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Fortune Electric Co., Ltd.

2025 Annual Report

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

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

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Table of Contents

I. Letter to Shareholders	1
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	5
2. Remuneration paid during the most recent fiscal year to directors, supervisors, the general manager, and assistant general managers	12
3. The state of the company's implementation of corporate governance	14
4. Information on Certified Public Accountant professional fees	40
5. Information on replacement of Certified Public Accountant	40
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	41
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	42
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.	43
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	44
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	45
2. Financing Plans and Implementation	48
IV. Operational Highlights	
1. Business Activities	49
2. Market and Sales Overview	56
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	66
4. Environmental Expenditure Information	66
5. Labor Relations	67
6. Cyber Security Management	71
7. Important Contracts	73

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

1. Financial Position.....	74
2. Financial Performance.....	75
3. Cash Flow Analysis.....	76
4. Impact of Major Capital Expenditure in the Past Year on the Financial Status	77
5. Effects in reinvestment policy and its main reason for profit or loss, improvement plan and investment plan in the Next Year.....	77
6. Risk Management Analysis in the past year and up to the publication date of Annual Report.....	79
7. Other important matters	82

VI. Special Disclosure

1. Information about the Affiliated Companies.....	84
2. Private Securities in the Past Year and up to the publication date of the Annual Report.....	90
3. Other Necessary Supplementary Notes.....	90

VII. Matters to Be disclosed, as Stipulated in Item 2, Paragraph 3 of Article 36 of the Securities Exchange Act.....

90

I. Letter to Shareholders

1. 2025 Business Report

1. Business Results and Budget Implementation

Consolidated operating Revenue of the year 2025 was NT\$ 24,423,057 thousand, among the products, transformers were NT\$ 17,977,822 thousand, accounting for 73.61%, switchgear were NT\$ 1,780,725 thousand, accounting for 7.29%, and electrical distribution equipment were NT\$ 901,909 thousand, accounting for 3.69%, construction revenue was NT\$ 1,389,881 thousand, accounting for 5.69%, electricity sales revenue was NT\$ 12,764 thousand, and accounting for 0.05%, others were NT\$ 2,359,956 thousand, accounting for 9.67%, and net income was NT\$ 4,367,128 thousand. US reciprocal tariffs had an impact, but the revenue and profit still delivered impressive results, and it was mainly caused by effects of three major growth momentum: green energy, tough electrical grid plan of Taiwan Power Company, and overseas electricity infrastructure, as well as the continued expansion of global power infrastructure fueled by strong demand for AI.

2. Financial revenue and expenditure and profitability analysis

Unit: NT\$ thousand

ITEM		2025	2024	Increase (decrease) ratio (%)
Financial Revenue and Expenditure	Profit from operations	5,227,156	4,890,544	6.88
	Non-operating income and expenses	381,981	548,780	(30.39)
	Profit before income tax	5,609,137	5,439,324	3.12
	Net Profit	4,367,128	4,270,996	2.25
Profitability Analysis	Return on assets (%)	17.59	23.18	(24.12)
	Return on equity (%)	44.58	57.30	(22.20)
	Pre-tax net profit to paid-in capital ratio (%)	177.57	189.41	(6.25)
	Net profit ratio (%)	17.88	21.14	(15.42)
	Earnings per share (NT\$) (Note)	13.99	13.57	3.10

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

3. Research & Development status

For the year 2025, the Company invested NT\$397,975 thousand, accounting for 1.63% of its operating revenue, and is committed to research and development efforts. The R&D results were in line with the Company's expected schedule. For details on the new products successfully developed in 2025, please refer to page 53 of this Annual Report.

2. 2026 Business Plan Summary

1. Business policy

(1) Refine our core businesses to enhance international competitiveness, use AI to drive intelligent manufacturing and expand production capacity, ensure quality and workplace safety, deliver superior quality and efficiency results to become our customers' most trusted partner, accelerate global expansion to capture high-margin markets, and continue to achieve steady growth to become an internationally renowned electrical machinery manufacturer.

- (2) Cultivate professional expertise to seize business opportunities in smart grids, energy transition, net-zero carbon emissions, and AIDC, respond to internal and external market changes with diversified development of new products, new markets, new businesses, and new business models, deepen the industry chain and expand the Group's industrial footprint to create a second growth curve.
 - (3) Build an internationalized, digitally operated high-performance team to achieve excellence and technology-driven management, integrate industry characteristics and advantages to implement Fortune-style ESG, create a happy enterprise to enhance the Group's image, share glory, and ensure sustainable development.
2. Sales estimation of Transformer and Distribution Boards and important sales and marketing strategies

Main product / estimated quantity	2026		
	Domestic sales	Export sales	Total
Transformer (unit)	14,500	2,500	17,000
Distribution Board (pcs)	2,000	-	2,000

Note: The expected sales quantity for some products is lower in 2026 than in 2025, mainly due to larger capacity or higher specifications in 2026.

Power products are widely applied in our daily lives, commercial activities, and manufacturing production. With the advancement of technology, their scope of application continues to expand, and electricity can be considered the cornerstone of modern civilization. In the short term, in addition to strengthening the marketing and sales of existing products for domestic and overseas plant construction or expansion projects, domestic 69kV and above transformers and related switchgear equipment have been in use for over 40 years, and it is expected that there will be replacement market demand year by year in the future. Major export products are mainly distribution transformers, power transformers, and solar PV Box modules. We accept orders based on overseas customers' demand models, will continue to expand partnerships with direct and indirect customers, and achieve steady and sustainable growth with stable quality and production capacity.

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

Overall economy: Although 2025 was impacted by U.S. reciprocal tariffs, driven by strong AI demand, global power infrastructure continued to expand, and global economy in 2026 is expected to grow steadily. Major domestic and international forecasting agencies have a neutral outlook for the global economy in 2026. The International Monetary Fund (IMF) recently forecasted a global economic growth rate of 3.3%, the World Bank forecasted 2.6%, and the Organization for Economic Co-operation and Development (OECD) forecasted an annual growth rate of 2.9%. Domestic major agencies' forecasts for Taiwan's economic growth are as follows: The Directorate-General of Budget, Accounting and Statistics (DGBAS) forecasted 3.54%, Academia Sinica forecasted 3.71%, the Taiwan Institute of Economic Research forecasted 2.60%, and the Chung-Hua Institution for Economic Research forecasted 4.14%. All these show that most domestic and international forecasting agencies' economic growth forecasts are close to or higher than those for 2025. Due to the high base effect of Taiwan's economic growth rate reaching 8.63% in 2025, a 15-year high, the forecasted growth for 2026 is slightly higher than the forecasted value for 2025.

Individual market segments: As the power industry is influenced by the approaching and intensifying 2050 net-zero emission issue, the continued strong growth of emerging technologies such as AI data centers and edge computing AI applications, and the cyclical demand for green energy construction, power infrastructure construction, and power quality improvement, green energy, Taipower's Power Grid Resilience Project, and the foreign power infrastructure export market have become the Company's three major growth drivers at present and in the future. The U.S. Department of Energy estimates that under the promotion of acts such as the "Inflation Reduction Act," by 2035, the contiguous United States will need to add 64% more intra-regional transmission lines and 114% more cross-regional transmission capacity, with an estimated 7-8% compound annual growth rate for transformer demand. U.S. President Trump signed an executive order last year formally establishing the "National Energy Dominance Council" to accelerate oil and natural gas production in order to meet the enormous electricity demand required for AI development in the United States. Currently, the global market for power equipment such as transformers is in a state of supply-demand imbalance. Although major European and American manufacturers have expansion plans underway, power construction is global in nature, and it is estimated that the power equipment market will continue to maintain high growth for the next 5 to 10 years.

The power equipment industry has characterized by capital intensity, technology intensity, and the need for long-term track records and certifications to gain customer trust and adoption, making it difficult for competitors to enter the market or increase competition in the short term. The Company is a leader in Taiwan's heavy electrical industry, having accumulated over 50 years of specialized custom-made key technologies and established a solid foundation in the traditional power sector. The entire Group operates multiple modern factories and possesses the most complete product line in Taiwan, including the largest capacity and highest voltage transformer products, the most certifications from Taipower, and has obtained KEMA (the most stringent transformer certification body with an average pass rate of only about 50% or less) short-circuit test certification for a series of transformer products at 11, 22, 66, 230, and 500kV, making it the most established professional heavy electrical factory. The Company has long been deeply rooted in the North American market and is the heavy electrical manufacturer with the highest track record of exporting power generation, transmission, and distribution equipment from Taiwan. It has also been recognized by several major utility companies in the North American market and is one of their key core suppliers with years of proven performance. In 2025, the Company began constructing its fourth power transformer plant, which was completed in January 2026. In addition to increasing production capacity, the plant integrates the complete product line from 11kV to 500kV into the most suitable production facilities, improving production efficiency and meeting delivery requirements for various voltage levels and capacities. Continuing with the service principle of "solving customer pain points," the Company has long earned customer trust and continues to receive orders for higher voltage levels and larger capacity transformers, thereby widening the gap with competitors and increasing market share.

Based on the above assessment of domestic and international macroeconomic and industry-specific microeconomic conditions, the Company's development is promising for the next 5 to 10 years, and it will continue to achieve steady growth and expand capacity to meet customer and market demand.

The Company continuously adjusts its response strategies in line with the evolving political and economic environment and market changes:

- Integrate the Group resources, seize business opportunities arising from government policies and AI-driven electricity demand, continue to expand niche markets, create differentiated added value, deepen and enhance customer trust, and continuously expand diverse customer groups;

- Continuously promote smart manufacturing, implement AI-driven intelligent digital management systems, improve product quality and work efficiency, refine core products/businesses to enhance international competitiveness, establish core capabilities through “superior efficiency,” “customer orientation,” and “profitability” to meet and even exceed customer needs and satisfaction;
- Continuously promote the “Supply Chain Resilience Plan,” accelerate the development of key/long-lead-time diverse supply sources, solidify core business partnerships, increase loyalty to secure priority cooperation advantages, establish long-term cooperation and joint safety stock mechanisms to create win-win outcomes;
- Integrate Group resources, combine external quality partners for professional complementarity, cross-industry alliances, and technical cooperation, seize business opportunities in smart grids, energy transition, net-zero emissions, and AIDC, expand into diverse upstream and downstream energy sectors, enter the most suitable fields and adopt the optimal investment model for Group benefits, provide competitive or forward-looking solutions to meet customer needs, and become a driving force for revenue and profit growth;

In addition to focusing on operating profits, we uphold the missions of “safe employees”, “safe customers”, “safe shareholders” and “safe society”, with regulatory compliance and corporate governance as its primary core values. The Company continuously focuses on issues such as human rights, environmental protection, safety and health, and community involvement, and is committed to ethical management, expanding the green energy business, fulfilling corporate social responsibility, and achieving environmental sustainability. In 2025, the Company received numerous recognitions: the Ministry of Economic Affairs' 8th Medium-sized Enterprise Award – “Outstanding Medium-sized Enterprise”; the Ministry of Economic Affairs' 2025 “Public Works Quality Award”; the 5th Harvard Business Review Digital Transformation Strategy Award – “Smart Manufacturing Upgrade Transformation Model Award” in the Large Enterprise Group; the “2025 Taiwan FINI 100”; the 2025 HR Asia Best Companies to Work For in Asia Award and Technology Empowerment Award; inclusion in the 2025 Taiwan High Salary 100 Index; ranked 2nd in the “Top 50 Operating Performance” of CommonWealth Magazine's “Top 2,000 Enterprise Survey” (CommonWealth Magazine Issue No. 823); and received GE 2505's “Supplier Quality & Delivery Award.” The Company's operating results have attracted significant market attention and received high recognition from the industry.

Finally, the Company will continue to strengthen its core competencies, optimize its operating structure to build a high-performance team and achieve excellent operational management, integrate industry characteristics and advantages to implement Fortune-style ESG, create a happy enterprise to enhance the Group's image, and share glory for sustainable development.

We look forward to all your continued guidance and encouragement.

Best regards,

Wishing everyone good health and good fortune!

Chairman Hsu, Bang-Fu

General Manager Hsu, I-Te

CEO Hsu, I-Sheng

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 14, 2026

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	12,776,301	4.04	1,378,334	0.44	20,090,706	6.36	Kyoto University, Japan Master of Graduate School of Engineering	Fortune Electric Co., Ltd. Chairman Fortune Electric Extra High Voltage Co., Ltd. Chairman Fortune Energy CO., LTD Chairman Hsu, Bang Fu No.1/2/3/4 Holding Co., Ltd. Chairman	Vice Chairman General Manager	Hsu, Shou-Hsiung Hsu, I-Te	Brothers 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	27,350,136	8.66	10,910,610	3.45	0	0.00	Sungkyunkwan University, Korea Master of Graduate school of International Trade and Policy	Fortune Electric Co., Ltd. Vice Chairman Hua Cheng Investment Corp. Chairman	Chairman CEO	Hsu, Bang-Fu Hsu, I-Sheng	Brothers Father & Son	Operational consideration
Director	ROC	Shu, Yi-Cheun	M 51-60	2023.6.15	3Y	2017.6.14	1,057,892	0.41	1,280,049	0.41	0	0	0	0.00	University of Southern California MBA	Chun Sheng Fa Co., Ltd. Chairman Formosa Oilseed Processing Co., Ltd. Director	NONE	NONE	NONE	-
Director	ROC	Hsu, I-Te	M 51-60	2023.6.15	3Y	2017.6.14	3,948,577	1.51	2,363,070	0.75	428,678	0.14	2,629,046	0.83	Case Western Reserve University, U.S. Master of Law	Fortune Electric Co., Ltd. General Manager Hsin He Energy Co., Ltd. Director Fortune Electric Australia Pty Ltd. Director Houde Capital Co., Ltd. Chairman	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	3,930,648	1.24	7,000	0	4,000	0.00	National Chung Cheng University Master of Business Administration	Fortune Electric Co., Ltd. CEO Synergy Co., Ltd. & E-Formula Technologies, Inc. Director Fortune Electric Value Company Limited Chairman & CEO Fortune Nev Co., Ltd. & Foresee Energy Co., Ltd. Chairman & CEO	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	830,075	0.26	93,870	0.03	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 National Taiwan University Bachelor of Business Administration	Chung-Hua International Trade Association Honorary Chairman 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)	Dean of the School of Law, Shih Hsin University CHO Pharma Director (representative of Academia Sinica)	NONE	NONE	NONE	-

Note: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto:

Due to operational considerations, the chairperson of the board of directors and the general manager are relatives within the first degree of kinship. To comply with the Securities and Exchange Act, the Company has elected four independent directors 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 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	(1) Possess over five years of working experience necessary for company business operation. (2) Currently serves as Chairman of the Company, Fortune Electric Extra High Voltage Co., Ltd., Fortune Energy Co., Ltd. and Hsu, Bang Fu No.1/2/3/4 Holding Co., Ltd. (3) Master of Graduate School of Engineering from Kyoto University, Japan	(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. (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 (3) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	0
Hsu, Shou-Hsiung	(1) Possess over five years of working experience necessary for the company business operation. (2) Currently serves as Vice Chairman of the Company and Chairman of Hua Cheng Investment Corp. (3) Master of Graduate school of International Trade and Policy in Sungkyunkwan University, Korea.	(1) Not a director or supervisor of the company or any of its affiliates. (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. (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 (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. (5) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	0
Shu, Yi-Cheun	(1) Possess over five years of working experience necessary for the company business operation. (2) Currently serves as Chairman of Chun Sheng Fa Co., Ltd.; Director of Formosa Oilseed Processing Co., Ltd. (3) Served as a Director of Central Union Oil Corp., Chairman of Fu You An Kang Co., Ltd., chairman of Chung Hsiang International Co., Ltd., Project Manager at Bank	(1) Not a director or supervisor of the company or any of its affiliates. (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 total number of issued shares of the company or ranking in the top 10 in holdings. (3) Not a director, supervisor, or employee of a corporate shareholder that directly holds	0

