華城電機股份有限公司
FORTUNE ELECTRIC CO., LTD.



2025 華城電機永續報告書
FORTUNE ELECTRIC CO.,LTD.
SUSTAINABILITY REPORT

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LETTER FROM THE CHAIRMAN



Founded in 1969 in Tucheng, then part of Taipei County, FORTUNE ELECTRIC derives its Chinese name " 華　城 " from its roots in a predominantly Chinese community in Tucheng. The company's English name, "FORTUNE," was carefully selected to reflect both its sound and meaning, symbolizing its founding purpose: to create prosperity and benefit society. Guided by the belief that "producing quality products is a virtuous act," the company upholds a mission to "Secure Employees," "Secure Customers," "Secure Shareholders," and "Secure Society." From its early days of steady, step-by-step development to its current position as a leader in the heavy electrical equipment industry. FORTUNE ELECTRIC has not only witnessed the rise of Taiwan's industrial sector, but also transformed itself from a traditional power equipment manufacturer into a comprehensive green energy solution provider through continuous R&D, innovation, and the development of new markets and businesses amid major political, economic, social, and environmental changes.

The heavy electrical industry is known as the "Mother industry", and the electrical equipment produced by FORTUNE ELECTRIC is central to this industry. As an essential link connecting power generation, transformation, and distribution systems, FORTUNE ELECTRIC's products reliably support every kilowatt of electricity used by society. Given the severe challenges posed by global climate change and extreme weather, the development of renewable energy has become a top priority. FORTUNE ELECTRIC demonstrated strategic foresight in sustainability and a strong sense of social responsibility by taking the lead in researching and developing high-efficiency, low-loss "energy-saving amorphous core transformers when Taiwan's energy conservation and renewable energy industries were still in their early stages and market prospects remained unclear. The Company gradually expanded into EPC projects for solar energy, wind power generation, and energy storage systems, and took the lead in developing EV charging piles and operating EVALUE charging stations. With differentiated professional pre-sales technical support, high-quality manufacturing, very short delivery schedules, and comprehensive after-sales services, FORTUNE ELECTRIC has not only become a key participant in Taiwan's "Grid Resilience Enhancement Plan", but also successfully expanded its business into the North American market in recent years, making it an indispensable part of the global power transformer supply chain.

Faced with pressure to reduce carbon emissions, FORTUNE ELECTRIC has pragmatically integrated sustainable development with operational performance rather than relying on empty slogans. Since 2021, FORTUNE ELECTRIC has implemented its "Sustainability Indicator" system to quantify the carbon reduction contributions and green innovation results. Since 2025, these indicators have been formally included in the external disclosure framework. By providing specific data, the Company has shown its substantial progress in energy conservation and carbon reduction to stakeholders. Through production line optimization, improved production efficiency, and a higher proportion of renewable energy products, we have steadily strengthened social trust and upheld our firm commitment to environmental sustainability.

Corporate sustainability is not only about profitability, but also about a commitment to regulatory compliance, corporate governance, and social inclusion. FORTUNE ELECTRIC actively promotes board diversity and safeguards the best interests of shareholders. Furthermore, it is committed to creating a happy workplace and a good employer brand, which has earned high recognition from industry, government, and academia.

Building on a foundation spanning more than five decades, FORTUNE ELECTRIC will continue to optimize its operational structure and build a high-performance team. Instead of blindly following the prevailing trends, we have implemented an ESG blueprint with "FORTUNE ELECTRIC Characteristics" based on the characteristics of the heavy electrical equipment industry and our own technical advantages. In the future, FORTUNE ELECTRIC will continue to lead the wave of energy transition. From the R&D of ultra-high-voltage transformers to the construction of electric vehicle supercharging networks, we will continue to drive growth with innovative green technologies, work with employees, customers, and partners toward shared success, and to achieve sustainable development in which the environment and the enterprise prosper together.

Chairman
Hsu, Bang-Fu
許邦福

INTEGRATING SUSTAINABILITY WITH COMPETITIVENESS AND ESTABLISHING ESG INDICATORS FOR THE HEAVY ELECTRICAL EQUIPMENT INDUSTRY



Amid the accelerated global energy transition in recent years, the rapid growth of FORTUNE ELECTRIC is no coincidence. The heavy electrical equipment industry in which we operate is at the forefront of the energy transition. From smart grid construction and grid connection of renewable energy grid integration to the introduction of high-efficiency electrical equipment and the power supply driven by emerging computing power demands, each directly affects the efficiency and structure of energy use. As the market begins to demand lower-carbon, more efficient, and more stable power systems, it is not merely a trend, but a process for the industry to redefine its value. FORTUNE ELECTRIC continues to expand its role and influence amid this transformation.

However, we realized early on that manufacturing companies cannot achieve long-term development if their sustainability strategies are not closely integrated with core competitiveness. Therefore, in promoting ESG, we do not start with reports or metrics, but return to the essence of manufacturing, namely, making production lines, more efficient energy use more precise and materials more environmentally-friendly, so that products can be recycled and reused throughout their lifecycle. Practices such as smart manufacturing, process optimization, energy consumption reduction, stronger internal energy conservation through the energy management system, the promotion of SF_6-free environmentally friendly switchgear and the establishment of equipment recycling and reuse mechanisms may appear to be ESG measures, but they are essentially aimed at improving technological capabilities and operational efficiency. For us, sustainability is not an extra cost arising from regulatory compliance, but a reason our products become more competitive and the market is more likely to choose us.

