of NT10, all of which are ordinary shares.
2. Stock dividends will be distributed to shareholders registered in the shareholder ledger as of the record date, based on their shareholding ratio, at approximately 100 shares per 1,000 shares held. Fractional shares resulting from the distribution must be consolidated into whole shares within five days from the ex-dividend date by submitting a request to the stock transfer agent. Any remaining fractional shares that cannot be consolidated or are not requested will be settled in cash (rounded down to the nearest dollar) in accordance with Article 240 of the Company Act (to offset book-entry

or dematerialized share registration fees). The Chairman is authorized to arrange for the purchase of such fractional shares by designated parties at par value.)

3. (Omitted)

4. (Omitted)

5. (Omitted)

Resolution: Ratification votes: 215,251,842 votes, 92.04% of voting rights and hereby the motion carried as it was.

Execution Status: The ex-rights record date for the stock dividend is set as August 2, 2024, with distribution commencing on August 30, 2024. (Stock dividend: NT\$1 per share).

5. Proposal:

Amendment to the "Procedures for Lending Funds to Others," submitted for resolution.

Explanation: (1) To comply with legal requirements, the Company proposes to amend Article 2 of the "Procedures for Lending Funds to Others."

(2) Comparison table of the original and revised provisions. (Omitted)

Resolution: Ratification votes: 215,253,805 votes, 92.04% of voting rights and hereby the motion carried as it was.

Execution Status: Following approval at the shareholders' meeting, the amendment will be announced on the Company's website, and operations will proceed in accordance with the revised procedures.

Major Resolutions of the Board Meeting on March 10, 2025

|  |
|--|
| 1. Proposal:<br>The Company's 2024 Employee, Directors and Supervisors remuneration distribution is hereby submitted for review and approval.  |
| Explanation:<br>(1) Omitted  |
| (2) Proposed the total remuneration paid to Employees and the Directors at 5% and 1.40% of the 2024 cumulative net profit, which will be NT\$283,163,880 and NT\$79,285,886, respectively.   |
| Resolution:<br>(1) Remuneration for the Directors have been approved by all members of the Remuneration Committee on March 10, 2025.<br>(2) Proposal has been approved by all Directors present unanimously and has been submitted to the Shareholders' meeting for reporting.   |
| 2. Proposal<br>The Company's 2024 Consolidated Financial Statements, Individual Financial Statements and Business report are hereby submitted for review and approval.   |
| Explanation:<br>(Omitted)  |
| Resolution:<br>(1) The Company's 2024 Consolidated Financial Statements and Individual Financial Statements have been prepared and approved by all members present at the Audit Committee on March 10, 2025.<br>(2) Proposal has been approved by all Directors present unanimously and has been submitted to the Shareholders' meeting for approval.  |
| 3. Proposal:<br>The Company's 2024 Business report is hereby submitted for review and approval.  |
| Explanation:<br>(Omitted)  |
| Resolution:<br>(1) The Company's 2024 Consolidated Financial Statements and Individual Financial Statements have been prepared and approved by all members present at the Audit Committee on March 10, 2025.<br>(2) Proposal has been approved by all Directors present unanimously and has been submitted to the Shareholders' meeting for reporting. |
| 4. Proposal:<br>The Company's Profit Distribution for 2024 is hereby submitted for review and approval   |
| Explanation:<br>The Company's 2024 net profit after-tax was NT\$4,286,019,569, please refer to 2024 profit distribution table (omitted) for details.   |
| Resolution:<br>(1) Proposal has been approved by all members present at the Audit Committee on March 10,   |

|   |
|---|
| 2025 unanimously.   |
| (2) Proposal was approved by all members present at the Board meeting with onward submission to the Shareholders' meeting for ratification regarding profit distribution and cash dividend distribution.  |
| 5. Proposal: Proposed to issue new common shares from earnings and hereby for your review and approval.   |
| <p>Explanation:1. To meet the operational needs and to replenish the Company's working capital, the Company proposed to appropriate NT\$287,164,410 from the 2024 distributable earnings to issue 28,716,441 new shares, with a par value of NT\$10 per share, all as common stock.</p> <p>2. Stock dividends to shareholders are based on the proportion of shares held by shareholders listed in the shareholders' register on the base date of the capital increase and distribution, with approximately 100 shares for every 1,000 shares held. For fractional shares that are less than one share, shareholders may, within five days from the book closure date, apply to the stock agent to consolidate a whole share. Any fractional shares that are insufficient to be consolidated or not consolidated will be distributed in cash at par value up to the nearest dollar in accordance with Article 240 of the Company Act (to offset the transfer agency fees or the non-physical registration fees) and to authorize the chairman to negotiate with a specific person to purchase the shares at par value.</p> <p>3. Omitted.</p> <p>4. Omitted</p> <p>5. Omitted</p> |
| <p>Resolution:</p> <p>1. Proposal was approved by the Audit Committee members present on March 10, 2025.</p> <p>2. Proposal was approved by all members present at the Board meeting with onward submission to the Shareholders' meeting for ratification.</p>  |
| 6. Proposal:<br>Amendment to the "Articles of incorporation" is hereby submitted for review and approval  |
| <p>Explanation:</p> <p>1. In compliance with Article 14, Paragraph 6 of the Securities and Exchange Act and Financial Supervisory Commission Securities and Futures Bureau Letter No. 1130385442, the Company shall allocate certain percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees shall be prescribed in Articles of Incorporation.</p> <p>2. The Amendment comparison Table (omitted)</p> <p>Resolution:</p> <p>Proposal was approved by all members present at the Board meeting with onward submission to the Shareholders' meeting for discussion.</p>   |
| 7. Proposal:<br>Amendment to the "Rules of Procedure for Shareholders' Meetings," submitted for review and approval.  |
| <p>Explanation:</p> <p>1. Amendments to certain provisions of the Rules of Procedure for Shareholders' Meetings are proposed in accordance with Taiwan Stock Exchange Corporate Governance Letter No. 1110004250 and Taiwan Stock Exchange Corporate Governance Letter No. 1080024221.</p> <p>2. The Amendment comparison Table (omitted)</p> <p>Resolution:</p> <p>Proposal was approved by all members present at the Board meeting with onward submission to the Shareholders' meeting for discussion.</p>   |
| 8. Proposal:<br>Meeting agenda for convening the 2025 Annual Meeting of Shareholders.   |
| Explanation:<br>Omitted   |
| Resolution:<br>Proposal was approved by all members present at the Board meeting.   |

(10) Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors:  
NONE.



#### 4. Information on Certified Public Accountant professional fees

Unit: NT\$ thousands

| Accounting Firm | CPA                              | Period covered by CPA audit | Audit Fee | Non-audit Fee | Subtotal | Remarks   |
|-----------------|----------------------------------|-----------------------------|-----------|---------------|----------|---|
| Deloitte Taiwan | Suei Chin Lee<br>Shih Chieh Chou | Year 2024                   | 4,020     | 583           | 4,603    | Non-audit fee, mainly are business tax deduction audit fees, transfer pricing, and whistleblower center services fees, change registration fee....., etc. |

- (1) If there's been a replacement of CPA firm and its replacement of annual audit fee was less than the previous fiscal year, the reasons and audit fee should be disclosed: NONE.
- (2) If audit fee was less than the previous fiscal year by 10%, the reasons, amount and ratio should be disclosed: NONE.

#### 5. Information on replacement of Certified Public Accountant: None.

#### 6. Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed:

None of the company's chairperson, Vice chairperson, CEO, General manager, nor any managerial officer in charge of finance nor accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm.

**7. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report disclosed**

**1. Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders**

Unit: share

| Title                         | Name              | 2024                        |                                     | Current year as of April 15, 2025 |                                     |
|-------------------------------|-------------------|-----------------------------|-------------------------------------|-----------------------------------|-------------------------------------|
|                               |                   | Holding Increase (Decrease) | Pledged Holding Increase (Decrease) | Holding Increase (Decrease)       | Pledged Holding Increase (Decrease) |
| Chairman                      | Hsu, Bang-Fu      | 1,691,094                   | -                                   | -                                 | -                                   |
| Vice Chairman                 | Hsu, Shou-Hsiung  | 2,260,341                   | -                                   | -                                 | -                                   |
| Director                      | Shu, Yi-Cheun     | 105,789                     | -                                   | -                                 | -                                   |
| Director & Managerial officer | Hsu, I-Te         | 394,857                     | -                                   | (2,195,188)                       | -                                   |
| Director & Managerial officer | Hsu, I-Sheng      | 324,847                     | -                                   | -                                 | -                                   |
| Director                      | Weng, Jen-Pei     | 75,146                      | -                                   | (72,000)                          | -                                   |
| Independent Director          | Hu, Len-Kuo       | -                           | -                                   | -                                 | -                                   |
| Independent Director          | Lei, Whey-Min     | -                           | -                                   | -                                 | -                                   |
| Independent Director          | Liao, Chih-Hsiang | -                           | -                                   | -                                 | -                                   |
| Independent Director          | Yeh, Yun-Ching    | -                           | -                                   | -                                 | -                                   |
| Managerial Officer            | Hsu, I-Ming       | 265,009                     | 500,000                             | -                                 | -                                   |
| Managerial Officer            | Hsu, I-Yang       | 324,660                     | -                                   | -                                 | -                                   |
| Managerial Officer            | Sun, Shih-Ming    | (13,950)                    | -                                   | (8,000)                           | -                                   |
| Managerial Officer            | Chu, Huei-Long    | 25                          | -                                   | -                                 | -                                   |
| Managerial Officer            | Ku, Fu-Chen       | (9,304)                     | -                                   | -                                 | -                                   |
| Managerial Officer            | Lee, Hsiao-Li     | (1,000)                     | -                                   | -                                 | -                                   |
| Managerial Officer            | Wang, Yiao-Fan    | -                           | -                                   | -                                 | -                                   |
| Managerial Officer            | Tu, Cheng-Fah     | -                           | -                                   | -                                 | -                                   |
| Managerial Officer            | Chen, Meng-Yueh   | 25                          | -                                   | -                                 | -                                   |
| Managerial Officer            | Lin, Cheng-Chin   | 1                           | -                                   | -                                 | -                                   |
| Account Head                  | Chiu, Hsu-Lan     | -                           | -                                   | -                                 | -                                   |

**2. Share Trading information of Directors, Supervisors, Managerial Officers and Major Shareholders with Related parties**

Unit: share

| Name      | Reason for Transfer     | Date of Transaction | Transferee              | Relationship between Transferee and the Company, Directors, Supervisors, Managers and Major Shareholders holding over 10% | Shares    | Transaction Price (NT\$) |
|-----------|-------------------------|---------------------|-------------------------|---|-----------|--------------------------|
| Hsu, I-Te | Personal financial plan | March 17, 2025      | Houde Capital Co., Ltd. | Houde Capital Co., Ltd. preparatory office representative Hsu I-Te  | 2,195,188 | 482                      |

**3. Share Pledge information of Directors, Supervisors, Managerial Officers and Major Shareholders with Related parties: NONE.**

**8. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the of kinship within two degrees**

April 15, 2025 / Unit: share

| Name                       | Current Shareholding |       | Spouse's/minor's Shareholding |       | Shareholding by Nominee Arrangement |       | Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the of kinship as defined in Financial Accounting Standards No. 6th Information of Related Party Relationship |  | Remarks |
|----------------------------|----------------------|-------|-------------------------------|-------|-------------------------------------|-------|--|--|---------|
|                            | Shares               | %     | Shares                        | %     | Shares                              | %     | Name   | Relationship                                     |         |
| Hua Cheng Investment Corp. | 26,489,029           | 9.22% | 0                             | 0.00% | 0                                   | 0.00% | Hsu, Shou-Hsiung   | Chairman of this corp.                           |         |
| Hsu, Shou-Hsiung           | 24,863,760           | 8.66% | 9,918,737                     | 3.45% | 0                                   | 0.00% | Huang, Hsiou-Chin<br>Hsu, Chung-Ming<br>Hsu, Bang-Fu<br>Hsu, Mei-Fang  | Spouse<br>Brothers<br>Brother & Sister           |         |
| Hsu, Bang-Fu               | 18,601,823           | 6.48% | 12,530,306                    | 4.36% | 0                                   | 0.00% | Chen, Yen-Fang<br>Hsu, Chung-Ming<br>Hsu, Shou-Hsiung<br>Hsu, Mei-Fang   | Spouse<br>Brothers<br>Brother & Sister           |         |
| Chun Sheng Fa Corp.        | 12,653,000           | 4.41% | 0                             | 0.00% | 0                                   | 0.00% | Hsu, Chung-Ming  | Chairman of this corp. is son of Hsu, Chung-Ming |         |
| Chen, Yen-Fang             | 12,530,306           | 4.36% | 18,601,823                    | 6.48% | 0                                   | 0.00% | Hsu, Bang-Fu   | Spouse   |         |
| Hsu, Mei-Fang              | 11,059,952           | 3.85% | 0                             | 0.00% | 0                                   | 0.00% | Hsu, Chung-Ming<br>Hsu, Bang-Fu<br>Hsu, Shou-Hsiung  | Brother & Sister                                 |         |
| Huang, Hsiou-Chin          | 9,918,737            | 3.45% | 24,863,760                    | 8.66% | 0                                   | 0.00% | Hsu, Shou-Hsiung   | Spouse   |         |
| Hsu, Chung-Ming            | 9,322,144            | 3.25% | 9,015,475                     | 3.14% | 0                                   | 0.00% | Kuan, Eiao-Chan<br>Hsu, Bang-Fu<br>Hsu, Shou-Hsiung<br>Hsu, Mei-Fang   | Spouse<br>Brothers<br>Brother & Sister           |         |
| Kuan, Eiao-Chan            | 9,015,475            | 3.14% | 9,322,144                     | 3.25% | 0                                   | 0.00% | Hsu, Chung-Ming  | Spouse   |         |
| Hsu, I-Lun                 | 7,041,070            | 2.45% | 0                             | 0.00% | 0                                   | 0.00% | Hsu, Chung-Ming<br>Hsu, Bang-Fu<br>Hsu, Shou-Hsiung  | Uncle & Nephew                                   |         |

Note: In accordance with the "Regulations Governing the Preparation of Financial Reports," all of the top 10 shareholders should be listed, and the names of corporate/juristic person shareholders and their representatives should be listed separately.

**9. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company**

Unit: share; %

| Affiliated Enterprises (Note)                 | Ownership by the Company |        | Direct or Indirect Ownership by Directors/Supervisors/Managerial Officers |      | Total Ownership |        |
|---|--------------------------|--------|---|------|-----------------|--------|
|   | Shares                   | %      | Shares  | %    | Shares          | %      |
| Power Energy International Ltd.               | 100,000                  | 100.00 | 0   | 0.00 | 100,000         | 100.00 |
| Fortune Electric America Inc.                 | 1,000                    | 100.00 | 0   | 0.00 | 1,000           | 100.00 |
| Fortune Electric Extra High Voltage Co., Ltd. | 110,000,000              | 100.00 | 0   | 0.00 | 110,000,000     | 100.00 |
| E-Total Link                                  | 100                      | 25.00  | 0   | 0.00 | 100             | 25.00  |
| Fortune Energy Co., Ltd.                      | 2,900,000                | 100.00 | 0   | 0.00 | 2,900,000       | 100.00 |
| Fortune Electric Australia Pty Ltd.           | 500,000                  | 100.00 | 0   | 0.00 | 500,000         | 100.00 |
| Fortune Electric Value Co., Ltd.              | 18,200,000               | 64.25  | 0   | 0.00 | 18,200,000      | 64.25  |

Note: (1) The Company adopted equity method for investment.

(2) Fortune Electric Extra High Voltage Co., Ltd. passed a resolution on June 5, 2024 via directors acting on behalf of the shareholders' meeting to increase the capital by NT\$300,000 thousand from the retained earnings, the capital was NT\$1,100,000 thousand after increased.

(3) Fortune Energy Co., Ltd. passed a resolution on June 15, 2024 via directors acting on behalf of the shareholders' meeting to increase the capital by NT\$28,000 thousand from the retained earnings, the capital was NT\$29,000 thousand after increased.