	SinoPac, and Vice President of Far Eastern International Bank Co., Ltd. (4) Master of Business Administration in University of Southern California	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. (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. (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 (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. (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 (8) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. (9) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	
Hsu, I-Te	(1) Possess over five years of working experience necessary for the company business operation. (2) Currently serves as General Manager of the Company; Director of Xin He Energy Development Co., Ltd. & Fortune Electric Australia Pty Ltd. ; Chairman of Houde Capital Co., Ltd. (3) Master of Case Western Reserve University, U.S.	(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. (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 (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 company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse (4) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship,	0

		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. (5) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	
Hsu, I-Sheng	(1) Possess over five years of working experience necessary for the company business operation. (2) Currently serves as CEO of the Company; Chairman & CEO of Fortune Value Co., LTD; Chairman & CEO of Fortune Nev Co., Ltd. & Foresee Energy Co., Ltd.; Director of Synergy Co., Ltd. & E-Formula Technologies, Inc. (3) Master of Business Administration of National Chung Cheng University	(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. (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. (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 (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. (5) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	0
Weng, Jen-Pei	(1) Possess over five years of working experience necessary for the company business operation. (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 (3) Bachelor of Department of Sales, Sanno University, Japan	(1) Not an employee of the company or any of its affiliates. (2) Not a director or supervisor of the company or any of its affiliates. (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.	0
Hu, Len-Kuo	(1) Possess over five years of working experience necessary for the company business operation. (2) Currently serves as Adjunct Professor of International Trade Department, National Chengchi University (3) Served as an 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	(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. (5) 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.	0

	Committee Small and Medium Enterprise Administration. (4) PhD and Master of Economics in University of California, U.S.	(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.	
Lei, Whey-Min	(1) Possess over five years of working experience necessary for the company business operation. (2) Currently serves as Honorary Chairman of Alumni of International Business; permanent consultant of Taiwan Korean Trade Association..., etc. (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. (4) Bachelor of International Business in National Chengchi University	(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 (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. (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	0
Liao, Chih-Hsiang	(1) Possess over five years of working experience necessary for the company business operation. (2) Currently serves as Partner CPA of Chain Ye Accounting Firm. (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. (4) Master of Accounting in National Chengchi University	(10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. (11) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	0
Yeh, Yun-Ching	(1) Possess over five years of working experience necessary for the company business operation. (2) Currently serves as Dean of the School of Law, Shih Hsin University; Director of CHO Pharma (representative of Academia Sinica). (3) Served as Director of the Academia Sinica, Department of Intellectual Property and Technology Transfer (4) Passed the Bar Exam and certified as a patent attorney. Ph.D. from Golden Gate University School of Law.		0

Note: The above-mentioned Directors did not have any of the circumstances set forth 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, with strengths in leadership, operational judgment, business management, crisis management, industry knowledge, and international market perspective.	Achieved
Independent directors shall comprise more than one-third of the board and possess expertise in law, international trade, business operations, and finance and accounting.	Achieved
The number of directors concurrently serving as managers of the Company shall not exceed one-third of the total number of directors.	Achieved
Reason for the Board of Directors failing to meet the one-third gender representation requirement and the measures adopted in response thereto.	In this term's reelection, one additional female director was elected.

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

Title	Diversified Categories 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 O 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-Te		M	V		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	
	Weng, Jen-Pei		M					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	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 on the Company's Board of Directors, including 4 Independent Directors and 2 Directors who are also employees (accounting for 40% and 20% of all board members, respectively). Independent directors account for two-fifths of the Board's seats. As of December 31, 2025, the Independent Directors are all in compliance with the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission regarding independent directors, and none of the Directors or Independent Directors are subject to the circumstances set forth in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. The primary responsibility of the Board of Directors is to ensure that the Company complies with laws, maintains financial transparency, discloses material information in a timely manner, and exercises objective and independent judgment on the Company's financial and operational matters. Therefore, at the time of their appointment, the Board members already met the legal requirements.

(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 14, 2026

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	2,363,070	0.75	428,678	0.14	2,629,046	0.83	Case Western Reserve University, U.S. Master of Law	Hsin He Energy Co., Ltd. Director Fortune Electric Australia Pty Ltd. Director	International Division Vice General Manager	Hsu, I-Ming	Brothers	Operation consideration
CEO	ROC	Hsu, I-Sheng	M	106.06.23	3,930,648	1.24	7,000	0	4,000	0	National Chung Cheng University MBA	Synergy Co., Ltd. & E-Formula Technologies, Inc. Director Fortune Electric Value Company Limited Chairman & CEO Fortune Nev Co., Ltd. & Foresee Energy Co., Ltd. Chairman & CEO	Management Division Head	Hsu, I-Yang	Brothers	Operation consideration
International Division Vice General Manager	ROC/US/Canada	Hsu, I-Ming	M	106.11.06	3,206,613	1.02	0	0	0	0	University of Toronto, CA Bachelor of Software Engineering	Fortune Electric America Inc. Chairman Fortune Electric Australia Pty Ltd. Director	General Manager	Hsu, I-Te	Brothers	-
Procurement Division Head	ROC	Sun, Shih-Ming	M	107.04.01	31,805	0.01	4,865	0	0	0	Chien Hsin University of Science and Technology Department of Electrical Engineering	Fortune Electric (Wuhan) Co., Ltd. Chairman Wuhan Fortune Electric Co., Ltd. Chairman	NONE	NONE	NONE	-
Power Division Head	ROC	Chu, Huei-Long	M	103.01.02	302	0	0	0	0	0	Minghsin University of Science and Technology Department of Machinery	NONE	NONE	NONE	NONE	-
Electrical Engineering Division Head	ROC	Ku, Fu-Chen	M	105.10.01	17,526	0.01	48,389	0.02	0	0	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	3,928,395	1.24	0	0	0	0	Abilene Christian University Master of Communications	Fortune Electric Value Company Limited Director Fortune Nev Co., Ltd. Supervisor	CEO	Hsu, I-Sheng	Brothers	-
Technology Division Head	ROC	Lee, Hsiao-Li	M	107.06.01	0	0	0	0	0	0	National Taipei University of Technology Department of Electrical Engineering	NONE	NONE	NONE	NONE	-
New Energy Engineering Division Head	ROC	Wang, Yiao-Fan	M	107.06.01	0	0	38,164	0.01	0	0	University of Pittsburgh Master of Mechanical Engineering	NONE	NONE	NONE	NONE	-
Switch Division Head	ROC	Tu, Cheng-Fah	M	107.10.01	0	0	0	0	0	0	Lunghwa University of Science and Technology Department of Electrical Engineering	NONE	NONE	NONE	NONE	-
Domestic Business Division Head	ROC	Chen, Meng-Yueh	M	107.10.01	305	0	0	0	0	0	Minghsin University of Science and Technology Mechanical Engineering	NONE	NONE	NONE	NONE	-
Information Center Division Head	ROC	Lin, Cheng-Chin	M	109.04.01	14	0	3	0	0	0	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	Tamkang University Department of Accounting	NONE	NONE	NONE	NONE	-

Note: Due to operational considerations, the Chairman and the General Manager or person of an equivalent position are relatives within the first degree of kinship. In order to comply with the Securities and Exchange Act, the Company has 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\$ thousand

Title	Name	Remuneration										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)		Ratio of Total Remuneration (A+B+C+D) and to Net Income (%)		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	The company	All companies in the consolidated financial statements			
Chairman	Hsu, Bang-Fu	14,023	14,023	-	-	78,856	78,856	330	330	93,209 2.11%	93,209 2.11%	-	-	-	-	-	-	-	-	118,408 2.68%	118,958 2.69%	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																					
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 th 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\$3,500,00 (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\$ thousand

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			
General Manager	Hsu, I-Te	8,160	8,710	-	-	11,708	11,708	5,331	-	5,331	-	25,199 0.57%	25,749 0.58%	None
CEO	Hsu, I-Sheng													

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\$3,500,00 (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, 2025

	Title	Name	Stock Amount	Cash Amount	Total	Ratio of Total Amount to Net Income (%)
Managerial Officers	General Manager	Hsu, I-Te	-	NT\$18,763 thousand	NT\$18,763 thousand	0.42 %
	CEO	Hsu, I-Sheng				
	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, General Manager, CEO, 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, General Manager, CEO and Vice Presidents were NT\$141,204 thousand and NT\$139,972 thousand and ratios of remuneration paid to the abovementioned Managerial Officers to net income were 3.20% and 3.27% in 2025 and 2024, 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 General Manager and CEO 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. The number of board meetings held in 2025 was: 7. The attendance by the directors and supervisors was as follows:

Title	Name	No. of meetings attended in person	No. of meetings Attended by proxy	In-person attendance rate (%)	Remarks
Chairman	Hsu, Bang-Fu	7	0	100%	
Vice Chairman	Hsu, Shou-Hsiung	7	0	100%	
Director	Hsu, Yi-Cheun	7	0	100%	
Director	Hsu, I-Te	7	0	100%	
Director	Hsu, I-Sheng	7	0	100%	
Director	Weng, Jen-Pei	7	0	100%	
Independent Director	Hu, Len-Kuo	7	0	100%	
Independent Director	Lei, Whey-Min	7	0	100%	
Independent Director	Liao, Chih-Hsiang	7	0	100%	
Independent Director	Yeh, Yun-Ching	7	0	100%	

2. Other information required to be disclosed:

- (1) If any of the following circumstances exists, specify the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors: None.
 - 1-1 Any matter under Article 14-3 of the Securities and Exchange Act.
 - 1-2 In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution.
- (2) The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest:

Board meeting date	Director's name	Content of motion	Cause for recusal and voting status
August 8, 2025	Hsu, I-Sheng	Participate in the capital increase of subsidiary Fortune Electric Value Co., Ltd.	Except for Director Hsu, I-Sheng, who recused himself as a related party, all other attending directors unanimously approved the motion as proposed.
October 28, 2025	Hsu, Bang-Fu Hsu, I-Sheng	Ratify the list of appointed directors of the subsidiary and related authorization matters.	Except for Directors Hsu, Bang-Fu and Hsu, I-Sheng, who recused themselves as related parties, all other attending directors unanimously approved the motion as proposed.

(3) Implementation Status of Board Evaluations

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	Jan 1 st ~ Dec 31 st 2025	Board of Directors Individual Directors All Functional Committees	Self-evaluation by the Board of Directors 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 "Rules for Performance Evaluation of Board of Directors" in 2020. The 2025 Directors' self-evaluation was presented to the Board of Directors on March 9, 2026 and the results were as follows:

Evaluation Item	Evaluation Description	Result
Self-evaluation by the Board	A. level of participation in company operations B. quality enhancement of Board decisions C. Board composition and structure D. appointment of directors and their continued development E. internal controls	Outstanding
Self-evaluation by the individual Directors	A. grasp of company targets and missions B. understanding of the director's role and responsibilities C. level of participation in company operations D. internal relationship management and communication E. director's specialty and continued development F. internal controls	Outstanding

Evaluation Item	Evaluation Description	Result
Self-evaluation by Audit Committee members	A. participation in company operations B. understanding of the responsibilities of functional committees C. improvement of the decision-making quality of functional committees D. composition of functional committees, and member selection E. internal control	Outstanding
Self-evaluation by Remuneration Committee members	A. participation in company operations B. understanding of the responsibilities of functional committees C. improvement of the decision-making quality of functional committees D. composition of functional committees, and member selection E. internal control	Outstanding

3. The Company amended its “Rules for Performance Evaluation of the Board of Directors” in 2026. The Rules provide that an evaluation should be conducted at least once every three years by an external professional independent institution or a team of external experts and scholars, and a summary of the performance evaluation shall be reported to the Board of Directors. In 2025, an external professional independent institution was commissioned to conduct the evaluation. The institution and its executing experts have no business dealings with the Company and are therefore independent. They assessed the Board across five key dimensions: composition and division of responsibilities, guidance and supervision, delegation and risk management, communication and collaboration, and self-discipline and continuous improvement, using questionnaires and on-site interviews. The evaluation results were reported to the Board of Directors on March 9, 2026.

The “Rules for Performance Evaluation of the Board of Directors” and the “Board of Directors Performance Evaluation Results” are available on the Company's website under the Corporate Governance section at https://www.fortune.com.tw/tw/Investor_governance_01.aspx.

4. To strengthen Corporate Governance, the Company has elected 4 Independent Directors and established an Audit Committee and a Remuneration Committee.

(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 2025, the work included: reviewing quarterly financial reports, reviewing endorsement and guarantee cases, reviewing the annual earnings distribution plan, reviewing derivative transactions, reviewing major asset transactions, deliberating on the “case of accounts receivable not constituting a loan of funds,” and assessing the effectiveness of the internal control system. The review results were approved as presented and submitted to the Board of Directors for discussion.

1. The number of audit committee meetings held in 2025 was: 7. The attendance by the independent directors was as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remarks
Independent Director	Hu, Len-Kuo	7	0	100%	
Independent Director	Lei, Whey-Min	7	0	100%	
Independent Director	Liao, Chih-Hsiang	7	0	100%	
Independent Director	Yeh, Yun-Ching	7	0	100%	

2. Other information required to be disclosed:

- (1) If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company:
1-1 Any matter under Article 14-5 of the Securities and Exchange Act.

Meeting Date	Session No.	Content of the motion	Resolution result
March 10, 2025	1 st	Discussion: 1. The Company's 2024 Consolidated Financial Statements, Individual Financial Statements, and Business Report. 2. The Company's 2024 Earnings Distribution. 3. Capitalization of earnings through the issuance of new shares. 4. CPA's Independence Declaration and Competency Assessment. 5. Proposal to Establish General Principles for the Company's Pre-Approved Non-Assurance Services Policy. 6. Report on Pre-Purchase/Pre-Sale Forward Foreign Exchange Transactions. 7. Cases where the Company's outstanding credit exceeds three months past the normal credit term with amounts exceeding NT\$20 million and not constituting a loan of funds as of December 31, 2024. 8. Proposal for the Company's 2024 Statement on Internal Control System.	The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members, with the recommendation that the owner with prolonged overdue payments be required to meet a final repayment deadline and that interest be added if such deadline is exceeded. The remainder of the proposal was approved as presented and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion.

Meeting Date	Session No.	Content of the motion	Resolution result
		9. Amendment to the CW-100 Payroll Cycle Internal Control System. 10. Subsidiary Fortune Electric Extra High Voltage Co., Ltd. , for operational needs, proposes to apply for a credit facility from China Bills Finance Corporation and requests the Company to provide a corporate guarantee as collateral for the financing. 11. The Company's investee, Hsin He Energy Development Co., Ltd. (hereinafter “Hsin He Energy”), has obtained project financing (hereinafter “syndicated loan”). It is proposed that the Company agrees to provide its 4,725 thousand shares of Hsin He Energy's capital increase equity as collateral for the syndicated loan.	The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion.
May 9, 2025	2 nd	Discussion: 1. Consolidated Financial Statements for Q1 2025. 2. Report on Pre-Purchase/Pre-Sale Forward Foreign Exchange Transactions. 3. Cases where the Company's outstanding credit exceeds three months past the normal credit term with amounts exceeding NT\$20 million and not constituting a loan of funds as of March 31, 2025.	The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion.
July 10, 2025	3 rd	Discussion: Report on Pre-Purchase/Pre-Sale Forward Foreign Exchange Transactions.	The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion.
August 8, 2025	4 th	Discussion: 1. Consolidated Financial Statements for Q2 2025.	The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion.