Based on this thinking, we have further developed a sustainability measurement method tailored to the heavy electrical equipment industry, which is the "Sustainability Indicator" with FORTUNE ELECTRIC characteristics. The logic of this indicator is straightforward: using our own carbon emissions as the benchmark for comparison with the carbon reduction contributions that by FORTUNE ELECTRIC creates for society through its products and projects. FORTUNE ELECTRIC aims not only to reduce emissions from its own factories, but also to reduce carbon emissions across the entire power system through every high-efficiency transformer, every piece of energy-saving equipment, and every renewable energy power plant it installs. In other words, the more we do, the greater the carbon reduction impact for society. This is closely linked with revenue and business growth. Our goal is to achieve a 160-fold multiplier for this indicator by 2030, which means that the carbon reduction benefits created by FORTUNE ELECTRIC for society will be 160 times its own carbon emissions. It is more than a figure, it represents a redefinition of the industrial role: the manufacturing industry is not merely an emitter, but an amplifier of carbon reduction.

Looking ahead, FORTUNE ELECTRIC will continue to put this philosophy into practice. We do not pursue complicated metrics, but aim to ensure that every piece of data reflects true industrial value; we do not emphasize slogans, but strive to ensure that each product continues to deliver energy-saving and carbon-reduction benefits throughout decades of operation. We believe that when sustainability is truly combined with competitiveness, corporate growth will no longer be just the company's own growth, but will also drive progress across the industry and the environment, which is FORTUNE ELECTRIC's most concrete commitment to both.

President
Hsu, I-Te
许逸德

FORTUNE'S MINDSET OF PURSUING SUSTAINABLE DEVELOPMENT



The term sustainable development is familiar to all. Seemingly reasonable, this term runs counter to the laws of nature. As we know, few things in the world can remain sustainable and continue developing indefinitely. Even the Sun in our galaxy will eventually burn out, let alone all life and matter on Earth. So, why is sustainable development widely advocated and pursued despite the fact that it is objectively impossible? We can understand why sustainable development is of profound significance from the perspective of the evolution of global sustainable development trends.

The earliest calls for society to emphasize sustainable development emerged in the 1970s. Due to the rapid economic development at that time, people enjoyed improved material living standards, but also caused irreversible damage to the Earth. In 1972, the Club of Rome published The Limits to Growth, warning for the first time that resources were not inexhaustible, which prompted public discussion about the meaning of sustainability. In 1987, the United Nations Brundtland Commission published the famous report of Our Common Future, which officially defined "Sustainable Development" as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". This is the most fundamental basis for the legal and policy discourse of corporate sustainability. The concept of sustainability continued to develop in the 1990s, expanding from environmental protection to the concept of ESG. In 1994, John Elkington introduced the concept of "Triple Bottom Line" and emphasized that enterprises should pursue not only profit, but also the interests of the planet and people, laying a practical framework for the subsequent CSR (Corporate Social Responsibility). Later in 2004, the United Nations report *Who Cares Wins* first introduced the term ESG (Environment, Social, Corporate Governance). In 2015, the 17 Sustainable Development Goals (SDGs) and the Paris Agreement were adopted, setting concrete targets for global enterprises (e.g., Net Zero Emissions by 2050). Since then, sustainable development has become an essential task for major enterprises. Social expectations for enterprises have been shifted from the simple pursuit of "short-term interests" to the emphasis on long-term and sustainable business models, contributions to the environment and society, as well as the strict regulation of corporate systems and the establishment of a stable foundation. Only enterprises that fulfill these requirements may be able to stand firm and grow into century-old enterprises amid a turbulent environment.

This trend has also swept across Taiwan. In recent years, the Taiwan government's ESG regulations for TWSE/TPEx-listed companies have shifted from "encouragement-based" to "full mandatory compliance". Starting in 2025, all TWSE/TPEx-listed companies must prepare and submit their 2024 sustainability reports. From 2026, companies with paid-in capital of NT$5 billion to NT$10 billion must complete the carbon inventory disclosure within the scope of "consolidated financial statements". Companies with paid-in capital below NT$5 billion shall complete this task in 2027. Besides, starting in 2026, companies with paid-in capital above NT$5 billion must clearly describe their "carbon reduction targets, strategies and concrete action plans" in the report, rather than empty slogans. From the fiscal year of 2026, large companies with paid-in capital above NT$10 billion shall take the lead in applying IFRS S1 (General Sustainability Disclosures) and S2 (Climate-related Disclosures). In other words, a series of government policies require TWSE/TPEx-listed companies to comprehensively promote sustainability, which has become a key corporate indicator.