### III. Capital Overview & Financing Plans and Implementation

#### 1. Capital and Shares, Corporate Bonds, Preferred Shares, Overseas Depositary Receipts, Restricted Employee Shares New Issuance, Mergers & Acquisition

##### (1) Source of Capital

| M / Y   | Par Value | Authorized Capital |               | Paid-in Capital |               | Remarks  |                                   |       |
|---------|-----------|--------------------|---------------|-----------------|---------------|--|-----------------------------------|-------|
|         |           | No. Of Shares      | Amount        | No. Of Shares   | Amount        | Source of Fund   | Capital by assets other than cash | Other |
| 08/1969 | 1000      | 3,000              | 3,000,000     | 3,000           | 3,000,000     | Founding Cash  | NONE                              | NONE  |
| 01/1975 | 1000      | 10,000             | 10,000,000    | 10,000          | 10,000,000    | Capital Increase: 7,000,000  | NONE                              | NONE  |
| 08/1979 | 1000      | 30,000             | 30,000,000    | 20,000          | 20,000,000    | Capital Increase: 10,000,000   | NONE                              | NONE  |
| 10/1982 | 1000      | 60,000             | 60,000,000    | 50,000          | 50,000,000    | Capital Increase: 30,000,000   | NONE                              | NONE  |
| 02/1984 | 1000      | 120,000            | 120,000,000   | 80,000          | 80,000,000    | Capital Increase: 18,000,000<br>Capital surplus transferred: 12,000,000  | NONE                              | NONE  |
| 12/1986 | 10        | 12,000,000         | 120,000,000   | 10,050,000      | 100,500,000   | Capital Increase: 20,500,000   | NONE                              | NONE  |
| 08/1987 | 10        | 16,000,000         | 160,000,000   | 13,100,000      | 131,000,000   | Capital Increase: 30,500,000   | NONE                              | NONE  |
| 11/1988 | 10        | 19,000,000         | 190,000,000   | 16,775,000      | 167,750,000   | capitalization of retained earnings: 36,750,000  | NONE                              | NONE  |
| 10/1991 | 10        | 19,990,000         | 199,900,000   | 19,990,000      | 199,900,000   | capitalization of retained earnings: 32,150,000  | NONE                              | NONE  |
| 10/1992 | 10        | 40,000,000         | 400,000,000   | 40,000,000      | 400,000,000   | capitalization of retained earnings: 126,936,500<br>Capital surplus transferred: 40,979,500<br>Capital Increase: 32,184,000<br>SECAPN19921029<br>(81)TWFS(I)NO.02805 | NONE                              | NONE  |
| 06/1993 | 10        | 80,000,000         | 800,000,000   | 50,000,000      | 500,000,000   | capitalization of retained earnings: 80,000,000<br>Capital surplus transferred: 20,000,000<br>SECAPN1993060<br>(82)TWFS(I)NO.1591                                    | NONE                              | NONE  |
| 11/1994 | 10        | 80,000,000         | 800,000,000   | 57,500,000      | 575,000,000   | capitalization of retained earnings: 75,000,000<br>SECAPN19941118<br>(83)TWFS(I)NO.46437   | NONE                              | NONE  |
| 06/1995 | 10        | 80,000,000         | 800,000,000   | 66,364,584      | 663,645,840   | capitalization of retained earnings: 88,645,840<br>SECAPN19950616<br>(84)TWFS(I)NO.35875   | NONE                              | NONE  |
| 06/1996 | 10        | 80,000,000         | 800,000,000   | 76,558,922      | 765,589,220   | capitalization of retained earnings: 88,670,460<br>Capital surplus transferred: 13,272,920<br>SECAPN19960624<br>(85)TWFS(I)NO.39540                                  | NONE                              | NONE  |
| 05/1997 | 10        | 110,000,000        | 1,100,000,000 | 88,459,583      | 884,595,830   | capitalization of retained earnings: 111,350,710<br>Capital surplus transferred: 7,655,900<br>SECAPN19970528<br>(86)TWFS(I)NO.42245                                  | NONE                              | NONE  |
| 09/1997 | 10        | 110,000,000        | 1,100,000,000 | 108,459,583     | 1,084,595,830 | Capital Increase: 200,000,000<br>SFIAPN19970915<br>(86)TWFS(I)NO.68049   | NONE                              | NONE  |
| 05/1998 | 10        | 200,000,000        | 2,000,000,000 | 132,911,194     | 1,329,111,940 | capitalization of retained earnings: 157,748,440<br>Capital surplus transferred: 86,767,670<br>SFIAPN19980519<br>(87)TWFS(I)NO.43763                                 | NONE                              | NONE  |
| 06/1999 | 10        | 200,000,000        | 2,000,000,000 | 162,823,596     | 1,628,235,960 | capitalization of retained earnings: 179,503,950<br>Capital surplus transferred: 119,620,070<br>SFIAPN19990601<br>(88)TWFS(I)NO.50798                                | NONE                              | NONE  |

| M / Y   | Par Value | Authorized Capital |               | Paid-in Capital |               | Remarks   |                                   |       |
|---------|-----------|--------------------|---------------|-----------------|---------------|---|-----------------------------------|-------|
|         |           | No. Of Shares      | Amount        | No. Of Shares   | Amount        | Source of Fund  | Capital by assets other than cash | Other |
| 06/2000 | 10        | 200,000,000        | 2,000,000,000 | 199,436,289     | 1,994,362,890 | capitalization of retained earnings: 211,444,520<br>Capital surplus transferred: 154,682,410<br>SFIAPN20000607<br>(89)TWFS(I)NO.48194 | NONE                              | NONE  |
| 07/2001 | 10        | 275,000,000        | 2,750,000,000 | 219,560,444     | 2,195,604,440 | capitalization of retained earnings: 113,745,220<br>Capital surplus transferred: 87,496,330<br>SFIAPN20010705<br>(90)TWFS(I)NO.143343 | NONE                              | NONE  |
| 07/2002 | 10        | 275,000,000        | 2,750,000,000 | 220,119,434     | 2,201,194,340 | capitalization of retained earnings: 5,589,900<br>SFIAPN20020708<br>(91)TWFS(I)NO.0910137372  | NONE                              | NONE  |
| 12/2003 | 10        | 275,000,000        | 2,750,000,000 | 215,119,434     | 2,151,194,340 | Treasury Stock Retired: 50,000,000<br>TWSEAPTWSUP<br>NO.09300011291   | NONE                              | NONE  |
| 12/2004 | 10        | 275,000,000        | 2,750,000,000 | 205,902,434     | 2,059,024,340 | Treasury Stock Retired: 92,170,000<br>TWSEAPTWSUP<br>NO.09400001802   | NONE                              | NONE  |
| 08/2008 | 10        | 275,000,000        | 2,750,000,000 | 216,197,556     | 2,161,975,560 | capitalization of retained earnings: 102,951,220<br>FSCDC20080813<br>FSCINO.0970040948  | NONE                              | NONE  |
| 08/2009 | 10        | 275,000,000        | 2,750,000,000 | 248,627,189     | 2,486,271,890 | capitalization of retained earnings: 324,296,330<br>FSCDC20090817<br>FSCFNO.0980040943  | NONE                              | NONE  |
| 07/2010 | 10        | 275,000,000        | 2,750,000,000 | 261,058,548     | 2,610,585,480 | capitalization of retained earnings: 124,313,590<br>FSCDC20000728<br>FSCFNO.0990039446  | NONE                              | NONE  |
| 07/2024 | 10        | 500,000,000        | 5,000,000,000 | 287,164,403     | 2,871,644,030 | capitalization of retained earnings: 261,058,550<br>FSC Effective Date: July 5, 2024  | NONE                              | NONE  |

| Type                     | Shares | Authorized Capital                            |                  |              | Remarks |
|--------------------------|--------|---|------------------|--------------|---------|
|                          |        | Outstanding Shares<br>(Public Listed Company) | Un-issued Shares | Total Shares |         |
| Registered Common Shares |        | 287,164,403                                   | 212,835,597      | 500,000,000  |         |

(2) List of Major Shareholders (all shareholders with a stake of 5 percent or greater, all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list)

April 15, 2025/ Unit: share

| Name of Major Shareholders | Shares     | Percentage |
|----------------------------|------------|------------|
| Hua Cheng Investment Corp. | 26,489,029 | 9.22%      |
| Hsu, Shou-Hsiung           | 24,863,760 | 8.66%      |
| Hsu, Bang-Fu               | 18,601,823 | 6.48%      |
| Chun Sheng Fa Corp.        | 12,653,000 | 4.41%      |
| Chen, Yen-Fang             | 12,530,306 | 4.36%      |
| Hsu, Mei-Fang              | 11,059,952 | 3.85%      |
| Huang, Hsiou-Chin          | 9,918,737  | 3.45%      |
| Hsu, Chung-Ming            | 9,322,144  | 3.25%      |
| Kuan, Eiao-Chan            | 9,015,475  | 3.14%      |
| Hsu, I-Lun                 | 7,041,070  | 2.45%      |

### (3) Dividend Policy and Implementation Status

#### 1. Dividend Policy

If earnings are available for distribution at the end of a fiscal year, 10% of net earnings – that is, after offsetting any loss from prior year(s) and paying all taxes and dues – shall be set aside as legal reserve and appropriated in accordance with the Securities Exchange Act. The remaining net earnings can be distributed along with prior accumulated unappropriated retained earnings. The Board of Directors will consider the above-mentioned factors when making the dividend distribution proposal. Dividends will be distributed in accordance with the resolution approved by the Board of Directors and at the annual Shareholders' Meeting.

The Company authorized the Board of Directors may, by a resolution adopted by majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company, have the whole or a part of the surplus profit distributable as dividends and bonuses distributed in cash and submit to the Shareholders' Meeting. The Company's dividend policy, being in consideration of current and future development, investment environment, capital needs, domestic and overseas competitions and shareholders' interests, would allow no less than 60% of distributable net profit to be allocated as dividends to shareholders, either by way of cash or stock dividends, whereas ratio of cash dividends would be no lower than 25% of total distribution.

#### 2. Implementation Status

The proposal for the distribution of 2024 profits was passed at the Board Meeting on March 10, 2025, with NT\$9.00 in cash and NT\$1.00 in stock dividends per share to be proposed to the shareholders meeting for discussion.

### (4) Impact of proposed distribution of bonus shares on the Company's Operating Performance and Earnings per Share:

In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies" and the "Standards for Determining Whether

a TWSE Listed Company Shall Publish Complete Financial Forecasts", the Company has not yet disclosed its complete financial forecasts for 2025, therefore, disclosure of the impact of the forecasted financial information is not applicable.

(5) Remuneration of Employees and Directors

1. Remuneration of Employees and Directors' percentage or range:

If the Company has made any profit in a given year (meaning any net profit before tax, minus employee, and directors' compensation), the Company shall reserve a sufficient amount compensating any accumulated deficits (including adjustments to retained earnings), if any; then appropriate from the remaining amount no less than 3% for the employee compensation, and no more than 2% for the Directors' remuneration.

The aforesaid employees' rewards can be in stock or cash and the remuneration of the directors is limited to cash.

The two foregoing paragraphs shall be resolved by the Board of Directors,

and reported to the shareholders' meeting.

2. The estimation and recording of the remuneration of Employees and Director were made in accordance with the stipulation of the Company's Articles of Incorporation. After the annual final settlement, if there's any significant changes with the provisioned amount, the designated annual fee would be adjusted appropriately.

3. State of Remuneration distribution approved by The Board Meeting:

On March 10, 2025, the Board of Directors approved the resolution in regard to the 2024 Employee Remuneration at Cash NT\$283,163,880 and Director's compensation at NT\$79,285,886.

4. Distribution of Employee Remuneration and Directors in the Previous Year:

2024 actual pay out to Employee of Cash at NT\$165,073,000 and the Directors' compensation at NT\$49,522,000, same amount with what has been approved by The Board of Directors.

(6) The Company repurchasing its own shares:

In the Most Recent Year up to the Publication Date of the Annual Report, the Company has not repurchased any of its own shares.

(7) The state of Corporate Bond and Special Shares: NONE.

(8) The state of Overseas Depositary Receipts, Employee Stock Option and New Restricted Employee Shares: NONE.

(9) The state of issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: NONE.

## 2. Financing Plans and Implementation

From Previous quarter up to the Publication Date of the Annual report, capital received from previously issued corporate bonds has been fully executed or all projects completed projects with benefits being realized in the Most Three Years, according to the required procedures.

## IV. Operational Highlights

### 1. Business Activities

#### (1) Business Scope

##### 1. Description of major business

- (1) Sales business of manufactured and processed of transformer, inverters, power distribution boards, high-low voltage switches (including segment switch, fuse link switch, vacuum switch, load switch, air break disconnecting switch, oil switch and switch box equipment, ..., etc.) , transforming equipment (including lightning arrester, capacitor, comparator, current comparator, reactor, rectifier, circuit breaker, current-limiting fuse, ..., etc.), electric vehicle charging equipment, DC charging equipment, electric motorcycle charging equipment. The abovementioned business, being produced internally or with contractor alike, have adopted product standardization design to maintain core technology capability.

##### (2) Turnkey Projects:

Continued to undertake Tai Power substation turnkey projects and electricity projects and applied relevant engineering experience in civil electric engineering projects (including factory, office, technology plant, ..., etc.); in addition, actively dedicated in recent public construction projects promoted by the government, such as, public housing and sports center, ..., etc., as well as Taoyuan Aerotropolis. Government has been planning to invest in expanding basic construction, with an aim to initiate and build what the country needs in the next 30 years, “ Forward-looking Infrastructure Plan”, which included 5 major construction plans: built safe and convenient rail tracks, water environment construction in response to climate-changing, Green Energy construction promoting environment sustainability, Smart Country digital establishment, reinforce balance of urban and rural construction, Tai Railway station reconstruction, South Link Line railway electrification, MRT DC power supply, elimination of old and replacement of new core technology electric engineering construction, environment protection and water resources construction, renewable energy and energy saving/storing constructions, port pier electrical engineering reconstructions. To reach “Marching unto Non-nuclear homes by 2025 and promote new energy policy” goal, expanded non-nuclear power plant, solar photovoltaic, offshore wind power generation, electricity transmission network energy storage system, distributed system energy storage system, electric vehicle charging basic construction, Rapid DC Charging Station Construction for Car factory, Car owner home Charging Pile Installation Construction, Community Electric Vehicle Charging Area Construction and power generation new construction.

##### (3) Automation of power transmission and distribution feeder, and computer software construction:

In response to automatic control, power distribution automation, distribution closed-loop automation, computer calculated billing system, automatic meter-reading system and all information maintenance service after reconstruction, substation, and power plant SCADA system replacement projects.

##### (4) Power generation and energy storage construction:

In response to Tai Power and private company’s dedication of installing ground and offshore wind power generation and energy storage, solar photovoltaic power generation and energy storage and outlying islands’ power generation and energy storage, namely Green Energy storage construction.

##### (5) General import and export trading business. (except for business requiring licensing)



- (6) All electrical engineering installation/energy storing construction's design, construction, maintenance, and warranty service as well as technology counseling business (except for business requiring licensing)
- (7) All electric machinery equipment's design, manufacturing, processing, and sales. (except for business requiring licensing)
- (8) Central monitoring system equipment, automatic control system, GPS system's design, manufacturing, processing, assembling, and sales.
- (9) High-low voltage electricity, tracks and vehicles' accessory, and power transmission and distribution construction' design, assembling and equipment sales.
- (10) DC and AC charging equipment for electric vehicles, home EV charging station installation and setup, area charging fee collecting management system, EMA regional energy management system, APP for public charging operating management system, including but not limited to station checking, navigating, activation, deactivation, and payment functions. Design and establish electric vehicles charging station basic service network for Taiwan.
- (11) All business not prohibited or restricted by relevant codes, except for business requiring licensing

2. Current products and business ratio:

Unit: %

| Product type                   | Year | 2024   |
|--------------------------------|------|--------|
| Transformer                    |      | 72.13  |
| Distribution Board             |      | 8.13   |
| Contract construction          |      | 6.87   |
| Devices for power distribution |      | 2.84   |
| Electricity sales              |      | 0.07   |
| Other                          |      | 9.96   |
| Total                          |      | 100.00 |

3. New product planning

Export energy storage pad-mounted transformer, export special three-winding pad-mounted transformer, AI specification reading system.