Meeting Date	Session No.	Content of the motion	Resolution result
		2. Report on Pre-Purchase/Pre-Sale Forward Foreign Exchange Transactions. 3. Cases where the Company's outstanding credit exceeds three months past the normal credit term with amounts exceeding NT\$20 million and not constituting a loan of funds as of June 30, 2025. 4. Participation in the capital increase of subsidiary Fortune Electric Value Co., Ltd.	The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion.
October 28, 2025	5 th	Discussion: 1. Report on Pre-Purchase/Pre-Sale Forward Foreign Exchange Transactions. 2. Proposal to participate in the “Miaoli County Hydrogen Energy Industry Zone (Mountain Line) Build-Operate-Transfer (BOT) Project” to develop the new hydrogen energy sector.	The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion.
November 10, 2025	6 th	Discussion: 1. Consolidated Financial Statements for Q3 2025. 2. Change of CPA and Assessment of Independence Declaration. 3. Report on Pre-Purchase/Pre-Sale Forward Foreign Exchange Transactions. 4. Cases where the Company's outstanding credit exceeds three months past the normal credit term with amounts exceeding NT\$20 million and not constituting a loan of funds as of September 30, 2025.	The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion.

Meeting Date	Session No.	Content of the motion	Resolution result
		5. Report on Risk Management Implementation Status. 6. Amendment to the CW-100 Payroll Cycle Internal Control System. 7. Proposal to approve the new plant construction and expansion by the Company's 100%-owned subsidiary, Fortune Electric Extra High Voltage Co., Ltd.	The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion.
December 9, 2025	7 th	Discussion: 1. Report on Pre-Purchase/Pre-Sale Forward Foreign Exchange Transactions. 2. Proposal to Launch the Company's Cloud ERP Implementation.	The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion. The proposal was approved by unanimous consent of all attending members and submitted to the Board of Directors for discussion.

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 10, 2025 (Board Meeting)	December 2024 - January 2025 Internal Audit execution status report	Agreed for future reference
May 9, 2025 (Board Meeting)	February 2025 - March 2025 Internal Audit execution status report	Agreed for future reference
July 10, 2025 (Board Meeting)	April 2025 - May 2025 Internal Audit execution status report	Agreed for future reference
August 8, 2025 (Board Meeting)	June 2025 Internal Audit execution status report	Agreed for future reference
October 28, 2025 (Board Meeting)	July 2025 - September 2025 Internal Audit execution status report	Agreed for future reference
December 9, 2025 (Board Meeting)	October 2025 Internal Audit execution status report	Agreed for future reference
March 9, 2026 (Board Meeting)	November 2025 - January 2026 Internal Audit execution status report	Agreed for future reference

Communication between Independent Directors and CPA:

Dates	Key Points	Results
March 10, 2025 (Audit Committee)	CPA gave out explanation regarding 2024 financial and profit/loss position, conclusion of Key Audit Matters, Article 14, Paragraph 6 of the Securities and Exchange Act, and IESBA standards, etc.	No Comments
November 10, 2025 (Audit Committee)	CPA gave out explanation regarding: Amendments to relevant Securities and Exchange Act regulations; Revisions to the Statute for Industrial Innovation and conducted communications with the Company concerning Key Audit Matters for the 2025 financial statements and other relevant matters	No Comments
March 9, 2026 (Audit Committee)	CPA gave out explanation regarding: 2025 financial status and profit/loss position; conclusion of Key Audit Matters; draft amendment on the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”; 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? (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4) Does the company establish internal rules against insiders trading with undisclosed information?	V V V V		The Company has designated Spokesperson or Deputy Spokesperson to be responsible for investors’ suggestions or disputes Shareholders’ list provided by agent for stock affairs The Company has established “Supervision and Management of Subsidiaries” management procedure The Company has established “Management Procedures for Preventing Insider Trading.”	No deviation
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	V		In the 20 th 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.; Liao, Chih-Hsiang 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 School of Law and is currently Dean of the School of Law, 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.	No deviation
(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?	V		In line with regulations, the Company has set up a Remuneration Committee and an Audit Committee, both made up entirely of independent directors. On March 9, 2026, the Board of Directors resolved to establish the Sustainability Committee at the Board level, with the Chairman serve as its chair, the Vice Chairman serve as co-chair, and the General Manager and CEO serve as vice-chairs.	No deviation
(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?	V		To strengthen corporate governance, the Company has put in place its Rules for Performance Evaluation of the Board of Directors and has run annual board evaluations since 2020. At the end of each fiscal year, the Board Secretariat gathers information on board activities, hands out and collects the completed evaluation questionnaires, and then presents the results at the first board meeting of the following year. The performance evaluation report is filed by the end of the first quarter of that year. The 2025 evaluation results were presented to the Board on March 9, 2026. That same year, we commissioned the Taiwan Corporate Governance Association to carry out an external board performance evaluation. Their report was issued on May 23, 2025, and the results along with proposed improvements were presented to the Board on March 9, 2026. At the same time, the Board resolved to amend the Company’s Rules for Performance Evaluation of the Board of Directors. The main changes: an external independent professional organization or a team of external experts and scholars will conduct an evaluation at least once every three years to assess how the Board’s performance evaluation is being carried out, prepare an external analysis report, and lay out the relevant rules for external organizations performing board evaluations.	No deviation
(4) Does the company regularly evaluate the independence of CPAs?	V		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 9, 2026, also with the resolution of Board of Directors on March 9, 2026, then their information would be disclosed on the Company’s website. https://www.fortune.com.tw/tw/Investor_governance_05.aspx#governance	No deviation Independence evaluation items

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)?	V		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. In 2025, directors completed a total of 12 hours of continuing education, and the filing was done within the required deadline. For detailed course content, please see the Company's website..	No deviation
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?	V		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, &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. https://www.fortune.com.tw/tw/contact_stakeholder.aspx https://www.fortune.com.tw/tw/contact_whistle.aspx	No deviation
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		Stock Transfer Department of Taishin Securities Co., Limited	No deviation
7. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		Please go to "Investor Service" on the Company's website.	No deviation
(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)?	V		The Company set up an English website and has assigned a dedicated staff 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.	No deviation
(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?		V	The Company has reported annual financial statements within 75 days after the end of each fiscal year and made declaration accordingly. The Company announced and reported its financial statements for Q1, Q2, and Q3 within 45 days and filed monthly operating status 10 th on every month.	Will implement according to regulations accordingly
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. 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: i. Employees 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. ii. Company-wide, public property should be handled with care to reduce loss or damage. Externally, business secrets as well as job confidentiality should strictly be abided by. iii. No taking advantage of position power and authority for your own or other people's personal benefits. iv. No bribes, gifts, kickbacks, or any unlawful gains. v. Be compliant with Labor Safety and Health Codes, maintain safety in worksites, and health and comfort of the environment. 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. 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. viii. No fabricating, lying about attendance record nor reimburse or claim the expenses falsely. 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/ 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. xi. Implement the Act of Gender Equality in Employment and sexual harassment prevention measures to create a safe, respectful, and fair work environment, safeguard employee rights, and offer necessary channels for grievance and counseling. xii. Abide by "Work Rules" and committed in enterprise ethics and professional ethics establishment to maintain good labor relations xiii. Act in accordance with the 6th 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. xiv. The Company takes the protection of personal data seriously. We have established relevant management policies and have published our data protection policy on the Company's website. If employees need to request their own or someone else's personal data, they must submit an application in accordance with the management policy to ensure data security and lawful use.				

2. Established association and organize strategic alliance of Satellite Plant system to ensure material quality and delivery.
3. 2025 Directors and Managerial Officers' continuing education status:

Name & Title	Organizer	Course Names and Hours	Course attended	Total Hours
Hsu, Bang-Fu Chairman	Securities and Futures Institute	1. Dual Transformation to Strengthen Organizational Resilience: AI Governance and Sustainability Governance (3H) 2. Sustainability Strategy Built on Core Competencies: How Companies Can Use ESG to Build Long-Term Resilience and Competitive Advantage (3H) 3. Trends in Sustainability Disclosure: The Release, Impact, and Response to IFRS S1 and S2 Sustainability Disclosure Standards (3H)	1-2	6H
Hsu, Shou-Hsiung Vice Chairman			1-2	6H
Hsu, I-Te Director & General Manager			1-2	6H
Hsu, I-Sheng Director & CEO			1-2	6H
Shu, Yi-Cheun Director			1-3	9H
Weng, Jen-Pei Director			1-2	6H
Lei, Whey-Min Independent Director			1-2	6H
Hu, Len-Kuo Independent Director			1-2	6H
Liao, Chih-Hsiang Independent Director			1-2	6H
Yeh, Yun-Ching Independent Director			1-2	6H

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

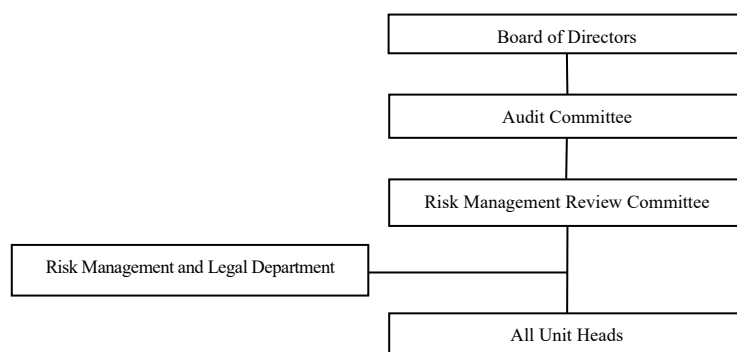
The Company established risk management organization and system based its mission statements: "Comfort Employees", "Comfort Customers", "Comfort Shareholders", and "Comfort Society." By way of integrating all potential risk in business management, finance and hazards to operation and profitability, through 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 the ISO 31000 risk management framework, the Company uses the PDCA management cycle to set up its risk management system. The system is overseen by the Board of Directors and the Audit Committee. With authorization from the Board, the Head of the Management Division serves as the highest-ranking officer responsible for risk management, overseeing the operation of the risk management organization and the promotion of its programs. The organization chart is shown below:



● Organization description:

(1) Board of Directors / Audit Committee

The Board of Directors is the highest oversight body for the Company's risk management system. It is responsible for reviewing the Company's overall risk management policies, systems, and framework. The Board also relies on the Audit Committee to help monitor how the risk management system is operating, ensuring that the Company's risk management mechanisms remain effective.

(2) 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.

(3) 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.

(4) Risk Review Committee

Risk Review Committee was composed by all departments' experts. 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.

(5) All Unit Heads

All Unit Heads hold responsible for 1st 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.

- 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 Promote and supervise overall risk management plans Assess and evaluate risk profile of the Company and risk appetites of all business groups
Management Division Risk Management and Legal Department	Establish standardize risk management tools Assist in identifying and analyzing all departments' risk Evaluate over company risk (including legal risk) Assist in handling all departments' of extremely risky events and high-risk events Assist in handling all professional risks and company strategy risk
Management Division Human Resources Department	Assist in promoting risk management corporate culture Set up all departments' risk management related performance KPIs
Management Division Finance Department	Assist the Company in financial risk management
Divisional Heads	Establish responsible unit's risk management plans and goals Evaluate responsible unit's applicability of risk management Assist in supervising and controlling all departments' risk
All Units' Head	Evaluate effectiveness and consistency of risk management plan in practice Responsible for identifying, analyzing and supervising responsible unit's risk
Employees	Communicate with supervisor the risk associated with responsible business Clearly understand the importance of responsible business' risk profile
Review Committee Members	Assist Risk Management Department (RML Dep.) in handling risk management relevant tasks Identify and analyze overall company integrated risk events 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 Review Committee	The Board of Directors: highest oversight body for giving instruction and making decision 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 19th 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 79-82 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 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: as of the 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.

■ On March 9, 2026 the 2025 risk management implementation progress was reported to the Board of Directors:

- Risk management task was conducted on schedule: identified 194 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: as of the end of 2025, for newcomer training and Risk recognition and control training, there were 199 people being trained with accumulated training hours of 334 hrs.
- Risk management results: completed 305 risk handling strategies and after assessment, 98% 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 4th and 5th sessions and in the range of 36%-50% for the 6th through 12th 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 14, 2026

April 14, 2020

Title	Criteria		Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
	Name				
Independent Director	Lei, Whey-Min		1. Had over five years of working experience necessary for the company business operation. 2. Currently serves as Honorary Chairman of Alumni of International Business; permanent consultant of Taiwan Korean Trade Association..., etc. 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. 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. 2. Currently serves as Adjunct Professor of International Trade Department, National Chengchi University 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. 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. 2. Currently serves as Partner CPA of Chain Ye Accounting Firm. 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. 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. 2. Currently serves as Dean of the School of Law at Shih Hsin University; Director of CHO Pharma (representative of Academia Sinica). 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 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

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, 2023 ~ June 14, 2026.

Two Remuneration Committee meetings were held in 2025.

The 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
5 th Meeting of the 5 th Term March 10, 2025	2024 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
6 th Meeting of the 5 th Term November 10, 2025	As of October 2025, 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		The Sustainability Committee was established by approval of the Board of Directors in March 2022. On March 9, 2026, the Board of Directors resolved to approve the amendments to the 'Charter of the Sustainability Committee', and elevated it to a functional committee at the Board level. The Chairman serves as the Chief Sustainability Officer, the Vice Chairman serves as the Committee Chairperson, and the General Manager and CEO serve as Vice Chairpersons, 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. 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. On March 9, 2026, the Sustainability Committee submitted to the Board of Directors a report on the 2026 ESG short-, medium-, and long-term goal setting, along with a report on the 2025 sustainability performance results for the Board's acknowledgment. The Board shall evaluate the probability of the success of the goals setting and shall urge the management team to make adjustments when necessary.	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		The Company's risk assessment boundary is based on the Company, for environmental categories, the boundary includes: 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. 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. Based on the assessed risks, formulate relevant risk management policies or strategies: 	No deviation
(3) Environmental issues 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.

Implementation Item	Implementation Status Explanation			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	No	Abstract	
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 th , 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 NT\$2.5 million in Green Mark products, namely, laptops, PCs, Air Conditioning equipment, A4 size papers, and leasing of company vehicles. This achievement ensured a bonus point for Taipower bidding project and the Company was awarded for Green Procurement Excellent Manufacturer by Taoyuan City Government. The Company has developed recycling equipment for greenhouse gas (GHG) SF ₆ . Recycling mechanisms are in place for production, inspection and repair and maintenance. We are also gradually developing clean gases to replace SF ₆ , with the goal of minimizing environmental impact. 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.	Implemented in accordance with the regulation and no deviation.
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?	V		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.	Implemented in accordance with the regulation and no deviation.
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?	V		The Company promotes ISO14001, ISO14064 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 SF ₆ 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%. In 2025, compared to the previous year, electricity savings per million NTD of output value came in at 1% or less for Zhongli Plant, 28.5% for Guan Yin Plant II, 6.7% for Guan Yin Plant III, and 38.3% for the subsidiary (Fortune Electric Extra High Voltage), all of which performed well.	Implemented in accordance with the regulation and no deviation.
(4) Social issues 1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		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.	Implemented in accordance with the regulation and no deviation. https://www.fortune.com.tw/tw/Investor_human_right.aspx
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?	V		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.	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	
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?	V		The Company has carried out planned environment monitoring and equipment maintenance, and has also established an EHS (Environment, Health, and Safety) information platform and a dedicated sustainability management section on its website, to promote a safe and healthy working environment by adopting 3 management systems, ISO45005, ISO14001 and 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' 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 2025, we held seminars and activities on healthy eating, metabolic syndrome, smoking cessation, acupuncture, hearing protection programs, lifting safety, AED operation training, and post-checkup doctor's report explanations, with 15–30 participants per session, all aimed at raising 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 2025, all four plants achieved zero occupational injuries. 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. Each year, we arrange four-hour emergency response drills in both the first and second halves of the year to ensure employees receive proper training. The drills cover hands-on operation of fire-fighting equipment, evacuation and assembly drills, and emergency first aid training including CPR and AED use. Each plant achieved over 70% participation and obtained the Safe Workplace Certification, which has greatly enhanced employees' ability to respond independently to disasters. In 2025, the Company had zero fire incidents.	Implemented in accordance with the regulation and no deviation.
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 2025.	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: https://www.fortune.com.tw/tw/contact_map.aspx The Company places great importance on personal data protection. Since 2017, we have had management rules in place and published our personal data protection policy on the Company website. Employees who wish to access their own or others' personal data must submit a request in accordance with these management rules to ensure the security and lawful use of personal data. In 2025, the Company conducted company-wide personal data awareness training, as well as training on personal data protection policies and regulatory compliance, totaling 1,509.15 hours with 1,204 participants. These efforts continue to strengthen employees' awareness of personal data protection and compliance. During 2025, a total of 160 individuals submitted requests for personal data in accordance with the management rules, and their data was protected. https://www.fortune.com.tw/tw/Investor_personal_data.aspx	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	
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 1W1611, 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 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 be observed accordingly: 1. Reduce product and service’s waste of energy and resources. 2. Decrease emission of contaminated material, toxic matters, and waste and shall handle and dispose of waste properly. 3. Increase material or product’s recyclability and reusability. 4. Fully maximize reusable material for sustainability. 5. Extend product durability. 6. Increase product and service effectiveness. 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. 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 1W1611 (Supplier Development Evaluation) with the aforementioned relevant operational guidelines, to jointly fulfill corporate social responsibility.	Implemented in accordance with the regulation and no deviation.
(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 its Sustainability Report in accordance with the Global Reporting Initiative (GRI) Standards (2021 edition), the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB), the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by Listed Companies, and the United Nations Sustainable Development Goals (SDGs). A GRI content index is provided in the appendix. The 2024 ESG Sustainability Report has been verified by the third-party verification body, AFNOR Asia Ltd., a member of the AFNOR Group. https://www.fortune.com.tw/tw/sustainable_journal.aspx	Implemented in accordance with the regulation and no deviation.
(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: 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; 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.				