We regard ourselves as a leader in Taiwan's power industry, with an impressive 57-year history. FORTUNE ELECTRIC's founder embedded in the Company the spirit of taking from society and giving back to society, and of "Secure Employees," "Secure Customers," "Secure Shareholders," and "Secure Society.", which was remarkably farsighted from today's perspective. As members of FORTUNE ELECTRIC, we should make even greater efforts to put this spirit into practice. In recent years, thanks to the collective efforts, we have gradually implemented the spirit of ESG. Environmentally, we have introduced intelligent manufacturing and promoted digital transformation, achieved the outcomes of energy conservation and waste reduction and recycling while improving efficiency and productivity, and begun sponsoring animal adoptions and planting trees. Socially, we have continued to pursue the creation of happy workplace culture and provide employees with a sustainable, safe and respectful work environment with growth opportunities; we have partnered with the Taiwan Creative Content Agency to put energy education into practice across sectors, combining corporate business with cultural creativity and delivering energy knowledge to society through cultural content education. With respect to corporate governance, we have established an employee stock ownership trust mechanism and strengthened corporate governance measures. All these measures aim to support sustainable development and lay a solid foundation for the long-term development of FORTUNE ELECTRIC. We expect that FORTUNE ELECTRIC will not only maintain enviable profitability, but also become a leader in the ESG field to contribute to the wider world.



CEO

Hsu, I-Sheng

許遠勝

SPECIAL FEATURE

PROACTIVE DISCLOSURE OF THE SUSTAINABILITY INDICATOR DEMONSTRATES FORTUNE'S CARBON REDUCTION COMMITMENT

2025 Sustainability Indicator
406.99

Baseline Year (2021) Sustainability Indicator
15.06

Annual Growth
30% increase per year

Tripling Rule
The value of the Sustainability Indicator is anticipated to double every three years, aligning with the typical technological advancement cycle in theory and practice.

2030 Target Value of Sustainability Indicator 160
(rounded up from 159.49)

In response to global climate change and increasing pressures to decarbonize, FORTUNE ELECTRIC introduced the Sustainability Indicator system in 2021. This initiative serves as a quantitative measure of the Company's carbon reduction contributions and green innovation achievements. Through data-driven analysis, we demonstrate our tangible contributions to energy conservation and carbon reduction. The indicator reflects the multiple of carbon reduction contributions achieved for every kilogram of carbon we emit. By doing so, FORTUNE ELECTRIC further enhances transparency and social trust while conveying its firm commitment to the vision of achieving net zero emissions by 2050.

The Sustainability Indicator is defined as the ratio of carbon reduction contributions from FORTUNE's green product sales and renewable energy engineering services to the company's own carbon emissions (Scope 1 and Scope 2). In formulaic terms:

FORTUNE ELECTRIC Sustainability Indicator Formula:

$$\frac{\Sigma \text{ Carbon (Reduction) Contribution}}{\text{Company's Carbon Emissions (Scope 1 + Scope 2)}}$$

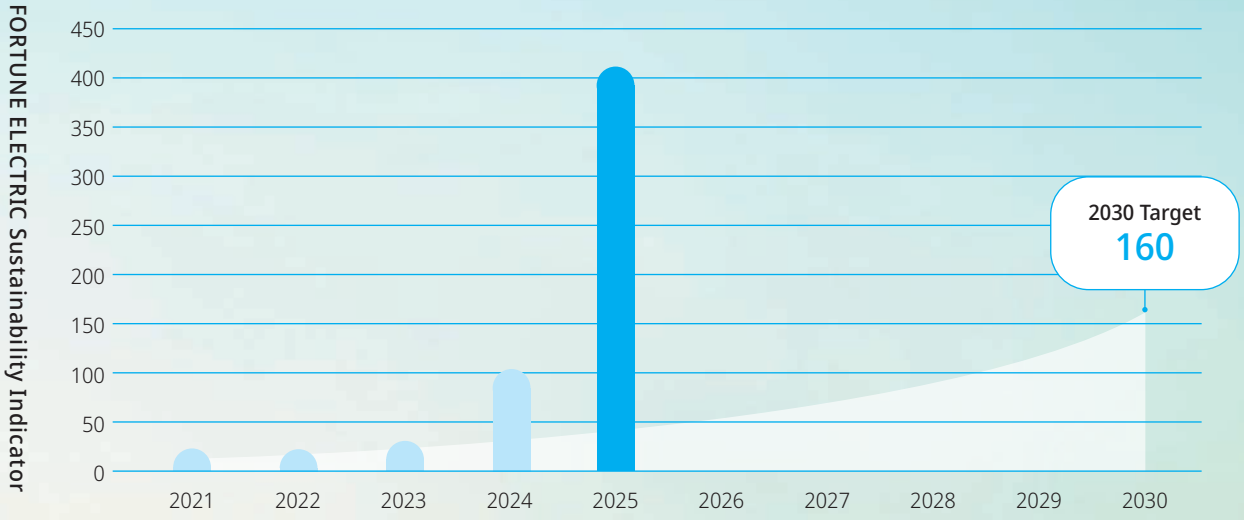
(Year) Carbon Emissions

Sustainability Indicator			2021	2022	2023	2024	2025
Numerator	Carbon Reduction Contribution	• Improved performance efficiency of transformer products • Use of vegetable-based insulating oil • Transformer supply and engineering contracting for renewable energy sites	308,180 tCO_2e	575,321 tCO_2e	1,451,220 tCO_2e	3,533,137 tCO2e	**4,327,243.9 tCO_2e**
Denominator	Company Carbon Emissions	Annual carbon emissions from Scope 1 and Scope 2	20,464.7 tCO_2e	46,962.4 tCO_2e	55,486.8 tCO_2e	34,449.6850 tCO2e	**10,632.1686 tCO_2e**