(2) Industry overview

1. Industry Status and Development

Industry has always begun with heavy-duty electric industry; the Company's major products, transformer, and distribution board are essential equipment for all power systems, from power generation, transmission, and distribution to construct and expand plans in various industrial and public infrastructures which link with electric power generation, transmission and distribution, and retailing to be important sectors in heavy-duty electric industry. As major central banks cut interest rates, prices of bulk commodities such as international crude oil decline, inflation in various countries slows, driving demand, and global trade continues to expand. The global economy is expected to achieve steady growth in 2025.

- (1) Executive Yuan announced "Marching unto Non-nuclear homes by 2025 and promote new energy policy" on September 17<sup>th</sup>, 2016, promoting and planning all sorts of tasks such as energy saving, energy creating, energy storing and SMART system integration. Shortly after the announcement, all corresponding policy and planning were sprouting, e.g., Tai Power and Private Power plant expansion from 2017 to 2025, increase gas-lit and coal-lit machinery for 8,896,000,000-Kilowatt and 1,000,000-Kilowatt Renewable energy ratio may reach 20% by 2025, among them, Ground-mounted PV Systems, Geothermal power generation target to reach 31,000,000-Kilowatt by 2030, offshore wind power target to reach 15,000,000-Kilowatt by 2035 while Geothermal power generation is targeted to reach 200,000-Kilowatt by 2025. In

- Response to net-zero emission by 2050, the government has planned power portfolio with 60-70% of renewable energy by 2050. The demand of renewable energy of power equipment installation will progressively increase before 2050.
- (2) In riposte to the nationwide power outage cause by the 303 incidents on March 3<sup>rd</sup>, 2022 which raised concerns regarding to the stability of domestic power grid system. Taiwan Power Company hosted a press conference on September 15 of 2022 and announced “Grid Resilience Strengthening Construction Plan” which will invest 564.5 billion NT dollars over ten years (376.1 billion NT dollars already planned under implemented and continually planed and implemented 188.4 billion NT dollars project). Being ready for completely enhance the national power grid capability to unforeseen incidents and 2050 net zero transformation goal, the Company will actively participate government projects by providing relevant products and engineering services to improve Taiwan power network.
  - (3) Resulted from U.S. government’s “U.S. First” policy, U.S. enterprises have relocated manufacturing business back to USA, the demand for infrastructure construction increased, and more supportive towards energy industry. In addition to industry plant-building and requests for power equipment needs, along with the lifting of the pandemic and the effect of destocking, resulting in supply-demand imbalance of power equipment, the transformer market grew rapidly since 2022. The U.S. Department of Energy forecasts that under the impetus of the "Inflation Reduction Act" and other acts, the U.S. will require 64% of new regional transmission lines and 114% of new cross-regional transmission capacity in 2035, pushing the demand for transformers even stronger. In February 2025, U.S. President Trump signed an executive order to officially establish the “National Energy Dominance Council,” accelerating oil and natural gas production to meet the enormous electricity demand required for America's AI development. It is estimated that the energy needed to train AI will reach up to 5GW, meaning an additional 5GW of power generation capacity must be installed. This is projected to drive demand for transformers across all voltage levels, from generation, transmission, and distribution systems to end consumers, to 40GW (40,000MW). For new economic bodies in South Eastern Asia, power generation equipment is vital for resources development to uplift economy situation. As transformer sales are expected to look good for the next 5 to 10 years, global concern regarding environment and energy cost has been increased will result in continued development of renewable energy stations. Currently, the global market for power equipment such as transformers is an imbalance state with demand exceeding supply. Although major European and American manufacturers have expansion plans underway, power infrastructure construction is a global issue. It is estimated that the power equipment market will continue to maintain high growth over the next 5 to 10 years. All the above showed positive effects for the Company’s export business and expected the Company will own great growth in export business.
  - (4) Reproduction Method has been passed and along with government’s promoting energy saving and carbon reduction, green energy policy, such as wind power, hydropower, solar power, environment protection construction, electricity transmission network energy storing system, distributed energy storing system, electric vehicle charging basic construction and operating network, ..., etc., business opportunities are limitless for heavy-duty electric industry.
  - (5) Developing countries’ construction projects are in full swing; still, as the risk is high, we still have to handle it with caution.

(6) In recent years, under the trend of technology development and energy transition, traditional carriers have been gradually moving towards electrification. With the expansion of the electric vehicle (EV) market and the trend toward net-zero emissions driving the rapid development of related industries such as EVs, batteries, and infrastructure, combined with strong government support the EV industry is accelerating its growth at an unprecedented pace. The global EV market is projected to achieve a compound annual growth rate of 29% over the next decade. DIGITIMES Research estimates that global EV sales will reach 28.5 million units in 2025, with a penetration rate exceeding 30%. Furthermore, the rapid growth of EVs has simultaneously spurred a surge in demand for charging station deployment. Governments worldwide are accelerating the construction of charging infrastructure, making EV charging stations a critical part of local infrastructure plans. According to TrendForce, the total number of public charging stations globally is expected to reach 16 million by 2026, approximately three times the 2023 figure. Supported by Europe's Net-Zero Industry Act and the Biden administration's infrastructure goals, the charging station market is poised for even greater advancement. As for the domestic market, according to the statistics of Highway Bureau, MOTC, the number of licensed vehicles in Taiwan in 2024 was 458,000. Although the overall vehicle market declined by approximately 4% compared to 2023, the number of electric vehicle registrations in 2024 reached 38,000 units, representing a 53.5% growth over 2023. Taiwan's electric vehicle market aligns with global trends. If the "Air Pollution Control Action Plan" announced in 2017 is fully implemented, which proposes to ban sales of fuel-powered vehicles by 2040, the growth of electric vehicles is expected to be even steeper than current projections.

## 2. Connectivity of the upstream, middle stream and downstream in the industry

The Company's products are mainly for public construction, plant-building/extending investment and could be categorized as capital goods. Therefore, these products need to be used for infrastructure construction, new-build factory, capacity expanding or equipment elimination and replacement. Bulk material needed for these products are for instance, silicon steel plate, brass wire, brass plate, and insulating oil are categorized as upstream material and their controlling and protective material are considered middle stream and downstream value-added components. Materials supplying for these products are abundant.

## 3. Product development trends and competition

There are two major development trends of the Company's major products: high efficiency, energy saving and smaller in sizes, and intellectualized. To raise added value and competitiveness, adoption of the highest quality material and excellent quality control and protective devices components are without question.

Since the Company remains committed to highest quality of product, we have maintained certain edge in product competitive advantages. To maintain competitive edge and sustainability, we strive to adhere to product Quality, Cost, Delivery and Service so that we continued to be trusted by our customers, domestic and overseas alike, and with continued orders.

In addition to manufacture heavy-duty electric products, the Company emphasized in pre-sales and after sales services. Besides implementing the 24-hour power restoration service and expanding repair and maintenance services, we have applied technology special project with Ministry of Economic Affairs with "Advanced service plan for Power Transformer". We have successfully researched and developed "Noise Analysis Modules", "Surveillance Equipment Installation and Data Analysis", "SMART Repair and Maintenance Decision Support Module", and have started our sales and marketing activities. Circumferential noise analysis could provide customer with

simulation of installation environment, providing transformer reasonable noise regulated value, and assisted customer in reducing noise and provided suggestion. Real-time transformer surveillance system collects data of temperature, voltage and current when the transformer is in motion. It also provided countermeasures when the system is at fault, by determining the content and increment in the oil of inflammable gas. Determination of the residual life for the transformer is also one of the key functions of this module. Also, weekly, monthly, annual report, annual repair and maintenance suggested items with budget will be provided on a timely basis to offer best economical repair and maintenance recommendation. By way of the aforementioned pre-sales and after sales services, and IT technology application to carry out “Servitization of Manufacturing and Technologization of Service” in customer service to bring customers’ needs closer and enhance interaction with the customers, and further to uplift re-purchase rate. In respect to electric vehicle charging field, besides autonomous self-developing capability and the ability to sell product and its turnkey project as well as providing car dealer in electric vehicle charging software and hardware equipment; we also assist car dealer in setting up charging system integration with SMART solution, software services, self-charging stations location checking, navigation, APP activation, and integrate and design for electric vehicle charging station basic infrastructure network to provide service to all electric vehicle owners. Furthermore, we will continue to develop and optimize our home charging equipment and system platform.

(3) Technology and R&D overview

All the R&D expenses and the technology or product successfully developed in The Most Recent Year up to the Previous Season of the Publication Date of the Annual Report

Unit: NT\$ Thousands

| Year    | Amount  | Ratio to Income |
|---------|---------|-----------------|
| 2024    | 329,867 | 1.63            |
| 2025 Q1 | 87,499  | 1.92            |

| Product Specification successfully developed  | Results   |
|---|---|
| Y451(112-02) Low Voltage Street Light Switch (Electromagnetic contact)  | Obtained the qualification letter from Taipower in July 2024.   |
| Export single-phase pad-mounted transformers (25kVA, 50kVA, 100kVA and 167kVA)                                    | Successfully pass the high-efficiency energy-saving requirements of DOE (U.S. Department of Energy) and the Type I requirements of IEEE C57.12 pad-mounted standard.  |
| Export high-voltage to high-voltage interconnection single-phase pad-mounted transformers                         | Successfully passed the high-efficiency energy-saving requirements of DOE (U.S. Department of Energy) and the requirements of IEEE C57.12 pad-mounted standard.   |
| Heavy Electrical Transformer Energy-Saving Manufacturing Process and Energy Management System Development Project | Effectively reduced drying process time, established a company-wide energy management system, and achieved precise oil injection results.   |
| Liquid Level Sensor   | Capable of detecting oil level and temperature with real-time status monitoring and automatic data logging; features automatic abnormal data diagnosis and installation not restricted by oil tank dimensions |

|  |  |
|--|--|
| Transformer Health Index and Expert System | Capable of reducing maintenance costs while performing load prediction, optimizing energy consumption, and effectively integrating renewable energy sources. |
| Advanced Sensing Transformer               | Transmits monitoring data in real-time, instantly detects abnormal data and issues alerts, and can be applied in special power environments.                 |
| Regional Charging Pile Management System   | Provides real-time and effective energy management services.   |

- (4) The Company short-term and long-term business development plans (5 to 10 years) divide major businesses into equipment business and new energy engineering business. The key target groups are renewable energy, technology industries and large-scale electricity consumer along with domestic, North America and Southeast Asia market as primary markets.

1. Short-term business development plan

Domestic sales: (equipment business and new energy engineering business)

Electric products are widely used in daily life, commercial activities and manufacturing and production. With the advancement of technology, electric product's application was broadened, and we may consider electricity the cornerstone in maintaining modern civilization. For the time being, in addition to reinforce existing product marketing and sales of domestic and international plant-building or expansion cases, in domestic markets 69kV and above transformers and related distribution boards have been in sale for over 4 decades, we are expecting a gradual elimination and replacement in market demands. In addition to manufacturing products, we are seeking for international product distribution or wholesaling, to reinforce system equipment integrity and competitiveness. In the meantime, we continue to dedicate in designing, manufacturing, turnkey project's marketing, construction, and water resources construction, MRT and Taiwan Railway construction, renewable energy, energy saving construction, electric transmission network energy storage system, distributed energy saving system, electric vehicle charging basic infrastructure, electric engineering construction (including firefighting, plumbing and electricity, surveillance system), and refrigeration and air conditioning related fields.

With regards to business development, we have opened up branches in central area, to serve central customers and architects, in advanced planning of equipment and electrical engineering related areas, to fight for more equipment and construction cases. In addition to continuously optimizing performance and enhancing quality of our existing AC and DC charging pile product series, our company notes that Taiwan's Ministry of Economic Affairs has implemented the voluntary product certification (VPC) for "electric vehicle charging equipment" and metrological verification requirements to ensure public safety and billing accuracy of EV charging devices. Unverified equipment is prohibited for commercial use. To protect consumer rights and serve as the first-line safeguard, our AC/DC charging pile products, including the 2nd-gen home charging pile, 4th-gen AC charging pile, and DC charging pile, have all obtained VPC certification. Furthermore, the AC/DC operational equipment deployed at service locations have successively passed government metrological verification and received measurement compliance certifications as planned. This injects stronger momentum into Taiwan's EV charging infrastructure and services to meet drivers' public charging needs.

Export sales: (equipment business)

By fragmented market, servicing existing customer and providing overall pre-sales and after-sales service, with the rise of Green Energy market, to

develop solar power and energy-saving projects.

We target to tackle developed countries first and then, the developing countries. Internally, we committed in enhancing quality and reducing cost, our main products in export sales are distributed transformer, power transformer, and solar PV Box modules. We take orders by overseas customers' needs and requests and continue to expand cooperation relationship with direct and indirect customers. Continuous grow our business with stable quality and production capacity. We also actively look for Electricity company and international turnkey engineering company to fight for export sales, with transformers and solar modules. We integrated all units' resources and with FE Heavy-duty 500kV production capability, to satisfy customers' needs for different service, quality, pricing, and delivery and also fight for power company, EPC and South Eastern Asia market, etc. orders.

## 2. Long-term business development plan

Domestic sales: (equipment business and new energy engineering business)

Under the influence of economic growth, climate changing and industry development promotion, the need for electricity will increase year over year. According to the plan by Bureau of Energy, Ministry of Economic Affairs, from 2018 to 2025 the target for reserve capacity rate for power generation will be 10.0% in 2018 to be raised to 17.1% in 2025. Renewable power generator modules would be increased over years to reduce air pollution, as well as big bulk gas-lit modules to be installed.

In the future, domestic needs for electrical engineering markets will be increased by large scale due to government big construction projects' being rolled out. At the same time, due to increase of National Income (NI), we have entered and listed as one of the developed countries. All public construction projects will also increase tremendously. To reach "Marching unto Non-nuclear homes by 2025 and promote new energy policy" goal, we are expanding non-nuclear power plants, solar photovoltaic, offshore wind power generation, energy storage system, ..., etc. All of these will bring another wave of rising demands for electrical engineering products. For construction business field, we continued to dig further into renewable energy construction, such as: Green Energy, Wind power, Solar photovoltaic, outlying islands' power generation, electricity transmission energy storing system, distributed energy storage system. The government's non-nuclear home promoting new energy policy including energy saving, energy creating, energy storing and SMART system integration. The Company could provide electrical engineering equipment, electrical engineering construction and operation and maintenance services. Relevant business opportunities counter proposals are:

Energy saving: high efficiency Amorphous Metal Core Transformer, Electrical Vehicle charging piles and construction, and charging station operation

Energy creating: transformers, distribution boards, switches, turnkey electrical engineering project, and repair & maintenance

Energy storing: transformers, distribution boards, switches, turnkey electrical engineering project, and repair & maintenance

SMART system integration: transformers, distribution boards, switches, turnkey electrical engineering project, remote surveillance RTU, and repair & maintenance

In the next 10 years, driven by needs of important energy policy and "Grid Resilience Strengthening Construction Project" of Taiwan Power Company, the above-mentioned products and services will increase over 10-20% of business growth annually.

Electrical engineering products, economic growth and lifting of quality life are closely related; electrical engineering market will be booming if society is advancing. As for product supply, due manufacturing of power transformer, distribution board, high voltage gas-insulated switch and devices for distribution are capital and technology intensive, especially the transformer industry is not

only capital and technology-intensive, it is also not easy to gain customers' trust and adoption, and competitors are not easy to enter the market or increase competition in the short term. In terms of the number of domestic counterparts, the 69 kV or higher transformer manufacturers have zero growth in the past 40 years. For nearly 30 years, we have been deeply engaged in the North American market. In order to win customers' recognition, we strategically send our 11, 22, 66, 230, and 500kV transformers to KEMA, an world renowned certification organization, and have completed the most stringent short-circuit test for transformers with an average pass rate of less than 50%, and we have also been evaluated by customers visiting our factory for many times in North American market, meanwhile, with our quality pre-sale and after-sale services, design and parts and accessories, to maximize the standardization of our products and to expand our capacity to meet the needs of customers. At the same time, we also maximize the standardization of accessories, design and spare parts, and expand production capacity to provide reasonable prices and lead times to customers, gradually giving customers more confidence in purchasing higher voltage levels and larger capacity transformers, thereby widening the gap with competitors and increasing our market share.