Implementation Item	Implementation Status Explanation			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	No	Abstract	
(7) Other useful information for explaining the status of corporate sustainable development practices:				
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. 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. To understand stakeholders’ reasonable expectations and needs, a special section for information asking and opinions for stakeholders has been placed in corporate website: https://www.fortune.com.tw/tw/contact_stakeholder.aspx The Company establishes a sustainable workplace environment and continuously cares for employees by implementing the following employee satisfaction survey measures: 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. The Company adopted the following measures to fulfill social responsibility as well as be neighborly and care for the society: i. 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. ii. 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. http://www.fortune.com.tw/emp/charity/index.asp iii. Donation to Tunghai Rotary Club and Yoneyama Rotary Club for social charity relief. iv. 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 & 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. v. 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. vi. Cooperated with Taoyuan City government and executed O3 improvement plan, demonstrating real action to preserve earth. vii. In support of Taoyuan City Government's initiative to adopt the rivers surrounding the factory premises, specifically the Guanyin River, our Volunteer Committee has been participating in the Taoyuan City Laojie River cleanup activities since 2025. Through these efforts, we aim to instill environmental awareness and water conservation principles among our employees, with the goal of fostering a culture of environmental stewardship and care for the planet.. viii. 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. ix. Collaborating between industry and academia and all sorts of cooperation project, to provide students with on-the-job training, part-time job and internship. x. Fulfill corporate responsibility and recruited R&D Substitute Services, to incubate R&D technology talents with special skillsets. xi. Participated in government’s career promotion fair and reward program, to provide more job opportunities and lower unemployment rate. xii. 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. xiii. 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. xiv. The Company was awarded the 2008 National Sustainable Development Awards by the Executive Yuan. xv. The Company was awarded the 8th National Industrial Innovation Award by the Industrial Development Bureau, Ministry of Economic Affairs. xvi. The Company was awarded the 18th place in the 2015 of Commonwealth Magazine CSR Corporate Citizen Award. xvii. The Company was awarded 2016 “10th Service Quality Excellence Award” by Taoyuan City. - 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. xix. Awarded “2018 Innotech Expo” Platinum Medal and Silver Medal. xx. Awarded “Taiwan Excellence Awards” in 2018 and 2019. 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. xxii. Won Gold Medal in the 2021 Taiwan Innotech Expo. - xxiii. Hsu I-Te, General Manager of the Company, was awarded with honor as “Taiwan MVP Managers” xxiv. The Company was honored with the “Smart Manufacturing Transformation Award” of 2022 “2nd Digital Transformation Ding Ge Award”, organized by Harvard Business Review. xxv. The Company won the 2023 HR Asia Awards -Best Companies to Work for in Asia. xxvi. 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. - xxvii. The Company participated in 0403 Hualien Earthquake Fundraising Program in 2024, presenting our corporate citizenship image and fulfilling corporate social responsibility.				

Implementation Item	Implementation Status Explanation			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract	
xxviii. The Company was recognized by the HR Asia Awards for the third consecutive time, maintaining its position as the sole representative of the heavy electric power sector to repeatedly secure the 'Best Companies to Work for in Asia' title. The addition of the 'Digital Transformation Award' in 2025 further underscores our strategic achievements. These honors validate our long-term commitment to nurturing talent and fostering a supportive workplace, while reflecting the global recognition of our advancements in digitalized management and technological integration to enhance organizational effectiveness.				
xxix. 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.				
xxx. In 2025, the Company ranked among the Top 100 in the Commonwealth Talent Sustainability Awards.				
xxxi. In 2025, the Company was officially selected as a constituent of the 'Taiwan Salary Index 100'. This honor is not only a strong validation of our operational excellence but also a testament to our long-standing commitment to employee well-being and a fair compensation system. It reflects our years of dedication to enhancing salary, benefits, and incentive structures, further demonstrating our resolve to build a competitive and attractive workplace environment.				

(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 nd item of 7 th 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. https://www.fortune.com.tw/tw/Investor_integrity.aspx	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		We regularly conduct internal educational training and awareness campaigns, and have established a 'Supplier Cooperation Forum' to invite our business counterparts to participate, thereby ensuring they fully comprehend the Company’s resolve, policies, and prevention programs regarding ethical management.	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. https://www.fortune.com.tw/tw/contact_whistle.aspx	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.

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract	
(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: (1) Set up internal and external report channels, contact window, handling unit, and complaint and reporting flow. (2) Handled report cases, investigation process, results, punitive actions, and record as well as preserve relevant documentation records. (3) Keep informants' identity and accusation content in strict confidence. (4) Whistleblower's protection measure and state witness leniency.	Implemented in accordance with the regulation and no deviation.
4. Strengthening information disclosure 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: https://www.fortune.com.tw/tw/Investor_integrity.aspx	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: 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). (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. (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 th and 5 th sessions, and 36%-50% in the 6 th to 12 th 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. Statement on Internal Control: The Company has filed the information on the Market Observation Post System (MOPS). To view it, please visit the provided link:
MOPS > Single Company > Corporate Governance > Corporate Regulations / Internal Control > Internal Control Statement Announcement
<https://mopsov.twse.com.tw/mops/web/t06sg20>

2. Where the Company has commissioned a CPA to conduct a special audit of the internal control system, the CPA audit report shall be disclosed: None.

(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, 2025, implementation status and summary:

1. Proposal: The Company's 2024 Consolidated Financial Statements, Individual Financial Statements and Business Report, submitted for ratification.

Explanation: (1) The Company's 2024 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 10, 2025; 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 214,369,663 votes, 97.07% of voting rights and hereby the motion carried as it was.

2. Proposal: The Company's 2024 Profit Distribution is hereby submitted for ratification

Explanation: (1) The Company's 2024 net profit after-tax was NT\$4,286,019,569, please refer to 2024 profit distribution table (omitted) for details.

(2) For your ratification.

Resolution: Ratification votes: 214,598,799 votes, 97.17% of voting rights and hereby the motion carried as it was.

Execution status: Proposed to set August 2, 2025 as cash dividend Ex-Dividend Date and would start to pay out from August 29, 2025. (Cash dividend per share would be NT\$9)

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

Explanation: (1) In accordance with Article 14-6 of the Securities and Exchange Act and FSC Order No. 1130385442, the Company shall specify in its Articles of Incorporation that a certain percentage of its annual earnings be allocated for salary adjustments or compensation distributions for its non-executive employees.

(2) Comparison table of the original and amended provisions. (omitted)

Resolution: Ratification votes: 214,636,281 votes, 97.19% 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 June 26, 2025.

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 287,164,410 from the distributable earnings of 2024 for capitalization, issuing 28,716,441 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: 214,615,162 votes, 97.18% 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, 2025, with distribution commencing on August 29, 2025. (Stock dividend: NT\$1 per share). The Ministry of Economic Affairs' Business Development Administration approved the registration of the capital increase amendment on August 12, 2025.

5. Proposal: Amendment to the "Rules of Procedure for Shareholders' Meetings," submitted for resolution.

Explanation: (1) In accordance with Letters No. 1110004250 and No. 1080024221 issued by the Taiwan Stock Exchange, the Company has amended certain provisions of its "Rules of Procedure for Shareholders' Meetings."

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

Resolution: Ratification votes: 212,487,549 votes, 96.21% of voting rights and hereby the motion carried as it was.

Execution Status: Following approval at the shareholders' meeting, the amendment will be posted on the Company's website, and subsequent matters will be handled in accordance with the revised procedures.

Major Resolutions of Board of Directors' Meeting on March 9, 2026 and April 2, 2026:

1. Proposal: The Company's 2025 Employee, Directors remuneration distribution, submitted for review and approval.

Explanation: (1) Omitted.

(2) Proposed to allocate 6.5% of the 2025 profit as employee compensation, totaling NT\$366,114,033 (of which NT\$168,516,363 goes to non-executive employees, representing 46.03% of the total employee compensation), and 1.40% as director remuneration, totaling NT\$78,856,209. Both will be paid in cash.

Resolution: (1) Remuneration for the Directors have been approved by all Remuneration Committee members on March 9, 2026.

(2) All attending directors unanimously approved the resolution as proposed and has been submitted to the Shareholders' meeting for reporting.

2. Proposal: The Company's 2025 Consolidated Financial Statements, Individual Financial Statements, submitted for ratification.

Explanation: (Omitted)

Resolution: (1) The Audit Committee, with all attending members in agreement, approved the update to the consolidated cash flow statement and passed all other items as proposed at its meeting on March 9, 2026.

(2) All attending directors unanimously agreed to follow the update as approved by the Audit Committee and to submit it to the shareholders' meeting for approval.

3. Proposal: The Company's 2025 Business report, submitted for approval.

Explanation: (Omitted)

Resolution: (1) The proposal was unanimously approved by the attending members of the Audit Committee at its meeting on March 9, 2026.

(2) All attending directors unanimously approved the resolution as proposed, and it will be submitted to the shareholders' meeting for reporting.

4. Proposal: The Company's 2025 Profit Distribution, submitted for ratification

Explanation: The Company's 2025 net profit after-tax was NT\$4,419,436,575, please refer to 2025 profit distribution table for details. (Omitted)

Resolution: (1) The proposal was unanimously approved by the attending members of the Audit Committee at its meeting on March 9, 2026.

(2) All attending directors unanimously approved the resolution as proposed, and it will be submitted to the annual shareholders' meeting for approval of the earnings distribution plan and for reporting on the cash dividend distribution.

5. 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 315,880,850 from the distributable earnings of 2025 for capitalization, issuing 31,588,085 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: (1) The proposal was unanimously approved by the attending members of the Audit Committee at its meeting on March 9, 2026.
(2) All attending directors unanimously approved the resolution as proposed, and submitted to the shareholders' meeting for reporting.

6. Proposal: Agenda for the 2026 shareholders' meeting, submitted for resolution.

Explanation: Omitted.

Resolution: Approved unanimously by all attending directors.

7. Proposal: Full re-election of directors and nomination of candidates, submitted for resolution.

Explanation: Omitted.

Resolution: Approved unanimously by all attending directors, and submitted to the shareholders' meeting for election.

8. Proposal: Lift non-compete restrictions on directors, submitted for resolution.

Explanation: Omitted.

Resolution: Except for Directors Hsu, I-Te and Hsu, I-Sheng, who recused themselves due to conflicts of interest, eight other attending directors unanimously approved the proposal and submitted to the shareholders' meeting for approval.

9. Proposal: Amend the list of director candidates, submitted for resolution.

Explanation: Omitted.

Resolution: Approved unanimously by all attending directors and submitted to the shareholders' meeting for election.

- (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\$ thousand

Accounting Firm	CPA	Period covered by CPA audit	Audit Fee	Non-audit Fee	Subtotal	Remarks
Deloitte Taiwan	Suei Chin Lee Shih Chieh Chou	Q1 to Q3 2025	4,450	708	5,158	Non-audit fee, mainly are business tax deduction audit fees, transfer pricing, and whistleblower center services fees, change registration fee....., etc.
	Suei Chin Lee Tung Feng Lee	Q4 2025				

- (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:

(1) Information regarding the former CPAs

Date of replacement	Starting from Q4 2025.		
Reason for replacement and explanation	Due to internal work adjustments and arrangements within Deloitte & Touche. The original CPAs, Suei Chin Lee and Shih Chieh Chou, have been replaced effective from Q4 by Suei Chin Lee and Tung Feng Lee.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Parties Circumstances	CPAs	The Company
	Terminated the engagement	Not applicable	Not applicable
	No longer accepted (discontinued) the engagement	Not applicable	Not applicable
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons	None		
Disagreement with the Company?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or steps
			Other
	No	V	
	Specify details		
Other disclosures (Matters required to be disclosed pursuant to Items 4 through 7, Subparagraph 1, Paragraph 6, Article 10 of the Regulations.)	None		

(2) Information Regarding the Successor CPAs

Name of accounting firm	Deloitte & Touche
Names of CPAs	Lead signing CPA: Suei Chin Lee Co-signing CPA: Tung Feng Lee
Date of engagement	Lead signing CPA: No change Co-signing CPA: Effective from Q4 2025
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	Not applicable
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	Not applicable

- (3) The predecessor auditor's reply concerning matters under Item 1 and Item 2-3, Subparagraph 6, Article 10 of these Regulations.: Not applicable.