Notes: 1. Carbon emissions under Scope 1 and Scope 2 are disclosed based on the verified results of the Company's greenhouse gas inventory.
2. SF_6 carbon emissions from 2021 to 2024 were calculated based on procurement volume, while emissions from 2025 onward are calculated based on fugitive emissions.
3. Improvements in product performance efficiency are calculated using CNS, IEC, and Taipower standards as benchmarks according to transformer capacity. The carbon reduction contribution resulting from enhanced conversion efficiency is calculated based on the assumptions of a 50% product load factor, a 20 years' service life, and a year-by-year decline in conversion efficiency to accumulate carbon reduction benefits. The formula is as follows: Transformer Capacity×50%×Positive Contribution Efficiency×24×365

FORTUNE ELECTRIC Sustainability Indicator

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Target Sustainability Value	15	20	25	33	**43**	56	73	94	123	160
Actual Sustainability Value	15.06	12.25	26.15	102.56	**406.99**	-	-	-	-	-



Note: As of 2023, SF_6 emissions are calculated based on procurement volumes. Adjustments will be made once the recovery mechanism is established later this year.

This indicator not only reflects the overall contributions of FORTUNE ELECTRIC to assisting customers and society in achieving carbon reduction targets, but also further creates a positive link with corporate financial performance. As the Sustainability Indicator continues to improve, it will drive the following key benefits:

1. GROWTH IN GREEN REVENUE: The increased demand for high-efficiency and low-carbon products will increase the sales share of green products and expand revenue sources from the energy transition market (e.g., renewable energy and energy-saving equipment).

2. OPERATING COST OPTIMIZATION: Through internal energy conservation management and process optimization (e.g., introduction of the energy management system), we reduce energy consumption and electricity costs to improve the overall operating efficiency.

3. IMPROVED MARKET COMPETITIVENESS: FORTUNE ELECTRIC complies with the requirements of international customers and supply chains (e.g., RE100 and ESG procurement) for low-carbon products, and strengthens its order acquisition capacity and market expansion opportunities.

4. ENHANCED BRAND VALUE AND INVESTOR TRUST: Through quantified disclosure of carbon reduction contributions, we strive to improve our corporate sustainability transparency, which helps attract investors and international partners that emphasize ESG.

HIGHLIGHTS OF THE YEAR

DRIVING SUSTAINABLE VALUE THROUGH CAPACITY UPGRADES AND THE LAUNCH OF POWER DIVISION II

In response to the upgrading of global power grids and the rapid growth of AI data centers and the substantial growth in demand for green energy construction, power infrastructure, and power quality improvements, FORTUNE ELECTRIC has not only continued to promote intelligent production line upgrades and optimized capacity allocation at each plant, but also actively and steadily planned capacity expansion and established the Power Division II transformer production base within Guanyin Plant 3B in Taoyuan, to improve the Group's production capacity and technological capabilities. This newly constructed transformer plant is primarily responsible for producing and assembling medium-sized power transformers. Automated and smart manufacturing equipment has also been adopted to substantially improve the production efficiency and quality consistency. The investment in this new plant reached approximately NT$1.1 billion. In 2025, we completed the construction and commissioning of this plant. In the first quarter of 2026, it was officially put into production, significantly improving the Group's supply capabilities for medium- and large-sized power equipment for domestic and overseas markets. This project has not only enhanced the Group's order-taking and production capabilities, but also strengthened its long-term supply resilience regarding key energy infrastructure projects such as Taiwan Power Company's "Grid Resilience Enhancement Plan", thereby helping ensure stable and safe power supply for the grid.

Looking ahead to the next 5-10 years, the global market for power equipment such as transformers will continue to maintain rapid growth and remain in a state of supply shortage. In response to the global power construction and energy transition trends, the Taichung Plant planned by FORTUNE ELECTRIC will be put into production in the second quarter of 2027. This plant will focus on the manufacturing of ultra-high-voltage transformers rated at 500kV or above. It is expected to support the continuous growth of export markets with products featuring high added value, and maintain export revenue at more than half of total revenue. After the successive completion of the newly constructed transformer factory of Power Plant 2 and the Taichung Plant expansion project, the Group's overall maximum capacity will increase from 50,000 MVA to 90,000 MVA. The five plants will also have complete product lines covering power distribution equipment and medium, large, and extra-large transformers with ratings ranging from 11kV to 500kV. These products will be manufactured at the most suitable plants, substantially improving production efficiency. Continuously adhering to the service principle of "solving customers' pain points", we aim to satisfy customers' demand for stable supply for equipment across different voltage levels, capacities, and delivery schedules. The Company has earned the trust of A-class customers, who continue to purchase transformers with higher voltage ratings and larger capacities, so as to widen the gap with industry peers and increase our market share. As a result, we can strengthen the strategic position and sustainable competitiveness of the Company in the international supply chain.