With the upward trend of electric vehicle market growth, we are expecting to see growing needs from car owners who use public charging station when they are away from home. As far as installation points, the Company install AC charging equipment stations to places where consumers are expecting to be away from home longer, while DC charging equipment would be installed around traffic junction points such as high-speed roads and vicinity. This would resolve the anxiety for car owners with the possibility of power storage and lack of public charging equipment; also, provides differentiated charging resource allocation based on owners' diverse usage habits, will provide the Company with charging fee and with continuous cash flow. Furthermore, we continue to strengthen core technological capabilities and deepen the advantages of one-stop services, forging robust core competitiveness to establish a solid foundation as a comprehensive leader in the EV charging market.

To cope with future market needs, the Company aggressively started automation and talent cultivating plans, to expand productivity to the fullest, develop new product, new technology and with stable quality. Also, we cooperate with important customers to promote 6S in quality management, aiming to keep abreast of competitiveness advantages and to lay down sustainable operation goal.

#### Export sales: (equipment business)

Globally, all places are expediting implementing substitute energy policy as well as economy growth plan for developing countries, we are expecting no change for all countries' needs for power equipment. The Company is working diligently towards directions, as described below, to grasp growth trends and competitive niche.

- A. Established agency, branch office and sales office in major export countries. Currently, these have been set up in major export countries but more are being developed.
- B. Form alliances with world-class direct and indirect customers and make effort for our products to be used in EPC or turnkey projects, to develop direct customers from these cases and obtain qualification review by newly developed countries to gain more customers.
- C. For U.S. markets, due to the outstanding quality of our product with short delivery period, punctual and high-quality pre-sales and after-sales services, we have succeeded in tackling into focused U.S. power companies and customer and orders are growing steadily.
- D. We have acquired qualification for major newly developed countries' power company and some business of power companies. We continue to offer

products with high quality and reasonable price to expand in export sales. Our competitive niche lies in our Q.C.D.S capability enhancement of our own products as well as established service cooperation partners locally. Aided by ISO9001, 14001 and Six Sigma, assorted quality activities, we have obtained qualified reviews from majority of international power companies and EPC customer review factory of large scale. We are recognized by our capability and with deep rooted business management and the establishment of international sales location, partners and network, our export sales grow year by year.

- E. 500kV level transformer plant, with 100% shareholding, its space and location edges, not only enabled us to devote in global sales of large transformers, but also gave us an opportunity in striving for domestic offshore wind power vendors' transformer within wind power tower, electrical engineering module and assembly orders.

## 2. Market and Sales Overview

### (1) Market Analysis

1. Sales of major products and services, offering location and market share

The Company has always been pursuit of excellent quality, quick and precise service, and fair pricing. Therefore, all transformers, distributed transformers, high-low voltage distribution boards and all sorts of transformers, are widely trusted and loved by domestic institutions of public sectors and private sectors. Export sales market are developing with sales revenue increase year by year.

Major product market shares are as below:

Power transformer: 60% of domestic sales volume and over 90% of export sales volume.

Distributed transformer: 30% of domestic sales volume and over 70% of export sales volume.

High-low voltage distribution boards: 10% of domestic sales volume.

2. Competitive niche and future development pros and cons and countermeasures

#### Advantages

- (1) Government is planning in investing in expanding basic construction, with an aim to initiate and build what the country needs in the next 30 years, "Forward-looking Infrastructure Plan", which included 5 major construction plans: built safe and convenient rail tracks, water environment construction in response to climate-changing, Green Energy construction promoting environment sustainability, Smart Country digital establishment, reinforce balance of urban and rural construction, ..., etc. there will be electric engineering construction direct or indirect needs increase in the future.
- (2) Driven by demand of "Grid Resilience Strengthening Construction Plan" of Taiwan Power Company, the demand for electronical equipment and related engineering services will have significant growth in the next 10 years.
- (3) To reach "Marching unto Non-nuclear homes by 2025 and promote new energy policy" goal, expanded non-nuclear power plant, solar photovoltaic, offshore wind power generation, electricity transmission network energy storage system, distributed system energy storage system, electric vehicle charging basic construction and power generation new construction. Our existing as well as newly developed products and services could satisfy the abovementioned new energy construction and future repair and maintenance needs. As we already have experiences in these projects, we are indeed best partner in terms of providing electrical engineering equipment as well as electrical engineering construction. The government has planned power portfolio with 60-70% of renewable energy by 2050 raise from 20% by 2025. The demand of renewable energy of power equipment installation



and engineering service will have significant increase in the next 2050. The Company has important foundations through complete project such as offshore wind power, solar photovoltaic, energy storing project which positions us well for competing related projects.

- (4) The Company has accumulated over half a century projects and experience and was recognized by customers, domestic and international alike, which helped in business development.
- (5) The Company's labor relation is in harmony and employees worked well in a team. The Company's R&D capability is extraordinary and was certified by Tai Power with the most products, which helped us in market competitiveness.
- (6) In our product lines, distributed transformer, power transformers, distribution boards, power center, motor control center, mould0cast transformer won ISO9001 certification with registration. Metal clad switch box, gas-lit switch and capacitor was certified by ISO9002. We are the 1st composite heavy-duty plant to be awarded with such recognition, which helped market competition in the future.
- (7) The Company has completed new product development in June 1996 of air-sealed gas switch (2 WAY SW, 4 WAY SW), and was the 1st company to have both products certified. Currently, we have sold billions of them in every year and will continue to develop automatic switches. In 2014, we were 1st company to have passed certification by Tai Power for manufacturing underground 4W switch, which will increase said product's market shares.
- (8) Became the 1st company to be certified for manufacturing of Amorphous Metal Distribution Transformer as well as selling iron core of other companies in the industry. This is quite beneficial for future revenue generation and profit increase.
- (9) Obtained Tai Power new middle voltage 23kV GIS manufacturing qualification. As this product is a important index of heavy-duty electric industry, it is quite beneficial for future revenue generation and profit increase with this qualification.
- (10) The Company devoted itself in power transmission, distribution and feeder automatic system's research and development, estimating NT\$ 1 billion business opportunity per year.
- (11) The Company continued to obtain qualification from major international brands which was quite beneficial for future revenue generation and profit increase.
- (12) In 2011, we have built the largest Solar Photovoltaic Plant 4.6MW at once in Taiwan at Yong An Salt Wetland. Turnkey project will continue with Solar power and wind power generator, substation turnkey project, power distribution construction, water resources construction, ..., etc. Also, MRT, light rail and railway electrification construction in transportation are rolled out gradually, we have also dedicated in private sector electrical engineering transportation constructions. Majority of the undertaken projects were gradually completed and building. We continued to accumulate our experience and ability to further deep plough electrical engineering market.
- (13) We have completed the 230kV 240MVA large capacity transformer short-circuit testing certification, and our 100% owned 500kV transformer plant has the only 500kV transformer short-circuit testing certification in Taiwan and with export sales in this product, helped us to expand power

transformer business development domestically and internationally.

- (14) With oil and electricity prices going up, Amorphous Metal Distribution Transformer, Solar power turnkey project and environmental and energy saving product and services are benefited.
- (15) In the development of Green Energy, we continue to promote product and operation innovation, aiming to become leading enterprise of Green Energy field, including: developing several energy saving transmission and distribution equipment, developing renewable energy, built several MW level solar power plants, MW level energy saving installation (completed Hsin Chu Bio-Technology building distributed power system integration; it was considered at that time the largest project, 741kW/2964kWH, in Taiwan), SMART electricity transmission installation, undertaking offshore terrestrial electrical engineering construction, and open up electric vehicles power charging field. For electric vehicle charging needs, hardware, software and operation services are provided for, from single charging product to installation of a whole station as well as charging basic infrastructure to network operation. The sound service provided could really satisfy customers' needs; we have now become suppliers of many renowned car dealers. Moreover, with the increasing adoption of electric vehicles and increasingly stringent regulations, the market has begun reshaping the ecosystem chain of the EV charging industry, accompanied by high-growth demand brought by the charging market. In addition to the operation in Green Energy product, we have participated in investing in large scale solar power plant to further aggressively participated in Green Energy business.

#### Disadvantages

- (1) U.S. President Trump imposed reciprocal tariffs on April 2, 2025, impacting all Taiwanese exports to America except semiconductors, pharmaceuticals, and similar goods.
- (2) Manufacturing of heavy-duty electrical product requires more experienced skill workers; but with minimum wage being increased constantly, manufacturing cost has been increased relatively.
- (3) Working hours had been reduced in Taiwan whereas manpower cost, workforce training and cost of automation were increased comparatively, which disrupted manufacturing capacity to a certain degree.
- (4) Fluctuation of foreign currency rate of exchange somewhat impacted on competitiveness and profitability of export markets.

#### Countermeasures

- (1) In response to the U.S. imposition of reciprocal tariffs, apart from hoping for tariff reductions through government negotiations or lobbying by power utilities and AI data providers who have the strongest demand for power equipment, the Company will proactively take direct measures to mitigate risks and work with customers to resolve the issue. The countermeasures are as follows:
  - Power equipment remains critically important and in short supply in U.S. infrastructure development, with a high reliance on imports. Since President Trump took office at the end of 2024, our export team has incorporated tariff fluctuation absorption clauses into new sales contracts. For previously accepted orders, we are also actively engaging in friendly negotiations with customers to pass on or share part of the cost, thereby

reducing the policy's impact.

- Currently, the demand for power equipment is global, and we continue to actively develop markets outside the U.S.

In addition to continuing to secure orders in the U.S. market and actively responding with the aforementioned measures, the Company maintains stable growth in the domestic market and other export markets. Therefore, the impact of this tariff policy on overall operations remains within a controllable range. At the same time, we will continue to closely monitor the policy's developments and adapt our measures accordingly to ensure steady operations and maximize shareholder value.

- (2) Expedite in research and development of new product to widen distance with competitors, with market segmentation, to increase revenue and profitability.
- (3) From global viewpoint, through assignment of responsibility, procure components or process semi-finished goods from places with favorable prices to sell.
- (4) Fought for export business opportunities by way of our government's joining WTO, as markets would be opened bilaterally.
- (5) Reduce cost, enhance competitiveness, and target to provide low cost, high quality, and good service to customers.
- (6) Continued to develop new customers and new distributors; those whose performance was below acceptance or no results.
- (7) Key materials were paid in USD, with foreign currency risk hedged naturally, plus using forward FX hedging mechanism in financial operations, risk of USD appreciation for imported materials have been lowered to the minimum.
- (8) Actively expand cooperation with solar photovoltaic battery modules companies and seek for solar photovoltaic projects appropriately and jointly open up overseas markets.
- (9) Actively cooperated with all construction projects at the design phase by providing optimized electrical engineering layout before sales, and fight for more business opportunities of electrical engineering project.
- (10) By providing differentiated pre-sales/after-sales services such as: "Emergency power restoration system within 24 hours", "Emergency power restoration system", and "Broaden maintenance and repair services" to implement second and half industry operating strategy.
- (11) Intellectualized product lines, reinforce factory facility automation, real-time information, big data analysis, and simulated automation controls to enhance workflow and product competitiveness.

(2) Main product applicability and manufacturing process flow:

1. Main product applicability

(1) Transformer:

The power generated by power plant can reach user through transmission. In the process of transmission, high quality transformer has to be the media, by boosting up power pressure through distribution lines to transmit to all areas and decrease pressure as per all users' needed voltage, to be connected to machinery in use.

(2) Distribution Board:

Switch box, electricity board, control board, and power distribution box, with system protection and coordination functions namely, activating, and

deactivating devices, surveillance and safety detachment, in power plant, transmission and distribution system's substation, factory, public facilities, office and residential buildings.

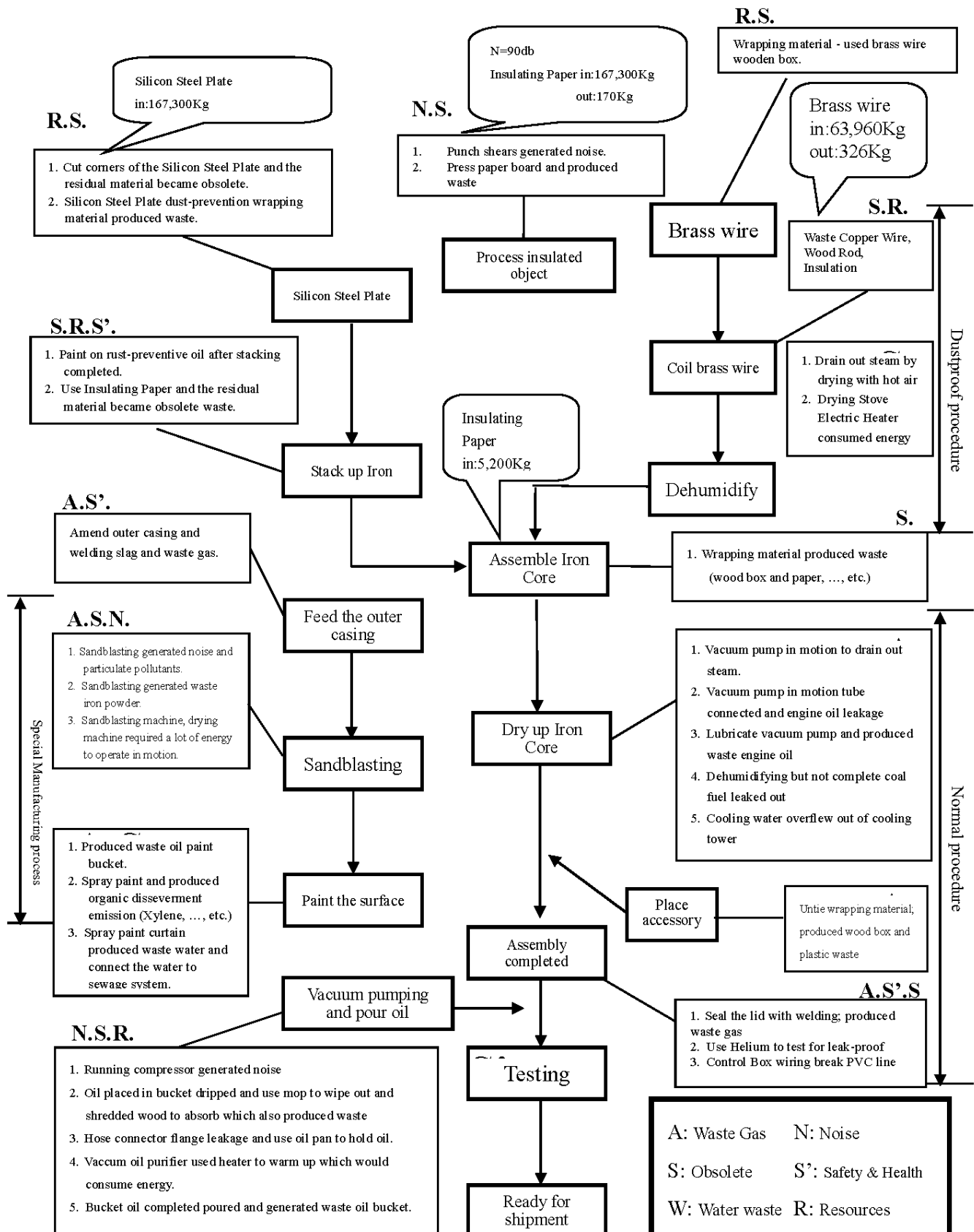
(3) Devices for power distribution:

Devices for power distribution: switch for power transmission and distribution system and circuits, and power consumption enhancement and protective equipment.