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, General manager, CEO, 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: shares

Title	Name	2025		Current year as of April 14, 2026	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Hsu, Bang-Fu	1,860,182	-	(7,685,704)	-
Vice Chairman	Hsu, Shou-Hsiung	2,486,376	-	-	-
Director	Shu, Yi-Cheun	116,368	-	-	-
Director & Managerial officer	Hsu, I-Te	(1,980,364)	-	-	-
Director & Managerial officer	Hsu, I-Sheng	357,331	-	-	-
Director	Weng, Jen-Pei	3,461	-	-	-
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	291,510	300,000	-	-
Managerial Officer	Hsu, I-Yang	357,126	-	-	-
Managerial Officer	Sun, Shih-Ming	(32,745)	-	(24,000)	-
Managerial Officer	Chu, Huei-Long	27	-	-	-
Managerial Officer	Ku, Fu-Chen	(134)	-	(1,000)	-
Managerial Officer	Lee, Hsiao-Li	-	-	-	-
Managerial Officer	Wang, Yiao-Fan	-	-	-	-
Managerial Officer	Tu, Cheng-Fah	-	-	-	-
Managerial Officer	Chen, Meng-Yueh	27	-	-	-
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: shares

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
Hsu, Bang-Fu	Personal financial plan	February 4, 2026	Hsu, Bang Fu No. 4 Holding Co., Ltd.	Hsu, Bang Fu No. 4 Holding Co., Ltd. preparatory office representative Hsu, Bang-Fu	1,306,570	1,080
Hsu, Bang-Fu	Personal financial plan	February 4, 2026	Hsu, Bang Fu No. 3 Holding Co., Ltd.	Hsu, Bang Fu No. 3 Holding Co., Ltd. preparatory office representative Hsu, Bang-Fu	2,489,192	1,080
Hsu, Bang-Fu	Personal financial plan	February 4, 2026	Hsu, Bang Fu No. 2 Holding Co., Ltd.	Hsu, Bang Fu No. 2 Holding Co., Ltd. preparatory office representative Hsu, Bang-Fu	1,708,090	1,080
Hsu, Bang-Fu	Personal financial plan	February 4, 2026	Hsu, Bang Fu No. 1 Holding Co., Ltd.	Hsu, Bang Fu No. 1 Holding Co., Ltd. preparatory office representative Hsu, Bang-Fu	2,181,852	1,080

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 14, 2026 / Unit: shares

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.	29,137,931	9.22%	0	0.00%	0	0.00%	Hsu, Shou-Hsiung	Chairman of this corp.	
Hsu, Shou-Hsiung	27,350,136	8.66%	10,910,610	3.45%	0	0.00%	Huang, Hsiou-Chin Hsu, Chung-Ming Hsu, Bang-Fu Hsu, Mei-Fang	Spouse Brothers Brothers Brother & Sister	
Chun Sheng Fa Corp.	13,918,300	4.41%	0	0.00%	0	0.00%	Hsu, Chung-Ming	Chairman of this corp. is son of Hsu, Chung-Ming	
Hsu, Bang-Fu	12,776,301	4.04%	1,378,334	0.44%	20,090,706	6.36%	Chen, Yen-Fang Hsu, Chung-Ming Hsu, Shou-Hsiung Hsu, Mei-Fang	Spouse Brothers Brothers Brother & Sister	
Hsu, Mei-Fang	11,167,600	3.54%	0	0.00%	0	0.00%	Hsu, Chung-Ming Hsu, Bang-Fu Hsu, Shou-Hsiung	Brother & Sister Brother & Sister Brother & Sister	
Huang, Hsiou-Chin	10,910,610	3.45%	27,350,136	8.66%	0	0.00%	Hsu, Shou-Hsiung	Spouse	
Hsu, Chung-Ming	10,254,358	3.25%	9,917,022	3.14%	0	0.00%	Kuan, Eiao-Chan Hsu, Bang-Fu Hsu, Shou-Hsiung Hsu, Mei-Fang	Spouse Brothers Brothers Brother & Sister	
Kuan, Eiao-Chan	9,917,022	3.14%	10,254,358	3.25%	0	0.00%	Hsu, Chung-Ming	Spouse	
Hsu, I-Lun	7,728,177	2.45%	0	0.00%	0	0.00%	Hsu, Chung-Ming Hsu, Bang-Fu Hsu, Shou-Hsiung Hsu, Christine Irene	Uncle & Nephew Uncle & Nephew Uncle & Nephew Brother & Sister	
Hsu, Christine Irene	7,353,847	2.33%	0	0.00%	0	0.00%	Hsu, Chung-Ming Hsu, Bang-Fu Hsu, Shou-Hsiung Hsu, I-Lun	Uncle & Nephew Uncle & Nephew Uncle & Nephew Brother & Sister	

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: shares; %

Affiliated Enterprises (Note 1)	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. (Note 2)	21,836,364	60.95	2,222,000	6.21	24,058,364	67.16
Fortune Nev Co., Ltd. (Note 3)	26,950,000	83.85	5,000,000	15.56	31,950,000	99.41
Foresee Energy Co., Ltd. (Note 4)	20,050,000	100.00	0	0.00	20,050,000	100.00

Note 1: The Company adopted equity method for investment.

Note 2: In October 2025, Fortune Electric Value Co., Ltd. conducted a cash capital increase by issuing 7.5 million shares at a premium of NT\$55 per share. The Company subscribed to 3,636,364 shares, increasing its capital to NT\$358,250,000.

Note 3: Fortune Nev Co., Ltd. was approved for incorporation on January 6, 2025. On February 24, 2025, the company completed a capital increase of NT\$219,900,000, which was approved on February 27, 2025, with a total paid-in capital of NT\$220,000,000; following the registration of a capital reduction on July 17, 2025, the total paid-in capital was reduced to NT\$219,416,000. On January 21, 2026, a capital increase of NT\$101,984,000 was processed and approved on February 11, 2026, bringing the total paid-in capital to NT\$321,400,000. Following the capital increase, the Company holds 26,950,000 shares, representing an 83.85% ownership stake.

Note 4: Foresee Energy Co., Ltd. was approved for incorporation on December 5, 2025.

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 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 Capital surplus transferred: 40,979,500 Capital Increase: 32,184,000 SECAPN19921029 (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 Capital surplus transferred: 20,000,000 SECAPN1993060 (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 SECAPN19941118 (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 SECAPN19950616 (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 Capital surplus transferred: 13,272,920 SECAPN19960624 (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 Capital surplus transferred: 7,655,900 SECAPN19970528 (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 SFIAPN19970915 (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 Capital surplus transferred: 86,767,670 SFIAPN19980519 (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 Capital surplus transferred: 119,620,070 SFIAPN19990601 (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 Capital surplus transferred: 154,682,410 SFIAPN20000607 (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 Capital surplus transferred: 87,496,330 SFIAPN20010705 (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 SFIAPN20020708 (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 TWSEAPTWSUP 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 TWSEAPTWSUP 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 FSCDC20080813 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 FSCDC20090817 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 FSCDC20000728 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 FSC Effective Date: July 5, 2024	NONE	NONE
07/2025	10	500,000,000	5,000,000,000	315,880,844	3,158,808,440	capitalization of retained earnings: 287,164,410 FSC Effective Date: July 3, 2025	NONE	NONE

Type	Shares	Authorized Capital			Remarks
		Outstanding Shares (Public Listed Company)	Un-issued Shares	Total Shares	
Registered Common Shares		315,880,844	184,119,156	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 14, 2026/ Unit: shares

Name of Major Shareholders	Shares	Percentage
Hua Cheng Investment Corp.	29,137,931	9.22%
Hsu, Shou-Hsiung	27,350,136	8.66%
Chun Sheng Fa Corp.	13,918,300	4.41%
Hsu, Bang-Fu	12,776,301	4.04%
Hsu, Mei-Fang	11,167,600	3.54%
Huang, Hsiou-Chin	10,910,610	3.45%
Hsu, Chung-Ming	10,254,358	3.25%
Kuan, Eiao-Chan	9,917,022	3.14%
Hsu, I-Lun	7,728,177	2.45%
Hsu, Christine Irene	7,353,847	2.33%

- (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 2025 profits distribution was passed at the Board Meeting on March 9, 2026, with NT\$11.00 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 2026, 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 (profit being defined as pre-tax profit before deducting employee compensation and director remuneration), the Company shall first reserve a sufficient amount to cover any accumulated losses (including adjustments to retained earnings), if any. Then, from the remaining amount, no less than 3% shall be allocated as employee compensation (of which no less than 20% shall be distributed to non-executive employees), and no more than 2% as director remuneration. However, employee compensation may be paid in shares or cash, while director remuneration may only be paid in cash. These matters shall be resolved by the Board of Directors and subsequently reported to the shareholders' meeting.

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 9, 2026, the Board of Directors approved the allocation of 2025 employee compensation in cash of NT\$ 366,114,033 (of which, non-executive employees received NT\$168,516,363, accounting for 46.03% of total employee compensation) and director remuneration of NT\$78,856,209.

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

2025 actual pay out to Employee of Cash at NT\$283,163,880 and the Directors' compensation at NT\$79,285,886, 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 AC and 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 achieve Taiwan's 2050 Net-Zero Emissions goal, installing 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	2025
Transformer	73.61
Distribution Board	7.29
Contract construction	5.69
Devices for power distribution	3.69
Electricity sales	0.05
Other	9.67
Total	100.00

3. New product planning

Three-phase Y/D switchable special-purpose transformers, and simplified maintenance-free breather units.

(2) Industry overview

1. Industry Status and Development

The heavy electrical equipment industry has long served as the foundation of industry. The company's main products: transformers and distribution board are essential components required across all power systems, from power generation, transmission, and distribution by utility companies to industrial construction and expansion projects, as well as various public infrastructure initiatives. They form a critical link within the heavy electrical equipment industry, which encompasses power generation, transmission, and distribution. Although the sector was impacted by U.S. reciprocal tariffs in 2025, as the impact subsides and driven by strong demand for electricity from AI, global power infrastructure continues to expand, and the global power equipment market is expected to continue growing in 2026.

- (1) After the Executive Yuan formulated a comprehensive plan to promote the 'Taiwan 2050 Net-Zero Emissions Pathway'—encompassing energy efficiency, renewable energy generation, energy storage, and smart system integration—supporting policies and initiatives have emerged in rapid succession. 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. The explosive growth of AI will drive electricity demand higher and faster than in the past. In response, the government is now pushing forward with the addition of over 20 new gas-fired combined-cycle power generation units.

- (2) In riposte to the nationwide power outage caused by the 303 incidents on March 3rd, 2022 which raised concerns regarding the stability of the domestic power grid system. Taipower hosted a press conference on September 15 of 2022 and announced “Power Grid Resilience Project” which will invest NT\$564.5 billion over ten years. Being ready to completely enhance the national power grid capability to unforeseen incidents and 2050 net zero transformation goal, the Company will actively participate in government projects by providing relevant products and engineering services to improve Taiwan's power network.
- (3) As a result of the U.S. government's “America First” policies, U.S. companies have moved manufacturing back to the country, increased infrastructure investment, and shown greater support for the energy industry. In addition to plant construction and expansion driving demand for power equipment, emerging technologies such as AI data centers and edge computing AI applications continue to thrive. This has led to a supply-demand imbalance in power equipment, and the transformer market has grown 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).

In March 2026, seven major U.S. tech giants committed to building their own power plants and expanding investment in power infrastructure to meet AI-driven electricity demand, which in turn will increase demand for transformers and other power equipment in North America. For new economic bodies in South Eastern Asia, power generation equipment is vital for resources development to uplift the economy situation. As transformer sales are expected to look good for the next 5 to 10 years, global concern regarding the environment and energy cost has been increased, which will result in continued development of renewable energy stations. Currently, the global market for power equipment such as transformers is in 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) Southeast Asian developing countries are currently pursuing projects related to smart grid infrastructure, renewable energy, and data centers; however, given the high level of risk involved, we must proceed cautiously and manage each step with care.

- (6) With the expansion of the electric vehicle market and the trend toward net-zero emissions, related industries are developing rapidly. From a global market perspective, the EV industry continues to show structural growth. According to statistics from the International Energy Agency (IEA) and various international research institutions, global EV sales hit a new record high in 2025, with global penetration exceeding 18%. Major markets such as China, Europe, and North America continue to see double-digit growth. Overall, while the growth rate has moderated in some regions, total global EV sales continue to rise, and the industry's development trajectory remains unchanged. Countries around the world continue to push forward with charging infrastructure as a key component of their energy transition efforts. Charging infrastructure, as a foundational industry, offers long-term demand resilience and strategic value.
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, newly built 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 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 has always insisted on high quality, we have maintained a certain competitive advantage in product competitiveness. To ensure long-term survival and maintain our edge, we continue to strive in all aspects of QCDS (Quality, Cost, Delivery, Service) by refining our product and service quality and delivery, committed to enhancing quality and delivery by evolving from 'On time and on quality' to 'Premium Speed and Superior Quality'." This ongoing commitment allows us to consistently earn the trust and orders of customers both domestically and abroad.
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 the electric vehicle charging field, in addition to having in-house R&D and manufacturing capabilities to produce and sell our own products and provide car manufacturers with EV charging hardware, installation, and turnkey services, we have also independently developed an EV charging app that allows users to locate charging stations, navigate to them, activate charging, and make payments. Combined with our deployed network of charging stations across Taiwan, we offer a one-stop service model for EV owners nationwide. We also continue to optimize home charging equipment and upgrade our system platform to deliver a safe, convenient, and highly efficient charging experience.

(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 thousand

Year	Amount	Ratio to Income
2025	397,975	1.63
Q1 2026	126,710	2.66

Product Specification successfully developed	Results
Export Three-Phase Pad-Mounted Transformers	Successful compliance with DOE (U.S. Department of Energy) high-efficiency energy-saving standards and IEEE C57.12 pad-mounted transformer standards.
Export Special Three-Winding Pad-Mounted Transformers	Successful compliance with DOE (U.S. Department of Energy) high-efficiency energy-saving standards and IEEE C57.12 pad-mounted transformer standards.

- (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. Driven by the government's 'Taiwan 2050 Net-Zero Emissions Pathway' policy, there has been an intensive deployment of solar PV, offshore wind power, and new energy storage systems, ..., 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 'Taiwan 2050 Net-Zero Emissions Pathway' 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 “power grid resilience project” of Taipower, 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, a 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 “power grid resilience project” of Taipower, the demand for electronical equipment and related engineering services will have significant growth in the next 10 years.
- (3) To reach 'Taiwan 2050 Net-Zero Emissions Pathway,' goal, expanded 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 TaiPower 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 drive innovation in both products and operations, aiming to become a benchmark enterprise in the green energy field. Our efforts include: developing a number of energy-saving power transmission and distribution equipment; advancing renewable energy; building several MW-level solar power plants; establishing MW-level energy storage systems (including the distributed power system project at the R&D Building of the Hsinchu Biomedical Science Park – featuring 741kW/2,964kWh of storage, which was the largest project of its kind in Taiwan at the time, as well as the Hualien Minxin Wansheng 69kV/50MW/203MWh energy storage project, a private-sector project); deploying smart grids; undertaking onshore electrical and mechanical engineering for offshore wind power; and expanding into the electric vehicle charging sector. Within the EV ecosystem, the Company continues to integrate R&D and manufacturing of EV charging equipment, engineering and installation, EMS (energy management systems), charging station operations, and member service platforms. We are deepening the “park and charge” service model and, through successful bids for public tenders and our leadership in high-power charging technology, we are solidifying our key position in the industry. In addition to the above efforts in green energy products and markets, we began participating in investments in large-scale solar power plants in 2021, actively engaging in the green energy business.

Disadvantages

- (1) Manufacturing of heavy-duty electrical product requires more experienced skill workers; but with minimum wage being increased constantly, manufacturing cost has been increased relatively.
- (2) 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.
- (3) Fluctuation of foreign currency rate of exchange somewhat impacted on competitiveness and profitability of export markets.
- (4) Factors such as war and infrastructure development have caused significant price fluctuations in key raw materials such as copper, iron, and oil.

Countermeasures

- (1) Accelerate R&D of new products to differentiate in the market, widen the gap with competitors, and increase revenue and profitability.
- (2) Utilize international division of labor and global sourcing by procuring components or semi-finished products from cost-competitive regions for processing, assembly, and subsequent sales.
- (3) Continue to promote the “Supply Chain Resilience Plan,” accelerate the development of key/long-lead-time multi-source suppliers, solidify core partnerships, enhance loyalty to secure priority cooperation advantages, and establish long-term cooperation and joint safety stock mechanisms to create win-win outcomes.
- (4) In response to price fluctuations in major raw materials, shorten quotation validity periods and add price adjustment clauses.
- (5) Fully leverage bilateral market openings resulting from the government's WTO accession to actively pursue export opportunities.
- (6) Reduce costs and enhance competitiveness, with the goal of offering low prices, good quality, and good service.
- (7) Continue to develop new customers and new agents; those with poor performance or unsuccessful cooperation will be replaced.
- (8) Since major materials are also primarily transacted in USD, which provides a natural hedge, combined with the use of forward exchange rate hedging mechanisms in financial operations, the impact of USD appreciation on imported raw materials is minimized.
- (9) Integrate group resources, collaborate with external quality partners for professional complementarity, cross-industry alliances, and technical cooperation. Seize opportunities in smart grids, energy transition, net-zero emissions, and AIDC. Expand into diverse upstream and downstream energy sectors, enter the most suitable fields, and adopt optimal group investment models to provide competitive and forward-looking solutions that meet customer needs, driving revenue and profit growth.
- (10) Actively cooperate with construction projects during the design phase by providing pre-sales services that optimize electrical and mechanical configurations, in order to secure opportunities for electrical and mechanical engineering contracts.