Power Division II (Guanyin Plant 3B) has been constructed and put into production to enhance the Company's overall order-taking and delivery capabilities.

DRIVING INTELLIGENT MANUFACTURING AND SUSTAINABLE OPERATIONS WITH DIGITAL TRANSFORMATION

Since 2012, FORTUNE ELECTRIC has initiated the deployment of digital transformation and intelligent manufacturing and established refined manufacturing records and digitally transparent management in response to the strict requirements of its major client (TSMC) for the dispersion ratio of product quality. Led by President Hsu, I-Te, the Company focuses on data applications that can create substantial value, rather than blind expansion. FORTUNE ELECTRIC has gradually implemented smart and digital management and achieved several significant results. Digital transformation has driven the continuous growth of corporate operating performance. In 2025, FORTUNE ELECTRIC's revenue exceeded NT$24 billion, with EPS of NT$13.99 (paid-in capital increased to NT$3.159 billion). Furthermore, the Company's gross margin increased from 12.6% in 2017 to 40% at present. 1,600 employees created an annual production value of NT$29 billion, demonstrating high productivity per capita.

FORTUNE ELECTRIC has promoted the "Big Production Management" system to integrate business, manufacturing, R&D and procurement departments. Following the core philosophy of "aligning orders with production capacity", we schedule potential orders in advance and allocate the most cost-effective raw materials for key orders with priority. Supervised personally by the President, the order-taking rate has been successfully improved from 30% to 80%, thereby strengthening competitive advantages. With respect to smart manufacturing and automation applications, FORTUNE ELECTRIC has established an exclusive intelligent manufacturing system based on the characteristics of the heavy electrical equipment industry. The 3D smart dashboard is used to achieve real-time monitoring of production line progress, material use and quality data. Furthermore, automated three-dimensional warehouses and automated guided vehicles (AGV) have been adopted to improve production efficiency and delivery quality; meanwhile, an AI system has been introduced to analyze test reports, establish the "Quality Failure Prevention Assistant" and optimize quality control and operational efficiency.

FORTUNE ELECTRIC has integrated digital transformation with its ESG sustainability strategy. Through production line optimization, energy consumption management, material substitution and circular economy practices, we strengthen our core competitiveness and advance green and sustainable development. The aforementioned transformation achievements have been recognized externally, and won the "Intelligent Manufacturing Upgrade and Transformation Award (Model Award in Large Enterprise Category)" at the 5th HBR Digital Transformation Award. President Hsu, I-Te also won the "Annual Leadership Award", demonstrating the leading position of FORTUNE ELECTRIC in intelligent manufacturing and sustainable operations.



In-depth coverage by the Department of Investment Promotion, Taoyuan(DOIP).

FORTUNE ELECTRIC won the model award for intelligent manufacturing upgrades in the large enterprise category at the "5th HBR Digital Transformation Award" with its "Digital Twin Integrated with AI Prediction to Build an Intelligent Manufacturing Decision-making Hub", while President Hsu, I-Te won the "Annual Leadership Award" in the large enterprise category.

BUILDING A HAPPY WORKPLACE CULTURE AND DRIVING TALENT SUSTAINABILITY WITH DEI AND DIGITAL EMPOWERMENT

FORTUNE ELECTRIC firmly believes that talent is the core driving force for corporate sustainable development. Therefore, it has long been committed to building a safe and respectful work environment with growth opportunities. Relying on its emphasis on talent development and a high-quality workplace culture, FORTUNE ELECTRIC became the only company in the heavy electrical equipment industry to win HR Asia's Best Companies to Work for in Asia award for three straight years (2023-2025), as well as the first company in the industry to win the "Tech Empowerment Award" in 2025. Presented by a leading Asian human resources publication, this award recognizes enterprises' outstanding organizational culture and excellent performance in employee experience through anonymous employee surveys and a multidimensional evaluation mechanism.

In terms of corporate culture, FORTUNE ELECTRIC continues to promote the workplace philosophy of DEI (Diversity, Equity, Inclusion). We believe that every colleague can be seen and heard and fully realize their potential in a safe and mutually respectful environment. To integrate the DEI culture into daily operations, we have promoted multiple bottom-up initiatives through the employee participation mechanism. For example, we have co-created the DEI Vision Board, and invited colleagues to describe their ideal workplaces with text and stories. Additionally, we have also promoted the DEI Cultural Advocacy Video and invited colleagues from different departments with different backgrounds to share their understanding of diversity and inclusion, so that employees can demonstrate mutual support and respect through their own stories. Through these continuous cultural practices, DEI is not only a corporate concept, but has also become an important cornerstone for the daily operations and teamwork of FORTUNE ELECTRIC.

In the future, FORTUNE ELECTRIC will continue to listen to its employees, deepen talent cultivation and digital transformation, and create a workplace environment where all employees can fully realize their potential. We believe that, when an organization can respect differences and promote inclusion, its teams become stronger and more complete through diversity, and they will also become an important force that promotes the enterprise's long-term sustainable development.