## 2. Key products production workflow

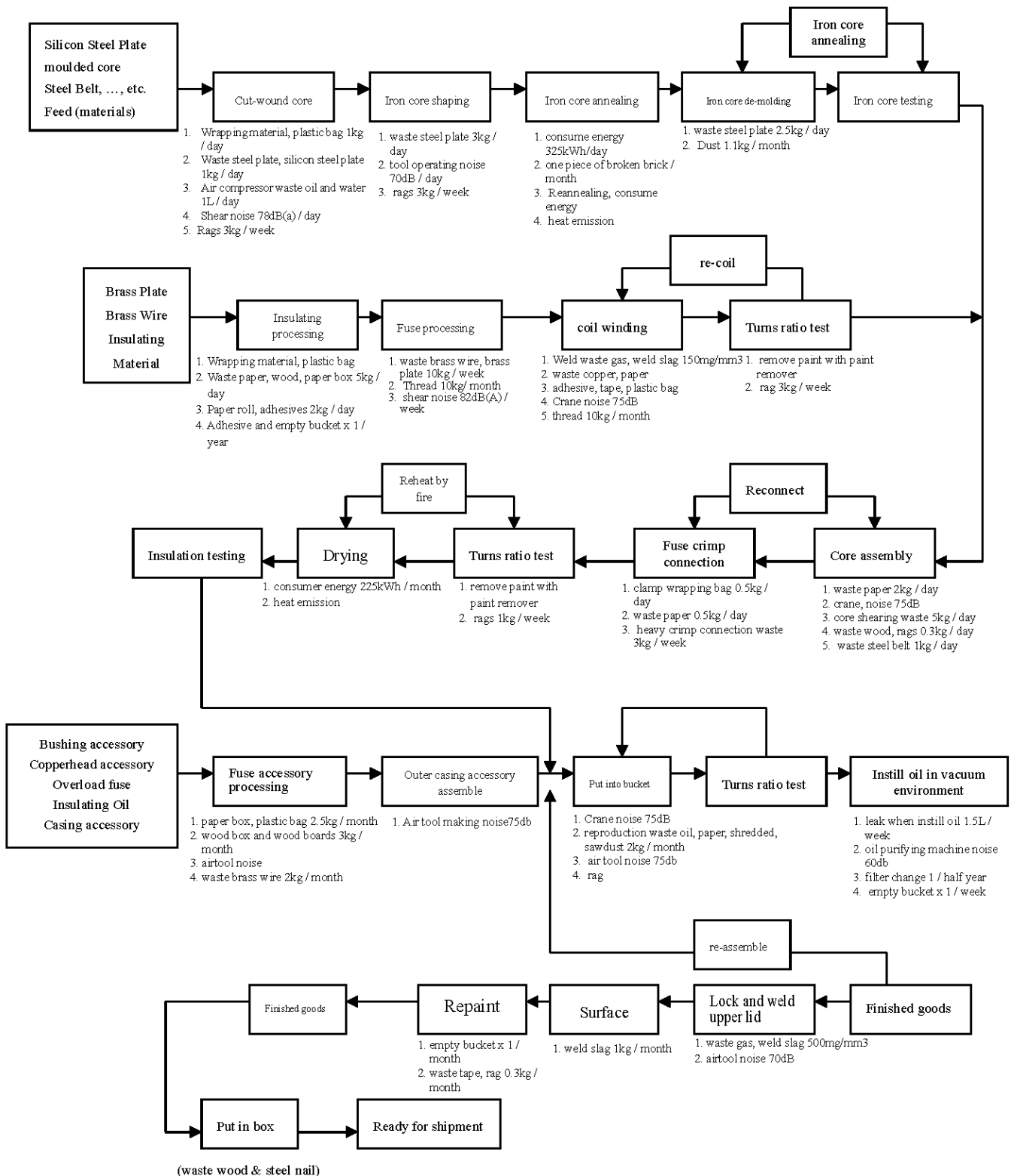
### (1) Power Transformer production Diagram:

#### Power Transformer Production Diagram

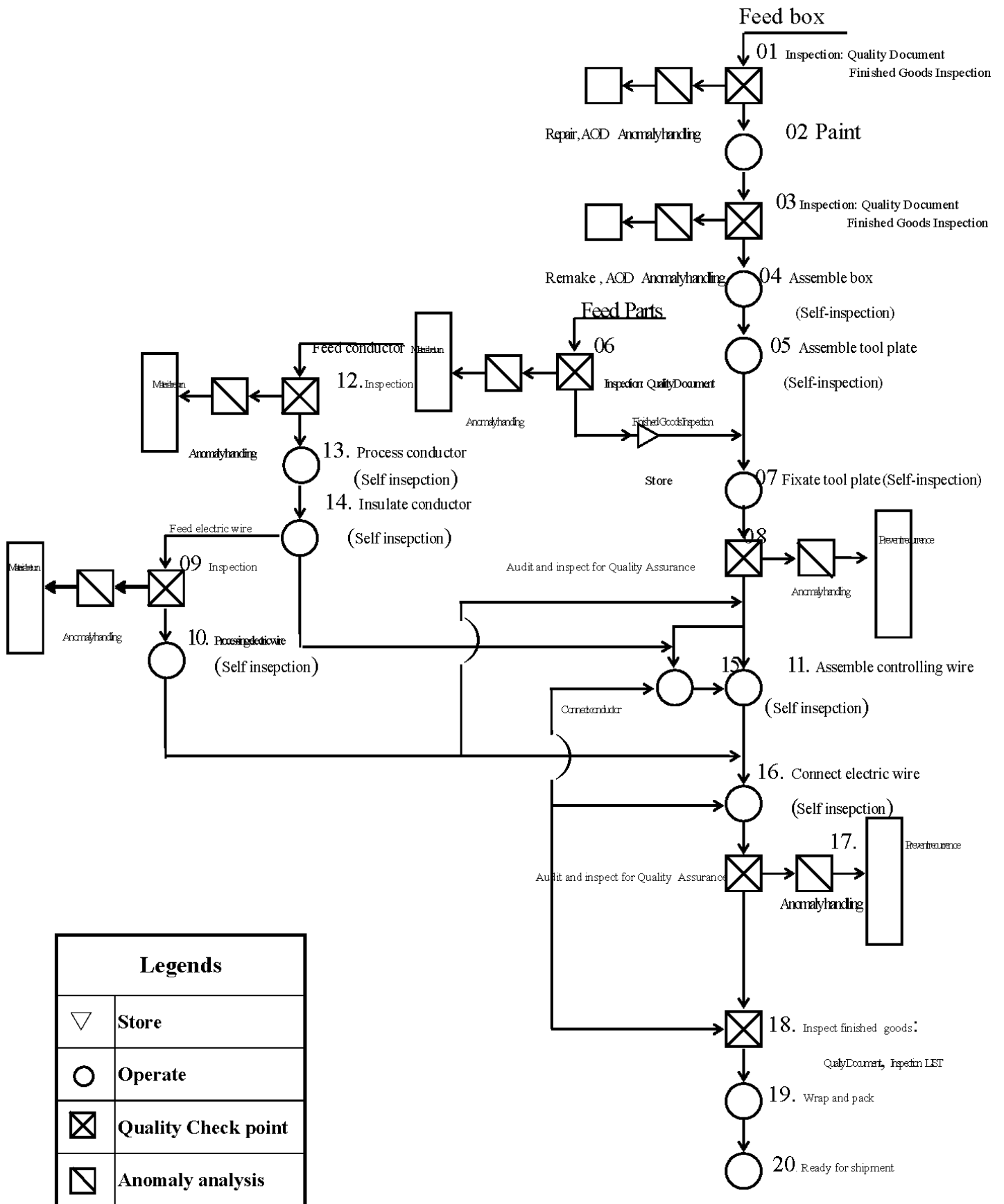


(2) Distributed transformer manufacturing diagram:

## Distributed Transformer Manufacturing Diagram



### (3) Distribution Board manufacturing diagram :



#### (4) SF6 gas-insulated switch equipment quality control workflow

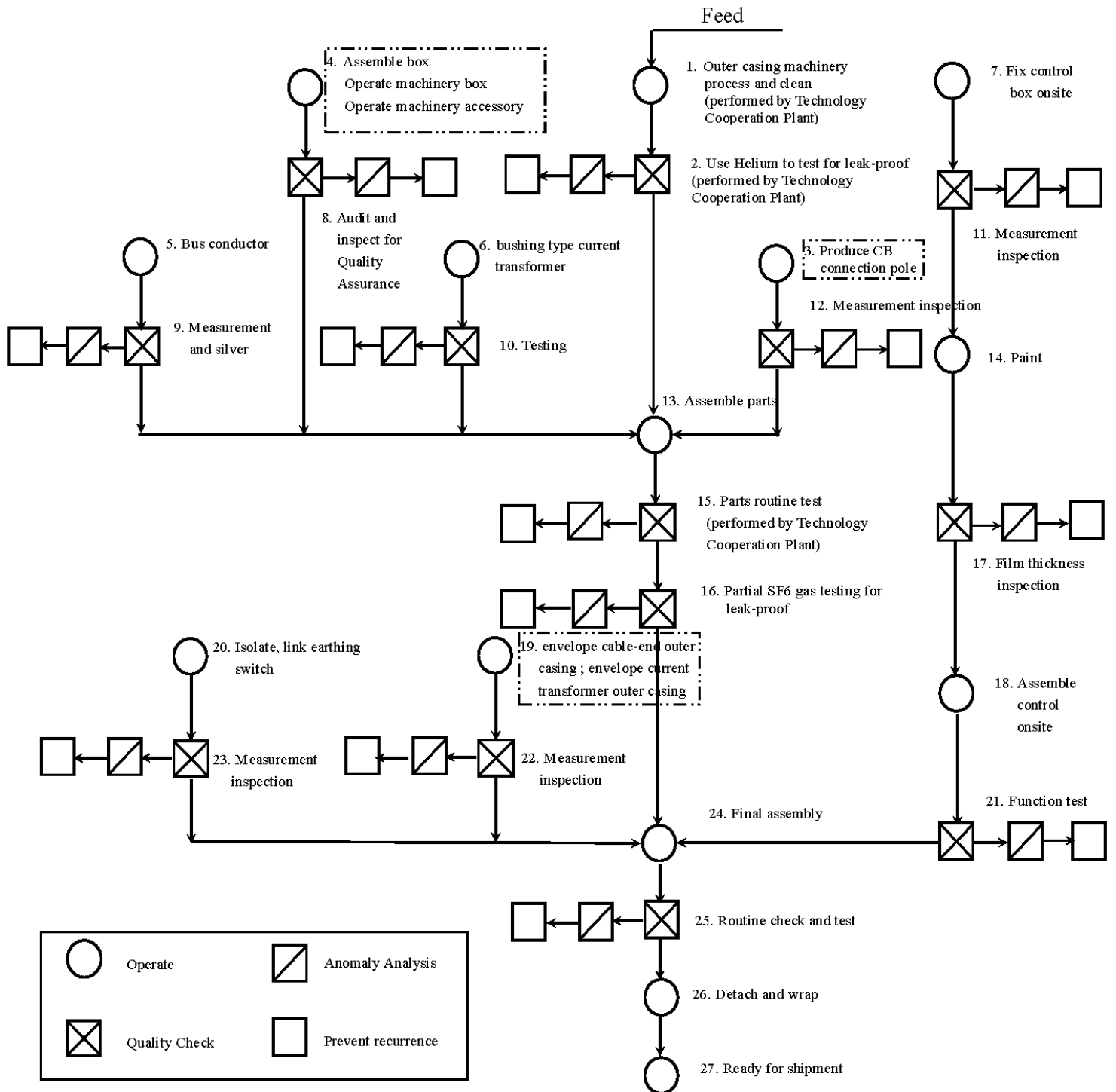


diagram:



### (3) Supply Status of Main materials

| Main material       | Application  | Source of Supply                             |
|---------------------|--|--|
| Silicon Steel Plate | To manufacture core of transformer                             | ROC, Asia, Europe, Americas, and Middle East |
| Brass wire          | To manufacture core of transformer                             | ROC, Asia                                    |
| Insulating Oil      | Insulate transformer   | ROC, U.S., Asia, Australia and Europe        |
| Switch box          | Metal-clad switch box, all sorts of switches                   | ROC and abroad                               |
| Iron (outer casing) | To manufacture transformer and distribution board outer casing | ROC and Asia                                 |

All abovementioned materials are to be regarded as buyers' market whereas the Company could have full control over source of material, payment and delivery terms.

### (4) Any Company commanding 10%-plus share of annual order (sales) volume in the most Recent Two Years, please disclose name, amount and ratio and the rational for increase or decrease

1. Any Suppliers commanding 10%-plus share of annual order volume: As below table

Unit: NT\$ Thousands

| NO | 2024  |            |                                   |                      | 2023  |           |                                   |                      | Up to Previous Quarter in 2025                |           |   |                      |
|----|---|------------|-----------------------------------|----------------------|---|-----------|-----------------------------------|----------------------|---|-----------|---|----------------------|
|    | Name  | Amount     | Ratio to Annual Net purchases (%) | Relation with issuer | Name  | Amount    | Ratio to Annual Net purchases (%) | Relation with issuer | Name  | Amount    | Ratio to Net purchases up to previous quarter (%) | Relation with issuer |
| 1  | Fortune Electric Extra High Voltage Co., Ltd. | 2,214,675  | 20                                | Related party        | Fortune Electric Extra High Voltage Co., Ltd. | 1,350,304 | 18                                | Related party        | Fortune Electric Extra High Voltage Co., Ltd. | 167,708   | 6   | Related party        |
|    | Other   | 8,631,673  | 80                                |                      | Other   | 6,204,094 | 82                                |                      | Other   | 2,546,770 | 94  |                      |
|    | Net of purchases                              | 10,846,348 | 100                               |                      | Net of purchases                              | 7,554,398 | 100                               |                      | Consolidated Net of purchases                 | 2,714,478 | 100   |                      |

In the current year, revenue increased thanks to the growth momentum of Taipower's power grid resilience project and overseas power infrastructure projects. Fortune Electric Extra High Voltage Co., Ltd. is 100% re-invested company. The company shift the production order after receiving large capacity transformer order because close to Port of Taichung could reduce inland transportation cost and also allow to leverage the production capacity

2. Any Customers commanding 10%-plus share of annual sales volume: As below table

Unit: NT\$ Thousands

| NO | 2024         |            |                               |                      | 2023         |            |                               |                      | Up to Previous Quarter in 2025 |           |   |                      |
|----|--------------|------------|-------------------------------|----------------------|--------------|------------|-------------------------------|----------------------|--------------------------------|-----------|---|----------------------|
|    | Name         | Amount     | Ratio to Annual Net Sales (%) | Relation with issuer | Name         | Amount     | Ratio to Annual Net Sales (%) | Relation with issuer | Name                           | Amount    | Ratio to Net sales up to previous quarter (%) | Relation with issuer |
| 1  | A            | 3,900,757  | 21                            | Non- Related party   | A            | 3,438,044  | 26                            | Non- Related party   | A                              | 1,521,252 | 34  | Non- Related party   |
| 2  | B            | 3,840,771  | 20                            | Non- Related party   | B            | 2,229,667  | 17                            | Non- Related party   | B                              | 1,292,404 | 29  | Non- Related party   |
|    | Other        | 11,216,204 | 59                            |                      | Other        | 7,750,501  | 57                            |                      | Other                          | 1,607,605 | 37  |                      |
|    | Net of sales | 18,957,732 | 100                           |                      | Net of sales | 13,418,212 | 100                           |                      | Consolidated Net of Sales      | 4,421,261 | 100   |                      |

1. Compared to 2023, current year sales to Company A increased 13.46%, mainly benefited from the demand impact of tough electrical grid plan.
2. Compared to 2023, current year sales to Company B increased by 72.26%, mainly due to the increase in demand for green energy and electricity infrastructure.