- (11) Provide differentiated pre-sales and after-sales services such as “24-hour emergency power restoration system,” “emergency power restoration equipment supply,” and “expanded maintenance services” as part of a value-added manufacturing-plus-services strategy, implementing the secondary and a half industry business model.
 - (12) Continue to promote smart manufacturing and implement AI-driven intelligent digital management systems to improve product quality and work efficiency. Refine core products/businesses to enhance international competitiveness, building core capabilities around “short delivery times,” “customer orientation,” and “profitability” to meet and even exceed customer needs and satisfaction.
- (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:

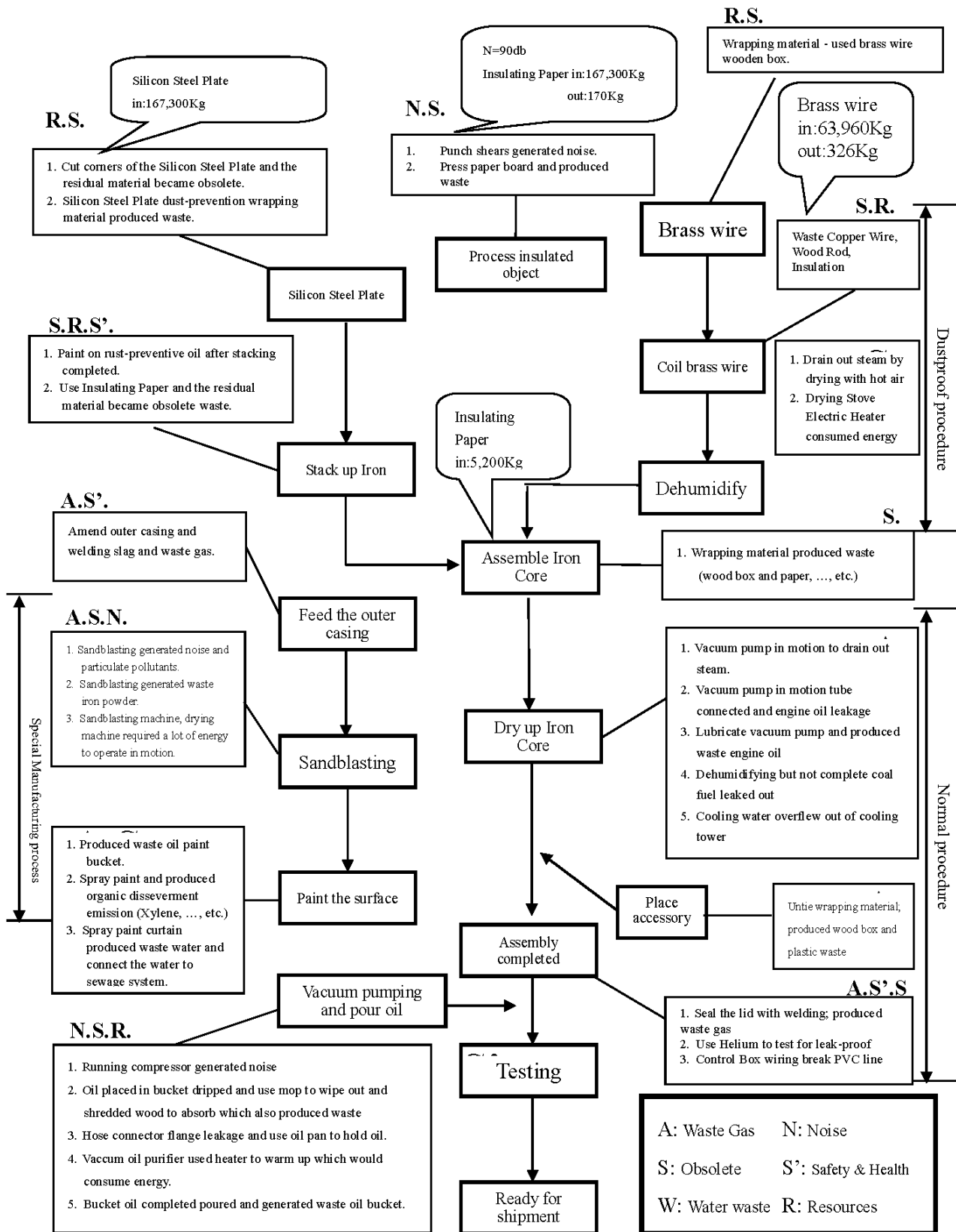
Switch box, electricity board, control board, and power distribution box, with system protection and coordination functions namely, activating, and deactivating devices, surveillance and safety detachment, in power plant, transmission and distribution system’s substation, factory, public facilities, 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

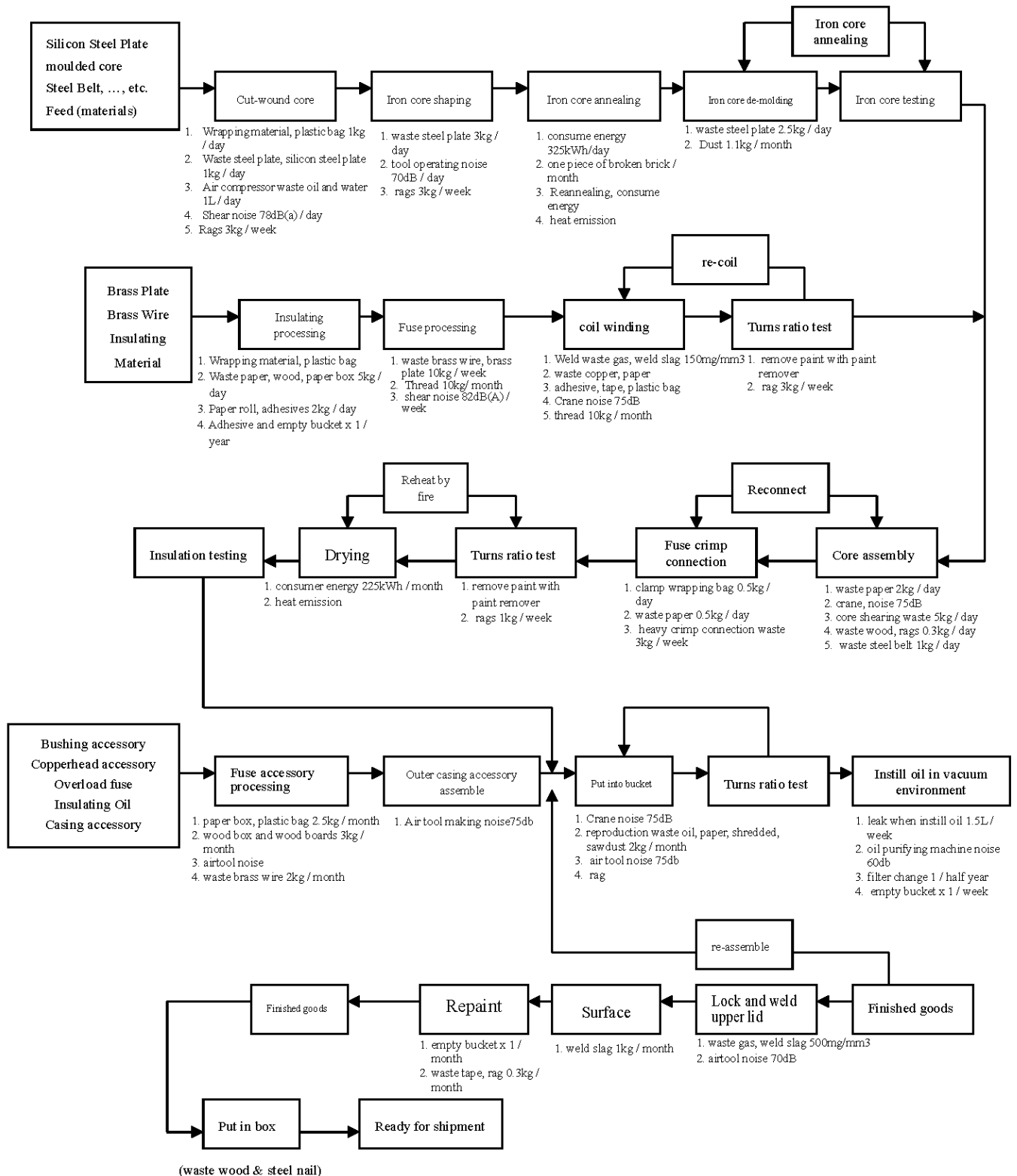
(1) Power Transformer production Diagram:

Power Transformer Production Diagram

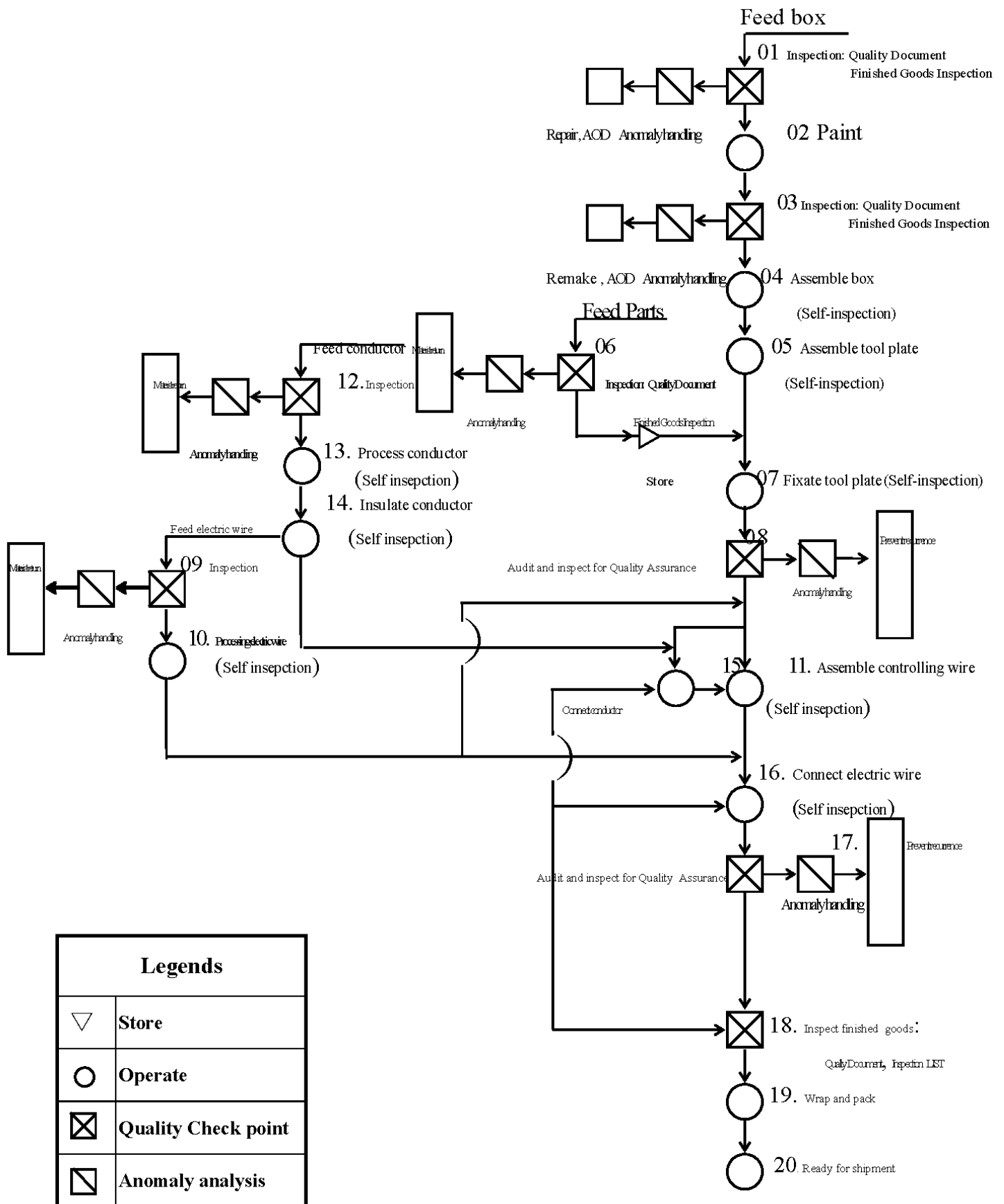


(2) Distributed transformer manufacturing diagram:

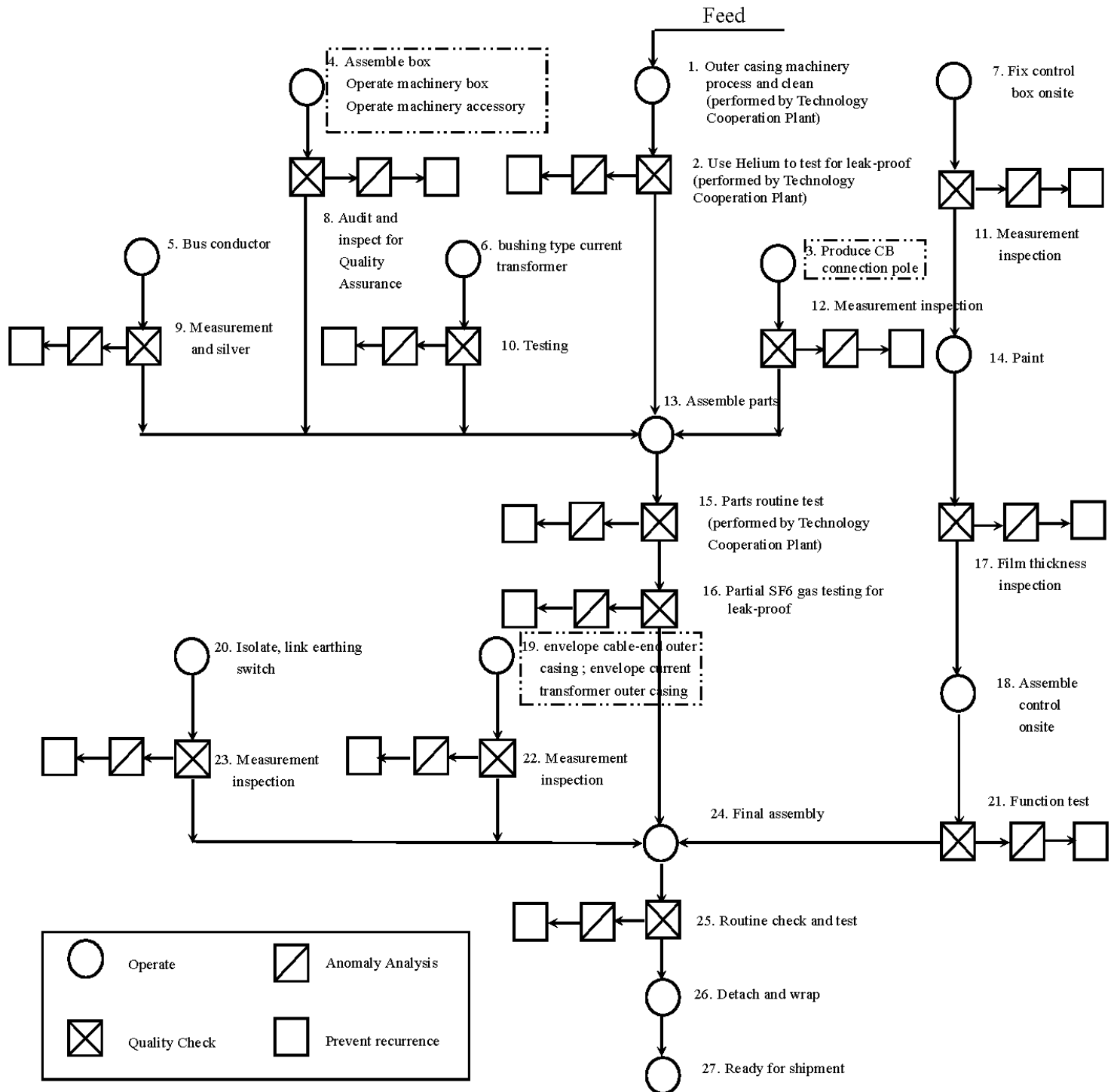
Distributed Transformer Manufacturing Diagram



(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, name, amount and ratio and the rational for increase or decrease

1. Any Suppliers commanding 10%-plus share of annual order volume: None.
2. Any Customers commanding 10%-plus share of annual sales volume: As table below

Unit: NT\$ thousand

NO	2025				2024				Up to Q1 in 2026			
	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 Q1 (%)	Relation with issuer
1	A	5,339,613	22	Non-Related party	A	3,900,757	19	Non-Related party	A	1,028,702	22	Non-Related party
2	C	3,473,004	14	Non-Related party	C	817,201	4	Non-Related party	C	366,355	8	Non-Related party
3	B	3,190,476	13	Non-Related party	B	3,840,771	19	Non-Related party	B	672,557	14	Non-Related party
	Other	12,419,964	51		Other	11,644,050	58		Other	2,688,901	56	
	Net sales	24,423,057	100		Net sales	20,202,779	100		Net Sales	4,756,515	100	

1. Compared to 2024, current year sales to Company A increased 36.89%, mainly benefited from the demand impact of power grid resilience project.
2. Compared to 2024, current year sales to Company B decreased by 16.93%, mainly due to adjustments made to align with customer project schedules.
3. Compared to 2024, current year sales to Company C increased by 324.99%, mainly benefited from international demand for power infrastructure continues to expand.