Colleagues shared their ideas and expectations for ideal workplaces through text and true stories in the DEI Vision Board.

JOINING HANDS WITH THE TAIWAN CREATIVE CONTENT AGENCY AND PRACTICING ENERGY EDUCATION ACROSS DOMAINS

FORTUNE ELECTRIC has been deeply engaged in the power system industry for more than half a century, committed to achieving "Safer power consumption and more sustainable energy". In 2025, the Company further integrated its main business with cultural creativity and shared energy knowledge with society through cultural content education.

Through matchmaking by the Taiwan Creative Content Agency (TAICCA), FORTUNE ELECTRIC partnered with TaiwanBar Studio Inc. to launch a children's picture book titled Power Campaign. With "The Great Power Adventure" as the entry point, this picture book transforms abstract knowledge of electricity into a reading experience close to daily life. Featuring characters "BEERU" and "Chengcheng" (representing knowledge of electricity), this book leads readers through living rooms, schools, zoos, metro stations and other scenarios. Furthermore, through interactive designs, it guides children to observe how life changes after a power outage and understand how electricity is integrated into daily details. Tips and extended activities at the end of the book also assist colleagues and parents in leading discussions and extending energy education to classrooms and families.

For FORTUNE ELECTRIC, "The Great Power Adventure" is not merely a cultural and educational creation, but a practice of transforming "Engineering language" into "Cultural language", which can form an effective link between corporate ESG and social education. In the future, the two parties plan to launch the second picture book titled "The Magical Journey of the Power Spirits", extending the focus to the power generation source. Furthermore, combined with mobile music classrooms, we will enter remote rural areas and early intervention sites, embedding energy education into daily life beyond classrooms and continuously fostering the next generation's understanding and recognition of energy and sustainability.



FORTUNE ELECTRIC partnered with TaiwanBar to deliver accurate energy education using the picture book "The Great Power Adventure".

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

GOVERNANCE

- Revenue Growth: **20.89%** Compared with 2024
- Successfully obtained **14** invention patents.
- Invested NT$ **397.975** million in research and development.
- Secured NT$ **529** million in green energy project tenders.
- **5** whistleblower reports were received, and all cases have been closed.
- Satisfaction for Domestic Operations: Average score of **95.03**
- Satisfaction with International Operations: Average score of **97.70**
- Green procurement spending increased substantially to NT$ **25** million.
- Completion rate of on-site supplier audits: **125%**





ENVIRONMENTAL

- Introduced **FR3** eco-friendly vegetable oil into green exports.
- Achieved an annual reduction of more than **95%** in SF_6 leakage compared with the base year of 2024.
- Comprehensively introduced the Energy Management System into 4 plants.
- Energy-saving initiatives achieved a reduction of **227.58** tCO_2e in emissions.
- Energy intensity decreased by **16%** compared to 2024.
- Scope 1 and Scope 2 Greenhouse Gas Emission Intensity: **0.3871** tCO_2e per million NTD
- Planted a total of **100** tree saplings through afforestation activities, with **22** participants.
- Held **2** beach cleanup activities, with **241** participants in total.
- Sponsored the adoption of a Formosan black bear and a pangolin at the Taipei Zoo.
- Partnered with the National Museum of Marine Science and Technology to implement a marine coral cultivation project.
- Supported the Nantou low-elevation mountain vegetation restoration project organized by the Taiwan Forest Restoration Association.

SOCIAL

- Sponsored **4** children through the Taiwan Fund for Children and Families (TFCF).
- Conducted **426** hours of employee training courses with a **93%** satisfaction rate.
- As of 2025, **104** outstanding trainees have completed programs at the Fortune Enterprise University.
- **1,154** participants dedicated a total of **2,541** hours to charitable activities.
- Donated a total of NT$ **10.459** million to public welfare initiatives.

AWARDS AND RECOGNITIONS

1 Winner of the 8th Taiwan Mittelstand Award from the Ministry of Economic Affairs.





2 Chairman Hsu, Bang-Fu ranked 7th among 2025 Top 50 Entrepreneurs in Taiwan by the CommonWealth Magazine and ranked first in the traditional manufacturing sector.



3 President Hsu, I-Te represented Taiwan in the 2025 EY World Entrepreneur of The Year and ranked among the global top three.



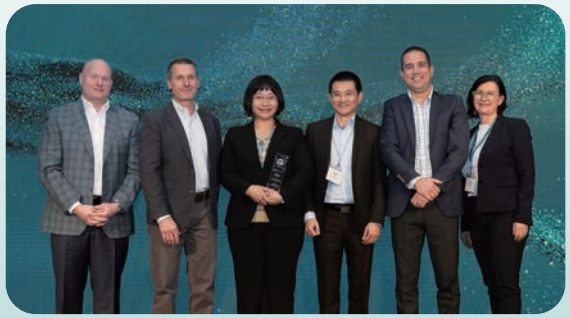
4 Served as a corporate representative at the 2025 CommonWealth SDGs International Forum on "New Capabilities for Sustainability."