**3. Employee Information, including No. Of employees, average service years, average age, and education distribution, for the Past Two Years, up to the publication date of the Annual Report (education distribution including foreign employees)**

| Item / Year            |                          | 2024  | 2023  | Up to Publication date of the Annual Report |
|------------------------|--------------------------|-------|-------|---|
| No. of Staff           | Business Management      | 259   | 246   | 257   |
|                        | Indirect manufacturer    | 362   | 263   | 357   |
|                        | Direct Manufacturer      | 465   | 424   | 523   |
|                        | Total                    | 1,086 | 933   | 1,137                                       |
| Average Age            |                          | 38.68 | 39.35 | 38.50                                       |
| Average Seniority      |                          | 9.05  | 9.89  | 8.82  |
| Education Distribution | P.H.D.                   | 0.18  | 0.21  | 0.18  |
|                        | Master Degree            | 12.06 | 12.11 | 12.48                                       |
|                        | College                  | 40.06 | 54.14 | 43.46                                       |
|                        | Senior High School       | 40.06 | 25.83 | 36.20                                       |
|                        | Under Senior High School | 7.64  | 7.61  | 7.68  |

**4. Environmental Expenditure Information**

- (1) The Company introduced ISO 14001 environment management system and ISO 45001 Occupational Safety and Health management system, with the intention of combining safety concern and business operation in one and embed into the manufacturing process to assist in management and improvement of manufacturing technology, to provide better and safer working environment to all employees as well as reducing environment and construction risk, whereas manufacturing efficiency were uplifted, being compliant with Green product, reducing waste production, increase re-use of resources, reduce pollution emission, and committed in protecting earth to fulfill social responsibility. In 2014, participated Taoyuan City government ed O3 improvement plan, demonstrating real action to preserve earth. In 2014, the Company was awarded in US and Canada area by third party ISN, with rating A; in the same year, participated in Tai Power necessity-reaction plan, by enhancing Tai Power's operating reserve capacity during summer peaks, to adapt to Industrial Area's power consumption with dexterity. In 2016, joined Taoyuan City factory neighboring river, Kuan Yi Stream's adoption program, and passed down environmental protection and water resources concepts to employees, expecting to fulfill environment protection and earth-loving cultural heritage. In 2017, obtained ISO 14001 environment management system (version 2015). In 2019, all 3 plants were transformed smoothly from OHSAS 18001 to brand new ISO 45001 certification. The Company kept abreast of newest trend, and effectively continue to improve with system management concepts.
- (2) The Company upheld and paid attention to environment protection managerial concepts and cooperated with the government to execute all kinds of environment protection measures. In addition to assigning designated personnel, we have allowed operators to join professional environment protection training and acquired licensing. Expert system is in place, from fixing pipe end progressing to source improvement. We began to promote energy saving and carbon reduction, by setting up a counseling mechanism for suppliers, namely, to do what we could to preserve Green Earth, we have implemented all kinds of improvement procedures and was awarded by Bureau of Industry, MOEA, to be outstanding company in carbon reduction. In 2012, we became the 1<sup>st</sup> company in heavy-duty electric industry to have passed product carbon foot investigation and we began to establish energy management system from 2013. In January 2014, we became the 1<sup>st</sup> company in heavy-duty electric industry to have passed ISO50001 certification. In 2015, we assisted Bureau of Industry to set up transformer carbon footprint product specification and have published in GEDnet international website for all

- countries to check and reference.
- (3) The Company's products were not under ROHS restricted equipment or products. We only used very few repair parts, under ROHS restrictive material control. Therefore, financial business impact to the Company was of little significance.

## 5. Labor Relations

- (1) Summary of Employee Benefits, continued studies, training, retirement..., etc., all sorts of welfare scheme as below:

### 1. Employee Benefits

To safeguard Employee's rights of Occupational Safety and Health, each Employee was insured with "Employer's Compensation Insurance and Employer Group Insurance" and Group Medical Insurance; further, Welfare Committee was established to promote all sort of benefits for Employees to be substantially benefited economically and psychologically.

#### (1) Sound Welfare System

All sort benefits were arranged such as, scholarship program has been set for Employees and their children, Flexible employee benefits programs such as group outing activities and self-service welfare funds, Family Day, Birthday Celebration, Comprehensive, Child Raising subsidy, Fertility Subsidy, Child Schooling Companion Leave, Employee injury/sickness consolation, marriage/grievance subsidy, maternity subsidy, yearend parties, and lottery draws, incentives for employees serving 5 and 15 years, employee stock ownership trusts, and more.

#### (2) Employee Daily Care

|                 |  |
|-----------------|--|
| Food:           | Free lunch and lunch subsidy   |
| Clothing:       | Summer and winter uniforms for employees   |
| Housing:        | Dormitory provided for single Employee   |
| Transportation: | Shuttle buses vehicles were provided in Taoyuan Plant during getting on/off work periods   |
| Education:      | Create corporate culture of a learning organization, establish corporate university, encourage employee for on-the-job further studies, subsidy of tuition fee, promoting study group, and health promotion, ..., etc.   |
| Entertainment:  | Promoted social clubs and all sorts of gathering activities; by way of diversified organization and social activities, to enhance employee emotion and motivate employee to cultivate personal interests and learning for life so that goals of learning, from fun activities, could be reached. |

- (3) The Company has established an Employee Stock Ownership Trust Plan, aimed at assisting employees in accumulating long-term wealth, providing stable financial planning, and safeguarding their post-retirement or post-employment life stability. Furthermore, it strengthens the employee benefits mechanism, enhances staff identification with and belonging to the company's long-term development, aligning with our corporate sustainability philosophy.

### 2. Sound talent cultivation and employee training system

- (1) Set up employee training committee, to promote TTQS Talent Quality-management System. Formulated the training policies to ensure that effective implementation of Talent Quality Management System, guarantee training quality and results consistency, and also link with short, medium and long-term business strategies and annual operational plan to achieve systematically.

- A. Implementing "building a nest to attract phoenix" to cultivate A level talent and promoting A+ Talent Gordon handcuff System.  
B. Establishing human resource policy base on teaching-oriented

organization and core competencies.

- C. Promoting “Fortune Enterprise University” to foster the culture of company professor/ coaching and implement knowledge management (KM) and internal instructor system, nurture crossing electronical and mechanical engineering field managerial talent, encourage colleagues to pursue master or doctor degrees and enhance the quality of personnel and managerial capabilities.
  - D. Strengthen the function of cultivation center, promoting dual-ladder career development of professional and managerial competencies, and also link with promotion and executed various professional core technical and operational management talent, internationalization and all levels successors cultivating to achieve different level of company talent development plans and vision.
  - E. Nurturing internal professional instructors, enriching the depth and diversity of training materials to augment the actual result of training and serve as cradle of talent development of the heavy electrical industry of the Company.
  - F. Cultivating international talent by establishing international marketing, technical, and service teams to expand into overseas markets.
  - G. Ensure training quality and effectiveness by implementing the organizational operations of employee training committee.
  - H. TTQS evaluation won a Silver award.
- (2) Made good use of government resources to conduct all kinds of employee training and talent cultivation program, including recruiting R&D Substitute Services, and participate in all sorts of enterprise human resources lifting programs and reward plans.
  - (3) Think highly of subject experts and licensing system and conducted all types of vocational training and professional skill sets certification.
  - (4) According to annual training plan execution, there were 2,516 people (times) in 2024 and total training hours were circa 7,198 hours and total training expenses were NT\$7,137,000
3. Pension system
- (1) The Company has established sound retirement system. In order to protect employee benefits for those who had elected to adopt old retirement scheme, we have increased allocation ratio every year, and also have allocated employee retirement reserve to be deposited into Taiwan Bank to generate interests to counteract and supply employee retirement reserve in full.
  - (2) The Company has complied with relevant codes and withheld Labor Insurance, National Health Insurance for employees. For employees electing to adopt new retirement scheme, 6% of monthly salary will be wired into employee’s retirement account in Labor Insurance Bureau.
4. Management of Labor negotiation and all employee rights protective measures:
- (1) Labor-management meeting  
Labor-management meeting was convened routinely for all labor and management communication matters to construct consensus as well as enhance customer, employee, the Company, shareholders and social public’s best interests.
  - (2) E-opinion and Management by Walking Around  
Maintain FE family suggestion box and routinely conduct interviews with employees; keep a clear communication channel, dig out issues and solve them.
  - (3) Climate investigation of organization  
Routinely conduct organizational climate investigation, count, analyze, and improve accordingly, to uplift employee satisfaction of the Company.

(4) Labor relation

The Company's labor relation is harmonious and there was no material labor dispute occurred since 1969, when the Company was founded, nor were there any loss incurred resulting from labor disputes.

(5) The Company adheres to "Gender Equality in Employment Act" and provided personnel (including employee, dispatched worker, technician, and interns) and job seekers to be free from sexual harassment and service environment whereby established "Fortune Electric preventive measures, complaint, and disciplinary procedures of sexual harassment", to appropriately prevent, correct, penalize and handle and protect event party's rights and privacy.

(2) Loss incurred by Labor dispute and disclosure of current and possible future incurred amount and countermeasures in The Most Recent Year and up to the Publication Date of the Annual Report:

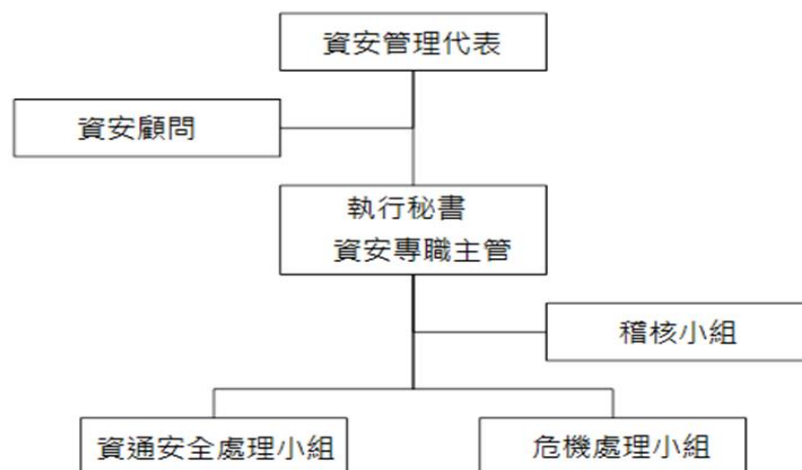
1. Labor dispute status: NONE
2. Incurred loss amount: NONE
3. Possible loss amount in the future: NONE
4. Countermeasures:

Harmonious labor relationship is the cornerstone of corporate development. Over the years, the Company's labor relationship has been in the state of harmonious, stable and prosperity-sharing. The Company dedicated in promoting employee compensation and benefits, improving working environment, and understand employee needs and requests, by way of communication channels such as Management and Labor Council, employee opinion box, interview, and questionnaire. These are valued and assisted by managers of all levels and appropriate feedback and handling were given.

## 6. Information and Communication Security Management

1. Information and Communication Security Management framework, policy and specific management practices and resources used in management of information security were clearly stated.

(1) Information and Communication Security Management framework, and Roles and Responsibilities



Representative of Information and Communication Security Management:

Establish and review information and communication security relevant policy and regulations, promote information security management system, and coordinate allocation of resources needed execution of information security management system

Executive Secretary (Dedicated Information Security Chief):

Supervise and execute various tasks of information security management system, coordinate all units in the execution of all information security operation and perform

self-assessment of information security execution

Information and Communication Security Handling Team:

Executive Secretary, being appointed by Representative of Information and Communication Security Management, assembled business related personnel to form such team, comprising 4 members responsible to plan and execute all information security operation

Crisis Handling Team:

Crisis Handling Team comprises of 9 members, is a task force in which all relevant personnel will be assembled by Executive Secretary with needs

(2) Information and Communication Security Policy:

- Implement Information Security
- Reinforce Job Quality
- Strengthen Risk Management
- Ensure Continuous Operation
- Execute emergency response effectively
- Achieve rapid disaster recovery
- Utilize personal data reasonably
- Prevent personal data leaks

(3) Specific Management Practices and resources dedicated to Information Security Management:

The Company has introduced the 27001 Information Security Management System in 2014, and has obtained the certification periodically, the current validity period of the certificate is from April 19, 2023 to August 31, 2025. In accordance with the steps of ISO27001 Information Security Management System, to implement the information security management system. Overall information and communication security management system, implementation of operation, surveillance censorship were established to continuously monitor related conformities, software and hardware facilities, to satisfy information security management goal.

The Company procure software and hardware equipment on a timely to ensure information and communication security. Maintenance contracts, as stipulated in annual plans, were arranged to ensure relevant network management equipment will function normally.

(4) The Information Security Management Committee holds a meeting at least once a year to review the current information security management system of the Company. To ensure the suitability, appropriateness and effectiveness of the relevant procedures meet the needs of the Company. It will also evaluate the timing for improvement of the relevant policies and objectives, or any other change needs. The review results shall be documented and recorded. Any significant changes to this policy shall be reviewed immediately to ensure its appropriateness and effectiveness. Notify relevant units and partners when necessary, in order to comply with the policy.

2. Any loss incurred by material information and communication security events, possible impact, and counter measures; if no reasonable estimation could be provided, facts should be disclosed:

On February 8, 2025, the Company suffered a hacker attack and immediately initiated network disconnection response. After confirming system security, backup recovery was performed. The company has implemented multi-layered protective measures since March 2025, including: stealth protection mechanisms, WAF protection for all external web systems, and comprehensive VPN two-factor authentication to enhance prevention capabilities.

## 7. Important Contracts

| Type of Contract  | Party                                | Contract Period  | Major Content  | Restrictive Terms and Conditions  |
|---|--------------------------------------|--|--|---|
| Technical Cooperation                                   | Japan Hitachi Energy Japan Ltd.      | From October 1, 2024 till September 30, 2027   | Power Transformer:<br>1. Sulfur hexafluoride gas-insulated : 12~69kV and 3~30MVA<br>2. Sulfur hexafluoride gas-insulated :12~161kV, 31~100MVA<br>3. Oil-immersed: 346~400kV and 32~300MVA<br>4. Oil-immersed: 161kV and 651~750MVA<br>5. Oil-immersed: 345kV and 651~1000MVA<br>6. Oil-immersed: 345kV and 1001~1300 MVA<br>7. Oil-immersed: 346~400kV and 301~400MVA<br>8. Oil-immersed: 500kV and below 800MVA | 1. Within valid period of this contract, technology provider agreed for FE to design, manufacture, technical cooperated product in ROC. Also sell in the domestic and overseas markets.<br>2. Technology provider's trademark and commercial name would not be authorized for use.<br>3. During the term or after the termination of the contract, technology provided by the technology provider cannot be disclosed to third party.<br>4. FE cannot apply for patent in any countries for technology provided while the contract is still binding and even after the contract has matured.<br>5. If either fails to fulfill its obligation, bankruptcy, operation stopped or operation has material changes resulting from M&A or any other causes which led to changes of shareholding, or if third party gained control over either party, or if either party complied with government's order to stoop, the contract may be terminated before the maturity date.<br>6. If early termination was caused by FE, FE needed to return all technology data to technology provider.<br>7. All technology transfer without technology provider's written consent is not valid.  |
| Technical Cooperation                                   | Germany ABB Co., Calor Emag GmbH     | From September 23 <sup>rd</sup> , 2002 until termination notification by either party  | Gas-insulated distribution Board: below 24kV (inclusive)   | 1. Manufacturing is limited in Taiwan and could only be sold to Tai Power. For other market to be sold, prior consent has to be obtained.<br>2. Cooperator has to purchase breaker from technology provider.<br>3. Cooperator will not disclose to non-related third party about any information obtained from technology provider.<br>4. Cooperator will not provide technical data provided by technology provider unless such data has been published and already confirmed by both parties in writing.<br>5. Prior consent of the technology provider has to be sought for the contract's product, component's registration, and distribution of patent.  |
| Technical Cooperation                                   | Japan Meidensha Corp.                | July 10 <sup>th</sup> , 2017 till July 9 <sup>th</sup> , 2027  | Resistor:<br>1. 161kV and 80MVA<br>2. 161kV and 40MVA<br>3. 3.33kV and 40MVA (Cooler and Radiator Type)  | 1. Within valid period of this contract, technology provider agreed for FE to design, manufacture, and sell the technical cooperated product in ROC. Also, FE technical cooperated product needs to have written approval from technology provider before export sales.<br>2. Technology provider's trademark and commercial name would not be authorized for use.<br>3. 10 years after this contract's validity, technology provided by the technology provider cannot be disclosed to third party.<br>4. FE cannot apply for patent in any countries for technology provided while the contract is still binding and even after the contract has matured.<br>5. If either fails to fulfill its obligation, bankruptcy, operation stopped or operation has material changes resulting from M&A or any other causes which led to changes of shareholding, or if third party gained control over either party, or if either party complied with government's order to stoop, the contract may be terminated before the maturity date.<br>6. If early termination was caused by FE, FE needed to return all technology data to technology provider.<br>7. All technology transfer without technology provider's written consent is not valid. |
| Third model Solar Photovoltaic power generator contract | Tai Power Co., Ltd, Ping Tung Branch | Contract was signed on September 2 <sup>nd</sup> , 2011. Period would be 20 years, starting from 1 <sup>st</sup> time of grid connected. | Pricing was according to announced bulk sale pricing by MOEA of Ground-mounted PV Systems, to be sold to Tai Power   | As per stipulation in the contract.   |

## V. Review and Analysis of Financial Position and Financial Performance and Risk Issues

### 1. Financial Position

Unit: NT\$ Thousands

| Item \ Year                                      | December 31, 2024 | December 31, 2023 | Difference |         |
|--|-------------------|-------------------|------------|---------|
|  |                   |                   | Amount     | %       |
| Current Assets                                   | 18,137,555        | 12,566,778        | 5,570,777  | 44.33   |
| Property, Plant and Equipment                    | 2,283,435         | 2,080,565         | 202,870    | 9.75    |
| Investment accounted for using the equity method | 2,230             | 2,328             | (98)       | (4.21)  |
| Intangible Assets                                | 67,014            | 66,429            | 585        | 0.88    |
| Other Assets                                     | 1,379,163         | 530,668           | 848,495    | 159.89  |
| Total Assets                                     | 21,869,397        | 15,246,768        | 6,622,629  | 43.44   |
| Current Liabilities                              | 12,448,085        | 8,777,431         | 3,670,654  | 41.82   |
| Non-current liabilities                          | 647,449           | 336,744           | 310,705    | 92.27   |
| Total Liabilities                                | 13,095,534        | 9,114,175         | 3,981,359  | 43.68   |
| Equity Attributable to Owners of the Company     | 8,682,790         | 6,026,496         | 2,656,294  | 44.08   |
| Share Capital                                    | 2,871,644         | 2,610,585         | 261,059    | 10.00   |
| Capital Surplus                                  | 87,022            | 86,956            | 66         | 0.08    |
| Retained Earnings                                | 5,889,870         | 3,417,580         | 2,472,290  | 72.34   |
| Other Equity                                     | (165,746)         | (88,625)          | (77,121)   | (87.02) |
| Non-controlling interests                        | 91,073            | 106,097           | (15,024)   | (14.16) |
| Total Equity                                     | 8,773,863         | 6,132,593         | 2,641,270  | 43.07   |

Explanation: (variance over 20%)

1. Current assets and total assets increased was mainly due to the increase in cash and cash equivalents, contract assets, accounts receivable and inventories.
2. Other assets increased was mainly due to the increase in right-of-use assets and prepayments for equipment.
3. Current liabilities and total liabilities increased mainly due to accounts payable and contract liabilities increase.
4. Non-current liabilities increased mainly due to an increase in lease liabilities.
5. Retained earnings and total equity rise is a result of current year profit increase.
6. Other equity was decreased mainly due to the impact of “Gains and losses on valuation of financial assets at fair value through other comprehensive income.”