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		2025	2024	Up to Publication date of the Annual Report
No. of Staff	Business Management	360	308	354
	Indirect manufacturer	430	351	451
	Direct Manufacturer	719	635	732
	Total	1509	1294	1537
Average Age		37.92	37.91	38.05
Average Seniority		7.91	8.28	7.96
Education Distribution	P.H.D.	0.27	0.15	0.26
	Master	12.19	11.13	12.04
	College	56.33	56.03	56.99
	Senior High School	25.25	25.43	24.85
	Under Senior High School	5.96	7.26	5.86

Note: This table represents consolidated data (excluding overseas subsidiaries).

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 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 and plant at Extra High Voltage Co. 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 1st 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 1st 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 celebrations; employee injury/sickness consolation; marriage/bereavement subsidies; childbirth subsidies; childcare benefits, fertility treatment subsidies and fertility treatment leave, child schooling companion leave, New Year's Eve leave, year-end parties, and lottery draws, incentives for employees completing half an year, as well as 1, 5, 10, 15, 20 and 30 years of service, active aging grants, employee stock ownership trusts, and more.

(2) Employee Daily Care

Food: Free lunch or 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.

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 outstanding talent, as well as 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.

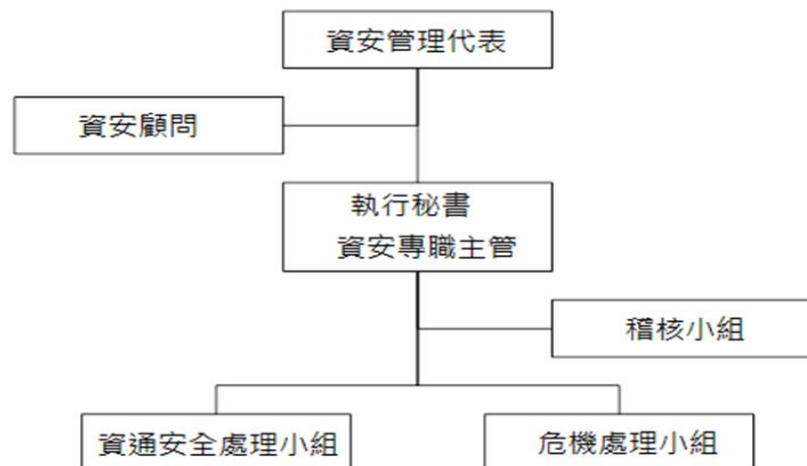
- F. Cultivating international talent by establishing international marketing, technical, and service teams to expand into overseas markets.
 - G. Ensure training quality and effectiveness by implementing the organizational operations of employee training committee.
 - H. TTQS evaluation won a Silver 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, professional skill certification and expert system evaluations.
 - (4) According to annual training plan execution, there were 1,075 participants in 2025 and total training hours were circa 10,753 hours and total training expenses were NT\$7,943,000
3. Pension system
- (1) Old-System Pension Plan for Employees: The Company has established sound retirement system to protect the rights of employees who opt for the old-system pension plan. In addition to gradually increasing the contribution rate each year, the Company also makes monthly contributions to the “Employee Retirement Reserve Fund,” deposited with the Bank of Taiwan to earn interest, in order to adequately prepare for employees' retirement needs.
 - (2) New-System Employee Retirement Operations: In accordance with the Labor Standards Act and relevant regulations, the Company contributes 6% of each employee's insured salary to their individual retirement account each month. Additionally, the Company facilitates employees' voluntary retirement savings contributions to assist them in accumulating retirement funds.
 - (3) Deferred Retirement Mechanism: Employees aged 65 or older may initiate the deferred retirement process in accordance with Company regulations to extend their service years and accumulate additional retirement benefits.
 - (4) The Company has established an Employee Stock Ownership Trust Plan aimed at helping employees accumulate long-term wealth, providing stable financial planning, ensuring their financial security after retirement or resignation, and further strengthening the employee welfare system. This enhances employees' identification with and sense of belonging to the Company's long-term development, and aligns with the Company's philosophy of sustainable operations.
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) Employee Opinion Survey
Regularly conduct employee opinion surveys, compile and analyze the data, and use the results as a basis for reviewing, improving, and optimizing various policies and systems. The goal is to continuously enhance employee satisfaction and the overall work experience. The survey process and results are kept strictly confidential to ensure that employees' feedback remains secure and unaffected. Upon completion of the survey, the Company will compile and analyze the results, provide feedback to employees regarding improvement measures and follow-up plans, and implement a people-centric sustainable business philosophy.
 - (4) Labor relations
The Company's labor relations 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.
 - (6) Personal Data Protection
The Company places great importance on the protection of employees' personal data. Since 2017, we have established a management policy, and in 2025, we conducted company-wide personal data protection training, with a total of 1,204 participants. In 2025, a total of 160 individuals submitted personal data requests in accordance with the management policy and received protection.
- (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. Cyber Security Management

1. Cyber Security Management framework, policy and specific management practices and resources used in management of cyber security were clearly stated.

- (1) Cyber Security Management framework, and Roles and Responsibilities



Representative of Cyber Security Management:

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

Executive Secretary (Dedicated Cyber Security Chief):

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

Cyber Security Handling Team:

Executive Secretary, being appointed by Representative of Cyber Security Management, assembled business related personnel to form such team, comprising 4 members responsible to plan and execute all cyber 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) Cyber Security Policy:

- Implement Cyber 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 June 18, 2025 to April 1, 2026. In accordance with the steps of ISO27001 Information Security Management System, to implement the cyber security management system. Overall cyber management system, implementation of operation, surveillance censorship was established to continuously monitor related conformities, software and hardware facilities, to satisfy cyber security management goal.

The Company procure software and hardware equipment on a timely to ensure cyber 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 cyber 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: 1. Sulfur hexafluoride gas-insulated : 12~69kV and 3~30MVA 2. Sulfur hexafluoride gas-insulated : 12~161kV, 31~100MVA 3. Oil-immersed: 346~400kV and 32~300MVA 4. Oil-immersed: 161kV and 651~750MVA 5. Oil-immersed: 345kV and 651~1000MVA 6. Oil-immersed: 345kV and 1001~1300 MVA 7. Oil-immersed: 346~400kV and 301~400MVA 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. 2. Technology provider's trademark and commercial name would not be authorized for use. 3. During the term or after the termination of the contract, technology provided by the technology provider cannot be disclosed to third party. 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. 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. 6. If early termination was caused by FE, FE needed to return all technology data to technology provider. 7. All technology transfer without technology provider's written consent is not valid.
Technical Cooperation	Germany ABB Co., Calor Emag GmbH	From September 23 rd , 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. 2. Cooperator has to purchase breaker from technology provider. 3. Cooperator will not disclose to non-related third party about any information obtained from technology provider. 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. 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 th , 2017 till July 9 th , 2027	Resistor: 1. 161kV and 80MVA 2. 161kV and 40MVA 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. 2. Technology provider's trademark and commercial name would not be authorized for use. 3. 10 years after this contract's validity, technology provided by the technology provider cannot be disclosed to third party. 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. 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. 6. If early termination was caused by FE, FE needed to return all technology data to technology provider. 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 nd , 2011. Period would be 20 years, starting from 1 st 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\$ thousand

Item \ Year	December 31, 2025	December 31, 2024	Difference	
			Amount	%
Current Assets	21,541,017	18,137,555	3,403,462	18.76
Property, Plant and Equipment	3,221,606	2,283,435	938,171	41.09
Investment accounted for using the equity method	1,948	2,230	(282)	(12.65)
Intangible Assets	60,895	67,014	(6,119)	(9.13)
Other Assets	3,385,297	1,379,163	2,006,134	145.46
Total Assets	28,210,763	21,869,397	6,341,366	29.00
Current Liabilities	13,013,734	11,143,586	1,870,148	16.78
Non-current liabilities	4,376,841	1,951,948	2,424,893	124.23
Total Liabilities	17,390,575	13,095,534	4,295,041	32.80
Equity Attributable to Owners of the Company	10,583,171	8,682,790	1,900,381	21.89
Share Capital	3,158,808	2,871,644	287,164	10.00
Capital Surplus	133,747	87,022	46,725	53.69
Retained Earnings	7,413,374	5,889,870	1,523,504	25.87
Other Equity	(122,758)	(165,746)	42,988	25.94
Non-controlling interests	237,017	91,073	145,944	160.25
Total Equity	10,820,188	8,773,863	2,046,325	23.32

Explanation: (variance over 20%)

1. Property, plant, and equipment increased mainly due to the expansion of the Guan Yin plant.
2. Other assets and total assets increased mainly due to the acquisition of right-of-use assets and financial assets measured at fair value through other comprehensive income.
3. Non-current liabilities and total liabilities increased mainly due to an increase in lease liabilities and long-term borrowings.
4. Capital surplus increased mainly due to the recognition of changes in the equity of subsidiaries.
5. Retained earnings and total equity rise is a result of current year profit increase.
6. Other equity increased mainly due to the impact of unrealized gains or losses on financial assets measured at fair value through other comprehensive income
7. Non-controlling interest increased mainly due to a cash capital increase by a non-wholly-owned subsidiary.

2. Financial Performance

(1) Business Results Comparative Analysis

Unit: NT\$ thousand

Item \ Year	2025	2024	Difference	
			Amount	%
Operating Revenues	24,423,057	20,202,779	4,220,278	20.89
Operating Costs	14,537,739	12,818,086	1,719,653	13.42
Gross Profit	9,885,318	7,384,693	2,500,625	33.86
Operating Expenses	4,658,162	2,494,149	2,164,013	86.76
Profit from Operations	5,227,156	4,890,544	336,612	6.88
Non-operating Income and Expenses	381,981	548,780	(166,799)	(30.39)
Profit before Income Tax	5,609,137	5,439,324	169,813	3.12
Income Tax Expense	1,242,009	1,168,328	73,681	6.31
Net Profit for The Year	4,367,128	4,270,996	96,132	2.25
Total other comprehensive income	18,700	(63,441)	82,141	129.48
Total comprehensive income	4,385,828	4,207,555	178,273	4.24

Explanation:

1. Current year's operating revenue and gross profit growth were mainly driven by an increase in exports and government projects.
2. Operating expenses increased compared to the same period last year, mainly due to higher export costs resulting from a rise in the proportion of exports, as well as the impact of U.S. reciprocal tariffs.
3. Non-operating net income decreased mainly due to an increase in net exchange losses.
4. Other comprehensive income increased, mainly due to the impact of increases in unrealized gain on investments in equity instruments at fair value through other comprehensive income.

(2) Sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response:

1. Sales volume forecast and the basis therefor:

Please refer to Item 2, 2026 Business Plan Summary, under “I. Letter to Shareholders” in this annual report.

2. Effect upon the company's financial operations as well as measures to be taken in response

Please refer to Item 2, 2026 Business Plan Summary, under “I. Letter to Shareholders” and Item 3, “Impact of the Company’s development strategy, affected by external competition, regulatory environment, and overall business operating situation in the future” in this annual report”

3. Cash Flow Analysis

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

Unit: NT\$ thousand

Item \ Year	2025
Cash flow - Operating activities	5,961,517
Cash flow - Investing activities	(1,900,800)
Cash flow - Financing activities	(1,731,043)
Effect of exchange rate to cash and cash equivalents	(14,814)
Net increase in cash	2,314,860
Increase/decrease explanation:	
(1) Net cash inflows from operating activities for the current year were mainly attributable to strong profitability, a decrease in contract assets, and increases in accounts payable, contract liabilities, and other payables..	
(2) Net cash outflows from investing activities for the current year were mainly attributable to facility construction, the purchase of production-related equipment, and the acquisition of financial assets measured at amortized cost.	
(3) Net cash outflow from financing activities for the current year was mainly due to the payment of cash dividends.	

2. Analysis of Cash Flow in the Next Year

Unit: NT\$ thousand

Cash, Beginning of Year Balance①	From operating activities Net Cash Flow②	Annual Cash used ③	Residual Cash ① + ② - ③	Insufficient cash and countermeasures	
				Investment plan	Financing plan
\$3,650,004	\$4,343,771	\$ (4,094,929)	\$ 3,898,846	-	-
1. Analysis of change of Cash flow in the Next Year					
(1) Operating activities: Mainly due to profitability in 2026.					
(2) Investing activities: Mainly for the acquisition of property, plant and equipment.					
(3) Financing activities: Mainly due to the payment of cash dividends.					
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\$ thousand

Planned item	Actual or Planned Source of Capital	Actual or Planned Date of Completion	Total Capital	Actual or Expected Capital Expenditure				
				2025	2026	2027	2028	2029
Fixed Assets and Software equipment etc.	Operating capital / loans	2026	\$2,497,919	\$1,272,983	\$1,224,936	-	-	-

2. Expected Benefits:

In response to the growing demand for green energy, the power grid resilience project, strong demand for AI, and the growth momentum of power infrastructure construction, we have renovated factory buildings, purchased production equipment and software equipment, and optimized production lines to enhance production capacity. The construction of the new factory building at Guan Yin III Plant has been completed, which will increase productivity to meet revenue growth..

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

(1) Reinvestment Policy

The Company's long-term investment strategy is based on vertical integration with related industries, horizontal strategic alliances, and future energy development trends as investment considerations. We are deploying investments across diverse upstream and downstream sectors of the energy industry, targeting the most suitable areas and adopting the most effective group synergy investment model to enhance the Company's competitiveness and profitability.

(2) Main Reasons for Profit or Loss from Reinvestments

The investment income recognized under the equity method for 2025 was NT\$1,522,550 thousand, mainly attributable to the continued profitability of Fortune Electric Extra High Voltage Co., Ltd.

Fortune Electric Extra High Voltage Co., Ltd. benefits from the Company's long-term advantages in developing the U.S. transformer market and its convenient port location. The company is not only committed to the global export market for large transformers but also actively pursues orders for transformers inside wind turbine towers, electromechanical modules, and wind turbine nacelle assemblies from offshore wind power plant developers. In 2025, the company's revenue reached NT\$5.4 billion, with profits amounting to NT\$1.406 billion. In 2026, the company continues to benefit from Taipower's power grid resilience project, strong AI demand, and U.S. transformer demand, with a promising outlook for the future. The company will execute a plant expansion plan in 2026, expected to be completed by Q2 2027, to meet production capacity demands.

The Company has been deeply invested in the electric vehicle sector for many years and remains optimistic about its growth trajectory. In 2021, we spun off our charging operations division to establish Fortune Electric Value Co., Ltd. and brought in strategic investors. In October 2025, we conducted a cash capital increase by issuing 7.5 million shares at a premium price of NT\$55 per share to expand our business and fully commit to providing higher-quality charging services. As electric vehicles have not yet become widespread, the company is currently not yet profitable. Furthermore, due to the impact of Trump's reciprocal tariffs this year, the overall Taiwanese automotive market has performed poorly. Since Fortune Electric Value's revenue is highly correlated with the automotive market, its revenue performance this year has also been unsatisfactory, resulting in increased losses, 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.

