

FORTUNE ELECTRIC CO., LTD.

Articles of Incorporation

Chapter 1. General Provision

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

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

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

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

Chapter 2. Shares

- Article 5: The Company's total capital was set as NT\$ 5 billion, separated into 500 million common stocks, the price per share was NT\$ 10, and were issued by authorized board of directors in several times.
Taiwan Depository & Clearing Corporation may request to consolidating exchange large denomination securities.
- Article 5-1: According to Article 56-1 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers and Article 10-1 of Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies, the Company is required to obtain the consent of at least two-third of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares, may issue employee stock warrants to transfer to employees with lower than the closing price of the Company's stocks as of the issuing date, and lower than the average price of actual buy-back.
- Article 6: The Company may be exempted from printing any share certificate for the shares issued, but shall be registered in Taiwan Depository & Clearing Corporation.
- Article 7: Affairs related to stocks, such as transfer of share ownership, grant, creation of rights, pledge, reporting of loss, inheritance, grant and reporting of specimen chop loss, change or address change, etc., shall be handled by the Company's shareholders in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies and other related regulations, unless otherwise provided by law or securities regulations.
- Article 8: Deleted.
- Article 9: The entries in the shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Chapter 3. Shareholders' meeting

- Article 10: Shareholders' meeting shall be of two kinds: a regular shareholders' meeting and a special shareholders' meeting, the regular shareholders' meeting, a regular shareholders' meeting one time every year, within six months after close of each fiscal year, and the special shareholders' meeting shall be convened in accordance with the regulations when it's necessary.
- Article 10-1: When the Company's shareholders' meeting is held, it shall be made by a virtual meeting or by other methods announced by central competent authority.
- Article 11: The Company's shareholders have one voting right each shareholding, but they have no voting right in accordance with restrictions or Article 179-2 of the Company Act and related regulations.
- Article 12: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman. When the chairman is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairman shall appoint one of the managing directors to act as chair; a shareholders' meeting convened by a party with the power to convene that is not the board of directors, the meeting shall be chaired by him/her/it, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.
- Article 13: A resolution approved by a shareholders' meeting, unless otherwise provided by the Company Act, shall be adopted by a majority of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the Company.
The Company's shareholders may exercise voting rights by means of electronic transmission, and related matters shall be handled in accordance with the law and regulations.

Chapter 4. Board of Directors and Audit Committee

Article 14: The Company may organize the board of directors with 5-13 directors who shall be elected by the shareholders' meeting from among the persons with disposing capacity, and the term of office of a director shall not exceed three years, but he/she may be eligible for re-election.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 5. (Deleted)

Article 20-1: Deleted.

Article 21: Deleted.

Article 22: Deleted.

Chapter 6. Managerial Officer

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

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

Chapter 7. Accounting

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

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

- (1) The business report.
- (2) The financial statements.
- (3) The surplus earning distribution or loss off-setting proposals.

Article 27: When the Company has an amount of profit (the term "an amount of profit" means pre-tax benefits deducted the benefits before employees' and directors' remuneration), shall allocate not less than 3% as employees' remuneration (the amount of employee's remuneration in this item shall not be less than 20% as allocated remuneration of non-executive employees), not more than 2% as directors' remuneration. However, the company's accumulated losses (including adjusted unappropriated earnings) shall have been covered.

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

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

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

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

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

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

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

Chapter 8. Supplemental Provisions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The 36th amendment was made on June 13, 2024

The 37th amendment was made on June 13, 2025