## 2. Financial Performance

### (1) Business Results Comparative Analysis

Unit: NT\$ Thousands

| Item \ Year                       | 2024       | 2023       | Difference |         |
|-----------------------------------|------------|------------|------------|---------|
|                                   |            |            | Amount     | %       |
| Operating Revenues                | 20,202,779 | 13,899,740 | 6,303,039  | 45.35   |
| Operating Costs                   | 12,818,086 | 9,565,721  | 3,252,365  | 34.00   |
| Gross Profit                      | 7,384,693  | 4,334,019  | 3,050,674  | 70.39   |
| Operating Expenses                | 2,494,149  | 1,480,437  | 1,013,712  | 68.47   |
| Profit from Operations            | 4,890,544  | 2,853,582  | 2,036,962  | 71.38   |
| Non-operating Income and Expenses | 548,780    | 218,498    | 330,282    | 151.16  |
| Profit before Income Tax          | 5,439,324  | 3,072,080  | 2,367,244  | 77.06   |
| Income Tax Expense                | 1,168,328  | 510,295    | 658,033    | 128.95  |
| Net Profit for The Year           | 4,270,996  | 2,561,785  | 1,709,211  | 66.72   |
| Total other comprehensive income  | (63,441)   | (42,090)   | (21,351)   | (50.73) |
| Total comprehensive income        | 4,207,555  | 2,519,695  | 1,687,860  | 66.99   |

#### Explanation:

1. Current year's operating revenue growth was mainly due to the impact of three major growth drivers, including green energy, Taipower's power grid resilience, and overseas power infrastructure; gross profit growth was significant, mainly due to higher gross profit margins on outside sales orders. Sales increased compared to the same period, gross profit increased, please refer to the detailed change analysis, good profitability resulted in an increase of more than 20% in profit from operations and profit before income tax.
2. Operating expenses was increased YoY, mainly due to higher bonus payout driven by good profitability in current year and export expense increase.
3. Non-operating net income increased mainly due to an increase in net exchange gains, compensation and claims income.
4. Other comprehensive income decreased, mainly due to the impact of decreases in unrealized gain on investments in equity instruments at fair value through other comprehensive income".

(2) Expected sales volume, and its ground and possible impact to the Company in financial business and countermeasures:

#### Domestic Sales:

Under the influence of economic growth, climate changing and industry development promotion, the need for electricity will increase year by year. According to the plan from 2018 to 2025 by Bureau of Energy, Ministry of Economic Affairs, the target for reserve capacity rate for power generation will be 10.0% in 2018 to be raised to 17.1% in 2025. Demands for renewable power generator modules would be increased over the years to reduce air pollution, as well as big bulk gas-lit modules to be installed. For construction business field, we continued to dig further into renewable energy construction, such as: Green Energy, Wind power, Solar

photovoltaic, outlying islands' power generation, electricity transmission energy storing system, distributed energy storage system. Under the important energy policies for the next 10 years and the promotion needs of Taipower's "Enhancing Power Grid Resilience Construction Plan," it is estimated that the company can achieve an annual operational growth of approximately 10–20% or more.

In respect to electric vehicle charging field, besides autonomous self-developing capability and the ability to sell product and its turnkey project as well as providing car dealer in electric vehicle charging software and hardware equipment; we also assist car dealer in setting up charging system integration with SMART solution, software services, self-charging stations location checking, navigation, APP activation, and integrate and design for electric vehicle charging station basic infrastructure network to provide service to all electric vehicle owners. Furthermore, we will continue to develop and optimize our home charging equipment and system platform. The Taiwanese electric vehicle market aligns with international trends. If the "Air Pollution Control Action Plan" announced in 2017 is fully implemented, the sale of fuel-powered cars will be banned by 2040, and the growth of electric vehicles will be steeper than currently projected.

#### Export Sales:

By fragmented market, servicing existing customer and providing overall pre-sales and after-sales service. We take orders by overseas customers' needs and requests and continue to expand cooperation relationship with direct and indirect customer. We also actively look for Electricity company and international turnkey engineering company to fight for export sales, with transformers and solar modules. We integrated all units' resources and with FE Heavy-duty 500kV production capability, to satisfy customers' needs for different service, quality, pricing, and delivery and also fight for power company, EPC and South Eastern Asia market, etc. orders.

#### Countermeasures:

In the development of Green Energy, we continue to promote product and operation innovation, aiming to become leading enterprise of Green Energy field, including: developing several energy saving transmission and distribution equipment, developing renewable energy, built several MW level solar power plants, MW level energy saving installation (completed Hsin Chu Bio-Technology building distributed power system integration; it is considered at that time the largest project, 741kW/2964kWH, in Taiwan), SMART electricity transmission installation, undertaking offshore terrestrial electrical engineering construction, and open up electric vehicles power charging field. Provide differentiated charging resource allocation based on the different usage habits of vehicle owners, thereby obtaining sustainable cash flow from charging services, strengthening core technical capabilities, deepening the advantages of one-stop services, and forming a robust core competitiveness, laying a solid foundation to become a comprehensive leading brand in the EV charging market. By way of the pre-sales and after sales services, and IT technology application to carry out "Servitization of Manufacturing and Technologization of Service" in customer service to bring customers' needs closer and enhance interaction with the customers, and further to uplift re-purchase rate.

### 3. Cash Flow Analysis

#### 1. Analysis of Change in Cash Flow for the Current Year

Unit: NT\$ Thousands

| Item \ Year  | 2024        |
|--|-------------|
| Cash flow - Operating activities   | 3,444,778   |
| Cash flow - Investing activities   | (643,946)   |
| Cash flow - Financing activities   | (2,070,953) |
| Effect of exchange rate to cash and cash equivalents   | 13,552      |
| Net increase in cash   | 743,431     |
| Increase/decrease explanation:   |             |
| (1) Net cash flow generated from operating mainly resulted from good current year profit, accounts payable, contract liabilities and other payables, etc. increased. |             |
| (2) Net cash flow in investing activities was mainly for procuring manufacturing related equipment and an increase in prepaid investments.                           |             |
| (3) Net cash used in financing activities for the year were mainly repayments of short-term and long-term loans and distribution of cash dividends.                  |             |

#### 2. Analysis of Cash Flow in the Next Year

Unit: NT\$ Thousands

| Cash, Beginning of Year<br>Balance①   | From operating activities<br>Net Cash Flow② | Annual Cash used<br>③ | Residual Cash<br>① + ② - ③ | Insufficient cash and countermeasures |                |
|---|---|-----------------------|----------------------------|---------------------------------------|----------------|
|   |   |                       |                            | Investment plan                       | Financing plan |
| \$1,869,389   | \$3,324,463                                 | \$ (4,043,852)        | \$ 1,150,000               | -                                     | -              |
| 1. Analysis of change of Cash flow in the Next Year   |   |                       |                            |                                       |                |
| (1) Operating activities: mainly due to the decrease in profit and accounts receivable in 2025. |   |                       |                            |                                       |                |
| (2) Investing activities: mainly for the acquisition of property, plant and equipment.          |   |                       |                            |                                       |                |
| (3) Financing activities: mainly due to borrowing from banks and distribution of cash dividend  |   |                       |                            |                                       |                |
| 2. Insufficient cash and its remedial measures and liquidity analysis: Not Applicable           |   |                       |                            |                                       |                |

#### 4. Impact of Major Capital Expenditure in the Past Year on the Financial Status

##### 1. Major Capital Expenditure Items and Source of Capital

Unit: NT\$ Thousands

| Planned item                             | Actual or Planned Source of Capital | Actual or Planned Date of Completion | Total Capital | Actual or Expected Capital Expenditure |             |      |      |      |
|--|-------------------------------------|--------------------------------------|---------------|--|-------------|------|------|------|
|  |                                     |                                      |               | 2024                                   | 2025        | 2026 | 2027 | 2028 |
| Fixed Assets and Software equipment etc. | Operating capital / loans           | 2025                                 | \$2,722,091   | \$513,255                              | \$2,208,836 | -    | -    | -    |

##### 2. Expected Benefits:

In response to the growth momentum of green energy, power grid resilience project, and power infrastructure, it is necessary to refurbish plants and purchase production and software equipment to optimize the production line, also built a new factory at Guan Yin Plant III to increase production capacity, in order to expand the production capacity of the existing transformers, increase productivity, fulfill the growth in revenue.

## **5. Effects in reinvestment policy and its main reason for profit or loss, improvement plan and investment plan in the next Year:**

Former Hitachi Fortune Electric Transformer Co., Ltd. (renamed as Fortune Electric Extra High Voltage Co., Ltd.). Effective March 29<sup>th</sup>, 2019, termination of joint venture agreement has been signed and the Company now owns 100% of its shareholding. We rely on the Company's long-term edges in expanding U.S. transformer market and geographical convenience of Fortune Electric Extra High Voltage Co., Ltd. In addition to dedicating in expanding global export sales of large size transformer market, we are also striving for projects of transformer inside the offshore wind tower mill, electrical engineering modules and wind machinery assembly. A Capital reduction to offset the losses and improve the financial structure was completed in June 2022. In 2024, operating revenue has reached NT\$2.993 billion, profit has reached over NT\$0.68 billion. In 2025, revenue and profit are expected to grow optimistically, and the future outlook is favorable due to issues such as Taipower's power grid resilience project and the expanding demand for transformers in the United States.

The Company has been deeply involved in the electric vehicle (EV) industry for years and optimistic about the growth trend of electric vehicle and split up charging operation business from Fortune Electric to set up Fortune Electric Value Co., Ltd. in 2021 and brought in strategic investors to provide completely charging operation service with best quality. This company not yet receive the profit due to electric vehicles widespread adoption is still under way, however the brand EVALUE already appear every corner of Taiwan. Guiding by the brand spirit of delivering electrical energy and connecting the world that have introduced various new products and innovative services which including electronic cars and motorcycles charging piles and stations installation, high-efficiency charging equipment, smart cloud charging management system, home charging piles on-site surveys and installation services and so on. Continually expand electronic cars and motorcycles charging stations cross Taiwan with compatibility to various EV models and provide the most comprehensive charging network environment with independent developed cloud management system and mobile APP. In hope to construct a complete and user-friendly charging network, stride toward the future of low-carbon together with the public and greet to the new era of electric vehicles

In order to safeguard consumer rights and serve as the first line of defense for users, the Company's relevant AC/DC charging pile products, including the Home Series II Charging Pile, fourth-generation AC charging pile, and DC charging pile, have all obtained VPC certification. Additionally, the AC/DC operational equipment installed at business sites has also passed government electrical energy metering verification as planned and received legal metrology certification. This injects greater momentum into Taiwan's EV charging infrastructure and services, meeting vehicle owners' needs for on-the-go charging.

## 6. Risk Management Analysis in the past year and up to the publication date of Annual Report

1. Impact and future countermeasures of interest rates, foreign currency rates of exchanges and inflation to the Company:

For consolidated financial risk information including market risk, credit risk and liquidity risk and their impact to P&L of the company, please refer to Pages 52~56 of the 2024 English Consolidated Financial Statements for detailed description.

2. Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions:

Merge companies but there is no transaction regarding high-risk, high-leveraged investment. Guarantee was provided only for subsidiary and jointly invested relationships according to their shareholding ratio, whereas derivative transaction is mainly for forward foreign currency transaction, aiming to avoid risk by fluctuated rate of exchanges and were not for the purpose of dealing. All transactions have been under risk control and were carried in discretion.

3. Future Research & Development Projects and Corresponding Budget including progress, additional R&D cost, estimated production date and key factors affecting success of R&D in the future (NT\$5,000 thousand or more)

Unit: NT\$ Thousands

| R&D Item   | Progress | Additional R&D cost | Estimated production date | Key factors affecting success of R&D in the future   |
|--|----------|---------------------|---------------------------|--|
| Dynamically reconfigurable Array of Inexpensive Batteries Architecture (RAIBA) | 50%      | 5,010               | November 2025             | 1. Introduce new equivalent circuit models and algorithms to establish battery models"<br>2. Must comply with multiple IEC/UL international safety standards and pass system flame propagation tests |
| <i>Latching relay without controller box</i>                                   | 90%      | 8,000               | December 2025             | Passed type testing  |
| Environmentally-friendly gas-insulated switch using eco-friendly gas           | 31%      | 6,500               | July 2026                 | Overcom technical challenges of eco-friendly gas insulation technology   |

|   |     |       |          |   |
|---|-----|-------|----------|---|
| Establishment of IEC61850 laboratory and manufacturing system capability verification | 10% | 8,000 | May 2026 | 1. Laboratory obtained IEC cybersecurity certification<br>2. Passed Taipower review |
|---|-----|-------|----------|---|

#### 4. Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales:

On April 9, 2025, the U.S. implemented a reciprocal tariff policy. Its impact on Taiwan is comprehensive, affecting all exports to the U.S. except semiconductors, pharmaceuticals, etc. Given that power equipment remains a critical component of U.S. infrastructure and is still in short supply, the company is actively engaging in friendly negotiations with customers to mitigate the policy's impact.

In addition to the aforementioned measures for the U.S. export market, the company continues stable operations in the domestic market and other export markets. Overall business operations remain within controllable limits.

#### 5. Change of technology (including Information and Communication Security Risk) & Industry change and its impact and countermeasures to the Company's financial business:

##### 5.1 The Impact of Technological Changes and Industry Shifts

.Smart Grids and Green Energy Development: The government's promotion of renewable energy and smart grid construction has driven growth in demand for offshore wind power, solar energy, and energy storage systems. This brings transformation pressure to our company's traditional electrical machinery manufacturing business while also creating new market opportunities.

. Intensifying Technological Competition: In the fields of green energy and smart grids, technological advancements are rapid, and competitors are actively investing in R&D. This poses challenges to the company's technological innovation capabilities and cost control abilities.

##### 5.2 Countersues:

.Expanding Green Energy and Smart Grid Initiatives: Actively participating in national energy projects, investing in R&D for Transformer Terminal Units (TTU), Transformer Smart Units (TSU), Hybrid Distribution Transformers (HDT), and hybrid voltage-regulating transformers. These efforts help address issues such as voltage fluctuations, unstable power quality, and insufficient grid efficiency, improving the reliability, resilience, and operational efficiency of power systems. Additionally, the company is investing in R&D for key components of offshore wind power, Energy Management Systems (EMS), and electric vehicle charging stations to capture market opportunities and enhance competitiveness.