5 Ranked 27th among 2025 Taiwan FINI 100 from the Taiwan Institute of Directors.



6 Winner of the 2025 GE Supplier Quality & Delivery Award, the only Taiwanese supplier to win this award.



7 Winner of the Public Welfare Model Award presented by Taoyuan City Government.



8 Ranked 2nd in the category of Operational Performance Top 50 in 2025 "Taiwan Top 2000" by the CommonWealth Magazine.

2025年《天下》兩千大營運績效50強

天下雜誌 CommonWealth Magazine

排名	公司名稱	'22年～'24年營收成長率(%)	得分	'22年～'24年稅後純益成長率(%)	得分	2024年股東權益報酬率(%)	得分	2024年營收成長率(%)	得分	2024年稅後純益成長率(%)	得分	'22年～'24年稅後純益總和(億元)	得分	總分	主要產品
1	濟南大自然新材料	91.85	20	158.27	19	50.84	20	42.51	19	61.09	16	147.64	19	113	香菸濾嘴用醋酸纖維絲束
2	華城電機	61.45	19	126.15	19	48.85	20	45.35	19	66.32	17	77.01	18	112	配電及電力變壓器等設備
3	名軒開發	109.63	20	101.97	18	30.75	19	68.14	19	52.47	16	49.94	17	109	住宅或商業大樓興建、租售
4	世芯電子	94.59	20	87.48	18	16.33	11	70.49	19	93.86	19	116.05	19	106	特殊應用積體電路設計製造
4	富宇地產	336.52	20	702.84	20	27.95	18	84.33	20	168.56	20	9.84	8	106	住宅或商業大樓興建、租售
6	台光電子材料	29.02	18	37.41	13	27.29	18	55.89	19	74.53	18	201.39	19	105	銅箔基板、黏合片等
6	新潤興業	91.29	20	72.32	17	25.10	17	149.25	20	117.71	19	17.44	12	105	住宅及大樓興建、租售
8	昇益開發	145.76	20	152.32	19	33.16	19	124.26	20	130.12	19	6.08	6	103	住宅及大樓興建、租售
8	皇普建設	75.59	20	133.62	19	18.29	12	188.16	20	436.78	20	17.79	12	103	住宅或商業大樓興建、租售
10	保瑞藥業	35.43	18	68.22	17	26.24	17	35.54	18	30.00	12	83.61	19	101	藥品製造

9 Winner of the Sustainability Report Silver Award at the Taiwan Corporate Sustainability Awards (TCSA) for 2 consecutive years.



10 2025 CommonWealth Talent Sustainability Award TOP100.



11 Winner of the Excellent Performance Award for Supply Chain ESG Sustainability from Taiwan Power Company in 2025.



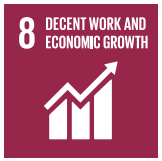
12 Winner of HR Asia's Best Companies to Work for in Asia for 3 consecutive years, HR Asia's Diversity, Equity, and Inclusion Awards in 2024, and HR Asia's Tech Empowerment Awards in 2025.



FORTUNE ELECTRIC SDGS ACHIEVEMENTS

In 2015, the United Nations introduced the Sustainable Development Goals (SDGs)—a set of 17 global objectives aimed at promoting economic prosperity, social inclusion, and environmental protection. The SDGs serve as a roadmap for ensuring peace and prosperity for all, with the ambition of addressing the world's most pressing challenges by 2030. FORTUNE ELECTRIC aligns its corporate philosophy with the Sustainable Development Goals (SDGs) by developing policies and initiatives that integrate economic growth with social equity and environmental stewardship. Our actions exemplify a commitment to justice and the protection of essential natural resources, including water, air, and land, as well as the broader objective of sustainable development. The following table summarizes our key achievements and action outcomes for the year, in alignment with the Sustainable Development Goals (SDGs).