(3) Investment Plan for the Coming Year

The Company will continue to carefully evaluate its investment plans from a long-term strategic perspective, with a focus on strengthening its global competitiveness.

With the global retail industry undergoing a wave of digital transformation and sustainable development, the Company established Fortune Nev Co., Ltd. in January 2025. Centering on the core concepts of “Futuristic Aesthetics × Family Interaction × Five-Sense Experiences,” and integrating AI technology with artistic and creative curation, the project aims to create an immersive, next-generation shopping mall, scheduled to open in the second half of 2027.

In response to the national 2050 net-zero emissions roadmap and to align with the “Greater Silicon Valley Plan,” the Miaoli County Government is actively promoting a green energy transition. The Company was selected as the preferred applicant and, in December 2025, established Foresee Energy Co., Ltd. to sign a BOT agreement with the Miaoli County Government for the Hydrogen Industry Zone (Mountain Line) Project. Initially, the project will focus on renewable energy hydrogen production to develop green hydrogen demonstration applications. Concurrently, it will introduce and validate silicon-based hydrogen production technologies, integrating the needs of industrial chains spanning semiconductors, materials, and energy applications. The goal is to create a multi-functional energy hub that combines R&D validation, industrial demonstration, and educational exhibition capabilities.

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 55~59 of the 2025 Consolidated Financial Statements for detailed description.

Due to factors such as war and infrastructure demand, prices of key raw materials such as copper, iron, and oil have been highly volatile. In response to these raw material price fluctuations, we have shortened quotation validity periods and added price adjustment terms.

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:

The Consolidated Company has not engaged in any high-risk or highly leveraged investments, nor has it provided loans to others. Guarantee was provided only for jointly invested relationships according to their shareholding ratio. No derivative transactions were conducted during the current year.

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\$ 2,000 thousand and above)

Unit: NT\$ thousand

R&D Item	Progress	Additional R&D cost	Estimated production date	Key factors affecting success of R&D in the future
Expandable Mobile Energy Integration System for Home Use	40%	16,500	December 2026	Key component supply and proprietary Energy Management System (EMS) technology integration capabilities.
Gas-insulated Switchgear Using Environmentally Friendly Gas	85%	10,000	July 2026	Passed Taipower's manufacturing capability assessment
Export Three-Phase Aluminum Conductor Transformer	20%	3,950	March 2026	Meets IEEE electrical strength requirements and transformer temperature rise test requirements.
Micro Smart Energy Cabinet System	70%	3,500	December 2026	Core competencies include hardware equipment integration capabilities and proprietary Energy Management System (EMS) technology.
IEC 61850 Laboratory Establishment and Manufacturing System Capability Verification	63%	2,000	January 2027	1 Obtain IEC cybersecurity certification for the laboratory. 2. Obtain Taipower bidding qualification.
Development of an Intelligent Automatic Voltage Regulation Device for Transformers	99%	2,000	December 2026	The performance of the equipment in real-world grid environments (such as the ends of long-distance feeders) when transitioning from factory testing to field trials.

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

Recent years have brought some uncertainty to our operating environment, with U.S. tariff policies, global supply chain shifts, and ongoing changes in sustainability disclosure and carbon management rules. When it comes to trade policy, U.S. tariffs could affect the cost structure and pricing of the products we export. We work with customers case by case to manage these impacts, by adjusting contract terms or sharing costs where needed. Overall, these steps have helped cushion the blow from tariff policies, keeping the impact within a manageable range. What's more, as the Taiwan-U.S. trade initiative moves forward and demand for power infrastructure keeps growing, our export business to the U.S. has stayed on a stable track. On the supply chain and sustainability front, we continue to diversify our sourcing, carry out carbon inventories, and strengthen management mechanisms to handle supply chain risks and stay ahead of regulatory requirements.

Overall, the impact of the aforementioned policies and regulatory changes on the Company's finances and business operations remains manageable; however, we will continue to closely monitor relevant policy developments.

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.
- As AI data centers grow fast, high-power-density computing equipment needs more stable and efficient power supplies, which is pushing 800V HVDC power architectures to become mainstream. In addition, cybersecurity risks are growing as smart grids and digital power systems come online, which could affect our operational stability and customer trust.

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.
- Driving Technological Innovation
The Company is making a serious push into the power electronics sector, bringing together technical resources from both domestic and international sources, building on our core strength in high-voltage insulation design, and beefing up our system integration capabilities. At the same time, we're zeroing in on the HVDC high-voltage power distribution market for AI data centers, to boost product value and market competitiveness. All of this is driving our transformation from a traditional power equipment supplier into a provider of advanced power solutions, which helps ensure long-term growth and the ability to manage risks.
- 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.
We take cyber security seriously and keep working to strengthen our overall security measures to ensure our IT systems and operations run smoothly. We've rolled out tracking protection mechanisms, put all external website systems under WAF protection, and adopted VPN two-factor authentication to make remote connections more secure. At the same time, we regularly run system vulnerability scans and security monitoring, and we've set up security incident reporting and response

procedures to keep security risks from hurting our operations. Going forward, we'll keep sharpening our cyber security management systems and protective measures to build up our overall defenses.

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 keep delivering reliably and hold onto key customer orders, the fourth power transformer plant, which we started building in 2025, was completed in January 2026. This not only boosts production capacity but also lets us integrate our full product line, from 11 kV to 500 kV, into the plants best suited for each, improving production efficiency and helping us meet delivery timelines for all voltage levels and capacities. Sticking to our service philosophy of “addressing customer pain points,” we've earned long-term customer trust, and they keep buying transformers with higher voltage ratings and larger capacities. That's how we've been able to widen the gap with competitors and grow our market share.
9. Pro Forma centralized purchase or sales risk: NONE.
In the recent two Years, Taipower and the public sector have maintained an approximately 24% share, while export sales and private sector sales are 51% and 25%, 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 56 of this Annual Report 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 4.61σ, 4.45σ, and 4.93σ, 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 inappropriate 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

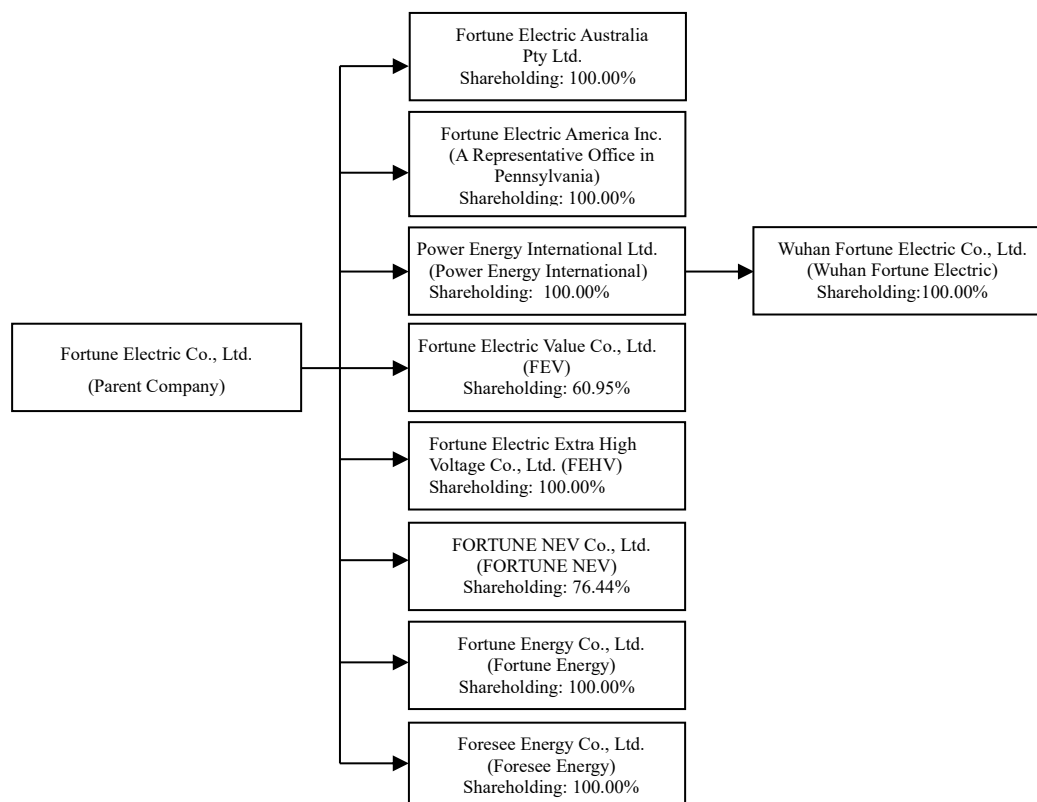
1. Information about the Affiliated Companies

Consolidated Business Report

Fortune Electric Co., Ltd. and Affiliated Companies

2025 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.	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
Fortune Nev Co., Ltd.	2025	Fortune Electric's Affiliated Company	Shareholding	Retail / Department Store Industry
Foresee Energy Co., Ltd.	2025	Fortune Electric's Affiliated Company	Shareholding	Green Energy, Renewable Energy, and Hydrogen Production Related Businesses

Appendix I

Fortune Electric Co., Ltd. and Affiliated Companies

Basic Information of all Affiliates

December 31, 2025

Unit: NT\$ thousand unless otherwise specified

Name of Company	Date of Incorporation	Address	Paid-in Capital	Major business and products
Fortune Electric Co., Ltd.	August 26, 1969	No. 10, Jili Rd., Zhongli Dist., Taoyuan City	3,158,808	Manufacturing of transformers, distribution boards, high/low pressure switches; construction project
Power Energy International Ltd.	June 13, 2002	Unit25, 2 nd 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, 2013	23133 Hawthorne Blvd. Suite 200 Torrance, CA 90505	US \$100,000	Distributor
Fortune Electric Extra High Voltage Co., Ltd.	December 17, 2013	No. 500, Nanheng 1st Rd., Wuqi Dist., Taichung City	1,100,000	Transformer manufacturing and sales
Fortune Energy Co., Ltd.	February 11, 2020	10F., No. 368, Sec. 1, Fuxing S. Rd., Ta-An Dist., Taipei City	29,000	Manufacturing of power generation, transmission, distribution machineries, and Renewable-Energy-Based Electricity Retailing Enterprise
Fortune Electric Australia Pty Ltd.	November 10, 2020	L7 60-62 YORK ST SYDNEY NSW 2000	AUD \$500,000	Export trading business
Fortune Electric Value Co., Ltd. (Note 1)	May 6, 2021	12F., No. 66, Sanchong Rd., Nangang Dist., Taipei City	358,250	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, 2021	No. 2832, Xihu Avenue, Dongxihu District, Wuhan, Hubei, China 430023	US \$1,000,000	Import and export business of various goods and techniques
Fortune Nev Co., Ltd. (Note 2)	January 6, 2025	11F., No. 66, Sanchong Rd., Nangang Dist., Taipei City	219,416	Retail / Department Store Industry
Foresee Energy Co., Ltd.	December 5, 2025	2F., No. 228, Sec. 3, Huanshi Rd., Zhunan Township, Miaoli County	200,500	Green Energy, Renewable Energy, and Hydrogen Production Related Businesses

Note 1: In October 2025, the Company conducted a cash capital increase by issuing 7.5 million shares at a premium of NT\$55 per share, increasing its capital to NT\$358,250,000.

Note 2: Fortune Nev Co., Ltd. was approved for incorporation on January 6, 2025. The company completed a capital increase of NT\$219,900,000 on February 24, 2025, which was approved on February 27, 2025, bringing the total paid-in capital to NT\$220,000,000. Following a capital reduction and cancellation of treasury shares on July 17, 2025, the total paid-in capital was NT\$219,416,000. On January 21, 2026, The company registered a change of its business address and additional capital increase of NT\$101,984,000 was processed, and approved on February 11, 2026, bringing the total paid-in capital to NT\$321,400,000.

Appendix II

Fortune Electric Co., Ltd. and Affiliated Companies Directors and General Manager Information December 31, 2025

Company Name	Title	Name or Representative	Shareholding	
			Shares	Ratio (%)
Power Energy International Ltd.	Director	Fortune Electric Co., Ltd. Representative: Hsu, Bang-Fu	100,000	100.00
Fortune Electric America Inc.	Chairman	Fortune Electric Co., Ltd. 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.	Chairman	Fortune Electric Co., Ltd. Representative: Hsu, Bang-Fu	110,000,000	100.00
Fortune Energy Co., Ltd.	Chairman	Fortune Electric Co., Ltd. Representative: Hsu, Bang-Fu	2,900,000	100.00
Fortune Electric Value Co., Ltd. (Note 1)	Chairman	Fortune Electric Co., Ltd. Representative: Hsu, I-Sheng	21,836,364	60.95
Wuhan Fortune Electric Ltd.	Chairman	Power Energy International Ltd. Representative: Sun, Shih-Ming	-	100.00
Fortune Nev Co., Ltd. (Note 2)	Chairman	Fortune Electric Co., Ltd. Representative: Hsu, I-Sheng	16,771,264	76.44
Foresee Energy Co., Ltd. (Note 3)	Chairman	Fortune Electric Co., Ltd. Representative: Hsu, I-Sheng	20,050,000	100.00

Note 1: In October 2025, Fortune Electric Value Co., Ltd. conducted a cash capital increase by issuing 7.5 million shares at a premium of NT\$55 per share. The Company subscribed to 3,636,364 shares, increasing its capital to NT\$358,250,000.

Note 2: Fortune NEV Co., Ltd. was approved for incorporation on January 6, 2025. On February 24, 2025, the company completed a capital increase of NT\$219,900,000, which was approved on February 27, 2025, with a total paid-in capital of NT\$220,000,000; following the registration of a capital reduction on July 17, 2025, the total paid-in capital was reduced to NT\$219,416,000. On January 21, 2026, a capital increase of NT\$101,984,000 was processed and approved on February 11, 2026, bringing the total paid-in capital to NT\$321,400,000. Following the capital increase, the Company holds 26,950,000 shares, representing an 83.85% ownership stake.

Note 3: Foresee Energy Co., Ltd. was approved for incorporation on December 5, 2025.

Appendix III

Fortune Electric Co., Ltd. And Affiliated Company Affiliated Company Operation Overview Year 2025

Unit: NT\$ thousand

Company Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Income	Net Profit	Earnings per Share (NT\$)
Fortune Electric Co., Ltd.	3,158,808	24,372,035	13,788,864	10,583,171	21,981,542	3,370,301	4,419,436	13.99
Power Energy International Ltd.	US\$100,000	83,782	-	83,782	-	(26,132)	(15,030)	(150.30)
Fortune Electric America Inc.	US\$100,000	1,053,915	719,438	334,477	4,627,253	345,882	242,336	2,423.36
Fortune Electric Extra High Voltage Co., Ltd.	1,100,000	4,979,496	2,274,383	2,705,113	5,399,839	1,660,036	1,406,466	12.79
Fortune Energy Co., Ltd.	29,000	30,395	1,392	29,003	318	163	393	0.14
Fortune Electric Australia Pty Ltd.	AUD 500,000	32,712	20,097	12,615	5,958	447	313	0.63
Fortune Electric Value Co., Ltd.	358,250	1,272,205	731,255	540,949	392,122	(116,665)	(126,363)	(3.53)
Wuhan Fortune Electric Ltd.	US\$1,000,000	250,435	168,560	81,875	364,258	28,506	18,766	-
FORTUNE NEV Co., Ltd.	219,416	1,737,540	1,559,033	178,507	-	(35,633)	(41,493)	(1.89)
Foresee Energy Co., Ltd.	200,500	200,569	41	200,528	-	(91)	28	-

Appendix IV

Statement of Consolidated Financial Statements of the Affiliates

We hereby declare that:

From January 1 to December 31, 2025, 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.

Chairman: 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