.Promoting Technological Innovation: Collaborating with academic institutions to develop new technologies such as Solid-State Transformers (SST), improving product performance and reducing production costs to meet market demand and maintain technological leadership.

.Diversifying Business Across Sectors: Expanding from electrical machinery manufacturing into energy services, pursuing energy storage system projects to explore new business opportunities and mitigate operational risks.

Facing technological and industrial changes, the company will continue to allocate R&D resources and actively engage in green energy and smart grid development to reduce risks, enhance market competitiveness, and ensure steady financial and operational growth.

While technological advancements bring more opportunities, they also introduce greater risks, particularly in cybersecurity threats. The company views cybersecurity risks as a long-term challenge and has implemented multi-layered protective measures, including anonymized protection mechanisms, WAF protection for all external web systems, and mandatory VPN two-factor authentication, to strengthen defenses and ensure normal business operations.

6. Impact and Countermeasures of Corporate Risk Management resulting from Corporate Identity change in the Most Recent Year: NONE.

7. Possible benefits and potential risks resulting from M&A: NONE.

8. Possible benefits and potential risks resulting from plant expansion: To continuously provide a stable supply of goods to maintain orders from important customers, the Kuan Yin III has built a new plant to increase production capacity and simultaneously revitalize the land of the Kuan Yin III plant to enhance the Company's overall efficiency.

9. Pro Forma centralized purchase or sales risk: NONE.

In the recent two Years, Taipower and the public sector have maintained an approximately 26% share, while export sales and private sector sales are 40% and around 34%, respectively. No risk of centralized sales.

10. Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: NONE °

11. Change of ownership affecting the Company and its impact, risk and countermeasure: Not Applicable

12. Major ongoing lawsuits, non-lawsuits or administrative lawsuit, caused by directors, supervisors or shareholders with over 10% shareholdings, if the verdict is final or under consideration, which may have material impact to shareholder's interest or price of the stock, its matter, amount, lawsuit commencement date and major client should be disclosed: NONE °

13. Other important risks and corresponding countermeasures:

Key indicators of this industry is "Market Share" and relevant figures please refer to page 52 for details. In addition, "Quality Yield", as stipulated in 6σ, individual quality goals have been set up for Chung Li Plant, Kuan Yin II Plant and Kuan Yin III plant at 4.63σ, 4.50σ, and 5.07σ, respectively. These quality goals have been incorporated in relevant department KPI as performance appraisal item and we may prevent potential risk being occurred.



## **7. Other Important Matters**

### **1. Profit and loss evaluation provisioning criteria and basis:**

#### **(1) Allowance loss for accounts receivable**

Impairment loss of accounts receivable should be evaluated according to individual evaluation, aging analysis, historical experience, and customer's financial status to provide for uncollectable amount.

The Company adopted IFRS 9, a simplified practice to recognize credit loss as allowance loss for accounts receivable. In the duration period, provision matrix was used, in consideration of customer's violation of contract and real-time financial status, as well as economic trend of industry. As indicated by credit loss historical experienced, loss style of different segments of customers was not with obvious difference. Therefore, as indicated by the Company's history in credit loss, we did not use provision matrix to classify customer groups and only used Number of days overdue of accounts receivable.

#### **(2) Allowance for loss of inventory depreciation inventories**

Allowance for loss of inventory depreciation inventories shall be accounted for in accordance with IAS 2. Inventories shall be measured at the lower of cost and net realizable value. If the cost of inventories is higher than net realizable value, inventories shall be written down below cost to net realizable value, and the amount of the write-down shall be recognized as cost of sales in the period the write-down occurs.

### **2. Associated personnel for financial data transparency whose licensing and qualification status:**

The Company's audit manager acquired "Internal Auditor" license, legal manager passed Civil Service Senior Examination, and accounting manager, qualified with relevant regulations by authority bureau, continues further studies with declaration, in accordance with "Accounting Manager Further Study Guidelines".

### **3. Material Information Handling Procedure:**

To set up healthy internal material information handling and disclosure mechanism, and avoid in appropriate information disclosure, in addition to implementing "Spokesperson system", the Company has established "Procedures for Handling Material Inside Information" and "Management Procedures for Preventing Insider Trading." This has been placed in the corporate website for the Directors, Managerial Officers, and all employees to comply.

## VI. Special Disclosure

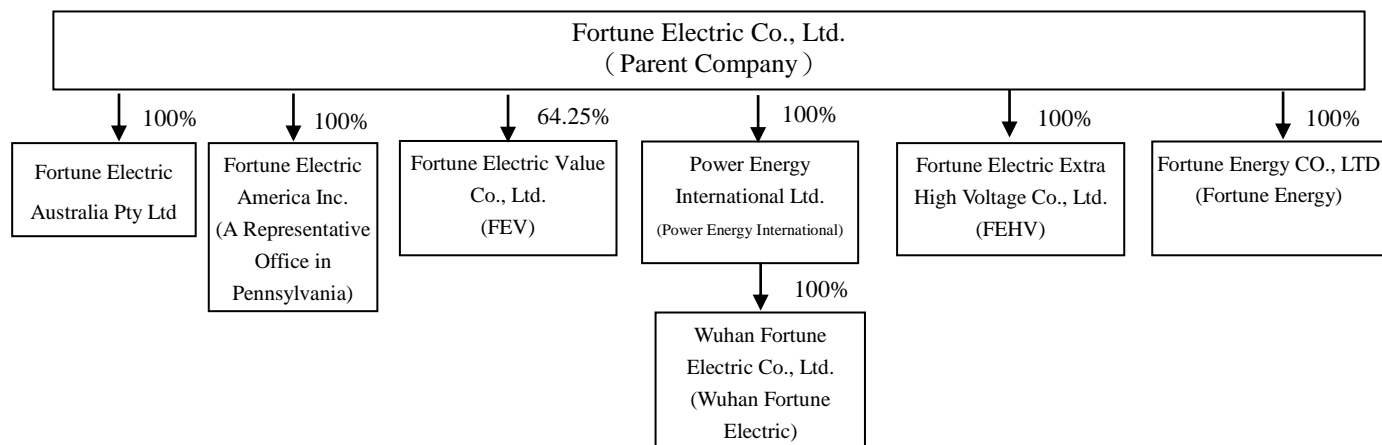
### 1. Information about the Affiliated Companies

Consolidated Business Report

#### Fortune Electric Co., Ltd and Affiliated Companies

#### 2024 Consolidated Business Report

##### 1. Affiliated Organization Chart



##### 2. Consolidated summary of Affiliated Companies

History of all Affiliated companies and relationship with the Parent Company:

| Company Name(s)                                      | Date of Incorporation | Holding (affiliated) company   | Relationship | Area of business   |
|--|-----------------------|--|--------------|--|
| Fortune Electric Co., Ltd.                           | 1969                  | Holding company of Power Energy, Wuhan Fortune Electric and Fortune Electric America | -            | manufactures, processes and trades transformers, distribution panels, low voltage switches and substation equipment  |
| Power Energy International Ltd.                      | 2002                  | Fortune Electric's Affiliated Company  | Shareholding | Trading, investment holding, agents business   |
| Fortune Electric America Inc.                        | 2013                  | Fortune Electric's Affiliated Company  | Shareholding | Agents business  |
| Fortune Electric Extra High Voltage Co., Ltd. (Note) | 2013                  | Fortune Electric's Affiliated Company  | Shareholding | manufactures, processes and trades transformers  |
| Fortune Energy CO., LTD                              | 2020                  | Fortune Electric's Affiliated Company  | Shareholding | Manufacture of power generation transmission and distribution Machinery and Renewable-Energy-Based Electricity Retailing Enterprise  |
| Fortune Electric Australia Pty Ltd                   | 2020                  | Fortune Electric's Affiliated Company  | Shareholding | Trading  |
| Fortune Electric Value Co., Ltd.                     | 2021                  | Fortune Electric's Affiliated Company  | Shareholding | Electric vehicle charging operation services, planning and construction of various charging stations, research and development and sales of electric vehicle charging related equipment/systems/technology |
| Wuhan Fortune Electric Co., Ltd..                    | 2021                  | Fortune Electric's Affiliated Company  | Shareholding | Import and export business of various commodities and technologies   |

Note: The Company acquired 100% shareholding of former Hitachi Fortune Electric Transformer Co., Ltd. On March 31<sup>st</sup>, 2019, and was renamed as Fortune Electric Extra High Voltage Co.,

## Appendix I

### Fortune Electric Co., Ltd and Affiliated Companies

#### Basic Information of all Affiliates

December 31<sup>st</sup>, 2024

Unit: NT\$ unless otherwise specified

| Name of Company  | Date of Incorporation            | Address  | Paid-in Capital | Major business and products   |
|--|----------------------------------|--|-----------------|---|
| Fortune Electric Co., Ltd.                             | August 26 <sup>th</sup> , 1969   | No. 10, Jili Rd., Zhongli Dist., Taoyuan City                        | \$2,871,644,000 | Manufacturing of transformers, distribution boards, high/low pressure switches; construction project  |
| Power Energy International Ltd.                        | June 13 <sup>th</sup> , 2002     | Unit25, 2 <sup>nd</sup> Floor, Nia Mall, Saleufi Street, Apia, Samoa | US \$100,000    | Import/export trading business; real estate buy & sell as holding company; distributor  |
| Fortune Electric America Inc.                          | January 2 <sup>nd</sup> , 2013   | 23133 Hawthorne Blvd.Suite 200 Torrance,CA 90505                     | US \$100,000    | Distributor   |
| Fortune Electric Extra High Voltage Co., Ltd. (Note 1) | December 17 <sup>th</sup> , 2013 | No. 500, Nanheng 1st Rd., Wuqi Dist., Taichung City                  | \$1,100,000,000 | Transformer manufacturing and sales   |
| Fortune Energy CO., LTD (Note 2)                       | February 11 <sup>th</sup> , 2020 | 10F., No. 368, Sec. 1, Fuxing S. Rd., Ta-An Dist., Taipei City       | \$29,000,000    | Manufacturing of power generation, transmission, distribution machineries, and Renewable-Energy-Based Electricity Retailing Enterprise  |
| Fortune Electric Australia Pty Ltd.                    | November 10 <sup>th</sup> , 2020 | L7 60-62 YORK ST SYDNEY NSW 2000                                     | AUD \$500,000   | Export trading business   |
| Fortune Electric Value Co., Ltd. (Note 3)              | May 6 <sup>th</sup> , 2021       | 14F., No. 191, Fuxing N. Rd., Songshan Dist., Taipei City            | \$283,250,000   | Manufacturing of electric vehicle charging operation service, various charging station planning and constructing, R&D and sales of electric vehicle charging related equipment, system, and technique |
| Wuhan Fortune Electric Ltd                             | June 15 <sup>th</sup> , 2021     | No. 2832, Xihu Avenue, Dongxihu District, Wuhan, Hubei, China 430023 | US \$1,000,000  | Import and export business of various goods and techniques  |

Note 1: Fortune Electric Extra High Voltage Co., Ltd. passed a resolution on June 5, 2024 via directors acting on behalf of the shareholders' meeting to increase the capital by NT\$300,000 thousand from the retained earnings, the capital was NT\$1,100,000 thousand after increased.

Note 2: Fortune Energy Co., Ltd. passed a resolution on June 15, 2024 via directors acting on behalf of the shareholders' meeting to increase the capital by NT\$28,000 thousand from the retained earnings, the capital was NT\$29,000 thousand after increased.

Note 3: As of the publication date of the annual report, Fortune Electric Value Company Limited has relocated to the 12 F., No. 66, Sanchong Rd., Nangang Dist., Taipei City.

## Appendix II

### Fortune Electric Co., Ltd and Affiliated Companies Directors and General Manager Information December 31, 2024

| Name of Company  | Title          | Name or Representative  | Shareholding |           |
|--|----------------|---|--------------|-----------|
|  |                |   | Shares       | Ratio (%) |
| Power Energy International Ltd.                        | Director       | Fortune Electric Co., Ltd.<br>Representative: Hsu, Bang-Fu        | 100,000      | 100.00    |
| Fortune Electric America Inc.                          | Chairman       | Fortune Electric Co., Ltd.<br>Representative: Hsu, I-Ming         | 1,000        | 100.00    |
| Fortune Electric Australia Pty. Ltd.                   | Public Officer | Mr ELSON POW  | 500,000      | 100.00    |
| Fortune Electric Extra High Voltage Co., Ltd. (Note 1) | Chairman       | Fortune Electric Co., Ltd.<br>Representative: Hsu, Bang-Fu        | 110,000,000  | 100.00    |
| Fortune Energy CO., LTD. (Note 2)                      | Chairman       | Fortune Electric Co., Ltd.<br>Representative: Hsu, Bang-Fu        | 2,900,000    | 100.00    |
| Fortune Electric Value Co., Ltd.                       | Chairman       | Fortune Electric Co., Ltd.<br>Representative: Hsu, I-Sheng        | 18,200,000   | 64.25     |
| Wuhan Fortune Electric Ltd.                            | Chairman       | Power Energy International Ltd.<br>Representative: Sun, Shih-Ming | -            | 100.00    |

Note 1: After capital increase of NT\$300,000 thousand from the retained earnings in June 2024, the capital amounted to NT\$1,100,000 thousand.

Note 2: In July, 2024, Fortune Energy CO., LTD. had a cash capital increase of NT\$28,000 thousand due to business needs, the capital amounted to NT\$29,000 thousand after the increase.

### Appendix III

#### Fortune Electric Co., Ltd. And Affiliated Company Affiliated Company Operation Overview Year 2024

Unit: NT\$ Thousands

| Name of Company                               | Capital       | Total Assets | Total Liabilities | Net Worth | Operating Revenues | Operating Income | Net Profit | Earnings per Share (NT\$) |
|---|---------------|--------------|-------------------|-----------|--------------------|------------------|------------|---------------------------|
| Fortune Electric Co., Ltd.                    | 2,871,644     | 21,869,397   | 11,622,743        | 8,682,790 | 18,957,732         | 4,153,644        | 4,286,020  | 14.93                     |
| Power Energy International Ltd.               | US\$100,000   | 179,371      | -                 | 179,371   | -                  | -                | 12,409     | 124.09                    |
| Fortune Electric America Inc.                 | US\$100,000   | 571,133      | 477,048           | 94,085    | 1,052,934          | 49,790           | 22,094     | 220.94                    |
| Fortune Electric Extra High Voltage Co., Ltd. | 1,100,000     | 3,812,987    | 1,909,340         | 1,903,647 | 2,993,308          | 715,940          | 680,444    | 6.19                      |
| Fortune Energy CO., LTD                       | 29,000        | 28,725       | 115               | 28,610    | 194                | (177)            | (84)       | (0.03)                    |
| Fortune Electric Australia Pty Ltd.           | AUD 500,000   | 29,465       | 17,540            | 11,925    | 27,825             | 492              | 345        | 0.69                      |
| Fortune Electric Value Co., Ltd.              | 283,250       | 826,857      | 572,109           | 254,748   | 388,426            | (43,702)         | (42,026)   | (1.48)                    |
| Wuhan Fortune Electric Ltd.                   | US\$1,000,000 | 130,641      | 66,776            | 63,865    | 198,251            | 14,332           | 12,387     | -                         |

## **Appendix IV**

### **Statement of Consolidated Financial Statements of the Affiliates**

We hereby declare that:

From January 1st to December 31, 2024, the Company has included the entities in preparing the consolidated financial statements covering affiliated enterprises, in according with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are entirely the same as those that IFRS 10 requires to be included in preparing the consolidated financial report comprising the parent and its subsidiaries. Therefore, the consolidated financial statements covering affiliated enterprises would not be prepared separately.

Company Name: Fortune Electric Co., Ltd.

Representative: Hsu, Bang-Fu

2. Private Securities in the Most Recent Year and up to the publication date of the Annual Report, Shareholders' Meeting and or Board Meeting's approval dates, amount, pricing basis and justification, choice of selected parties and the necessity for private placement, and capital utilization plan after proceeds have been received and private securities' utilization and plan execution status: NONE.

3. Other Necessary Supplementary Notes: NONE.

**VII. Matters to Be disclosed, as Stipulated in Item 2, Paragraph 3 of Article 36 of the Securities Exchange Act: NONE.**

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

Chairman : Hsu, Bang-Fu