United Nations SDGs Indicators	Company Actions And Performance In Response To SDGs
	• Participated in the Genesis Social Welfare Foundation's receipt donation campaign to support fundraising for social welfare institutions. • Organized street charity sales and material donation events in collaboration with Genesis Social Welfare Foundation to assist underprivileged groups. • Provided scholarships to financially disadvantaged students to help them complete their education. • In collaboration with the Hsian-Liang Hsu Foundation, the Volunteer Committee sponsored four children through the Taiwan Fund for Children and Families and provided emergency assistance, supporting disadvantaged children in maintaining stable living conditions and access to education. • Took part in the "Step30" campaign and second-hand clothing donation initiatives to promote resource reuse and support people in need. • Provided ongoing support for long-term pediatric care programs through continuous resource allocation and arranged volunteer engagement in related charitable activities, fulfilling the Company's corporate social responsibility. • Donated to the Taoyuan City Government Social Assistance Fund to support the "An-Jia Material Bank" and the "Child and Youth Development Accounts" programs. • Provided donations to the food bank of Dong Sing Junior High School, benefiting 44 students. • Participated in the Children Are Us Foundation meal box program through the purchase of 1,000 meal boxes from a sheltered workshop. • Supported the Eden Social Welfare Foundation's "A Touch of Sweetness, A Touch of Love – Ginger Warmth to Rural Areas" initiative, providing care and encouragement for children in remote communities.
	• Joined the "Love Vegetable Field" food security volunteer program, assisting with food production and distribution. • Supported communal meal services for elderly individuals living alone, enhancing their quality of life and ensuring access to essential daily nutrition. • Held a "Proportional Donation" campaign, in which the company matched employee donations dollar-for-dollar to support disadvantaged groups through tangible action. • In collaboration with the H. L. Hsu Social Welfare Foundation, the Volunteer Committee donated 50 New Year meal sets to the Huashan Social Welfare Foundation, supporting elderly people living alone during the Lunar New Year.
	• Participated in blood donation activities in the Taipei region and the "2025 Snake-themed Vitality Taichung Port New Year Blood Donation Campaign" to support medical blood supply needs. • Arranged annual health checkups for employees and regularly invited doctors and nurses to provide on-site health consultations. • Implemented group insurance programs to enhance employees' health protection and overall well-being. • Established employee clubs, including aerobic dance and badminton groups, to promote healthy lifestyles. • Nurses regularly provide health-related information to raise employees' awareness of personal health management. • Donated chest percussion boards and closets to the Genesis Social Welfare Foundation to improve care facilities for vegetative patients. • Sponsored 100 boxes of chemical-free fruits under the "Home-Waiting Children Social Welfare Association's" program, benefiting over 40 childcare institutions and supporting healthy development for children. • Participated in handicraft workshops organized by the Genesis Social Welfare Foundation to help improve the quality of life for people with disabilities. • Provided long-term support to the Sunshine Social Welfare Foundation through the charity purchase of desk calendars for customers. • Provided support to the Children's Hearing Foundation for the donation of hearing assistive devices and hearing screening equipment.

United Nations SDGs Indicators	Company Actions And Performance In Response To SDGs
	• Continuously operated Fortune Enterprise University to promote internal training and talent development. • Published regular weekly newsletters to share professional knowledge and industry trends with employees. • Participated in industry-academia collaboration programs with National Taiwan University of Science and Technology, Chung Yuan Christian University, and Yuan Ze University to bridge academic knowledge and practical industry needs. • Supported training center courses and internal/external training programs to enhance professional skills and competitiveness. • Donated to the Grass Book House, reconstruction plan to ensure educational equity. • Provided scholarship sponsorship for two students through the H. L. Hsu Social Welfare Foundation, with a cumulative total of 98 beneficiaries to date. • Supported Sanmin Elementary School's volleyball team cheerleading program, including donating related equipment to encourage youth sports development.
	• Established a nursing room, creating a mother-friendly workplace environment and safeguarding the rights of female employees. • Offered menstrual leave, parental leave, and family care leave to help employees maintain a healthy work-life balance. • Donated to the Garden of Hope Foundation, which supports initiatives aimed at preventing domestic violence and sexual assault while also strengthening the social safety net.
	• Conducted regular disinfection across all facilities to maintain a clean and hygienic working environment. • Encouraged employees to bring their own utensils to reduce single-use plastic consumption and promote sustainable practices. • Performed semi-annual effluent water quality testing to ensure compliance with environmental standards. • Conducted quarterly testing of drinking water quality and regularly replaced water dispenser filters to ensure drinking safety and quality. • Renovated employee cafeterias across facilities to improve dining hygiene and the overall environment. • Conducted a Laojie River clean-up activity in Zhongli District, Taoyuan, with 150 employees participating in river restoration and environmental awareness promotion activities in 2025.
	• Continues to expand the development of energy storage systems, while providing comprehensive operation and maintenance services. • Participated in the 2025 Net-Zero Taiwan & Energy Taiwan, presenting low-energy power equipment, smart energy storage, hydrogen energy and green energy technologies. • Implemented energy-saving lighting initiatives and carbon reduction strategies, such as switching off lights at noon. • Installed energy storage charging stations to facilitate the growth of green transportation. • Continued engagement in domestic energy storage system construction projects, as well as subsequent operation and maintenance services.
	• Offered referral bonuses to employees for recommending talent; in 2025, 1,355 employees actively participated, resulting in 89 successful hires. • Encouraged intern-to-full-time transitions, providing job opportunities for young talent. • Established the Outstanding Newcomer Award and Long-Service Award to enhance employee retention and engagement. • Collaborated with the Industrial Technology Research Institute (ITRI) to launch the Power Grid Talent Development Alliance Scholarship, supporting the advancement of Taiwan's power industry. • Awarded the 2024 EY Taiwan Entrepreneur of The Year Grand Prize and selected as a Top Three finalist in the 2025 EY World Entrepreneur of The Year Awards, reflecting strong business performance and innovation capabilities. • Implemented industry–academia collaboration and R&D substitute service programs, offering internship opportunities and talent recruitment into the FE team, including four interns from the Energy Development Center and summer interns from Chung Yuan Christian University at the Intelligent Development Center.

United Nations SDGs Indicators	Company Actions And Performance In Response To SDGs
	• Participated in Mobility 2025 Asia-Pacific Smart Transportation Exhibition to showcase DC traction power system technology. • Participated in the 2025 Net-Zero Taiwan & Energy Taiwan, presenting an energy storage monitoring system. • Participated in the TaiPower "Grid Reinforcement Project," carrying out equipment replacement initiatives to improve power supply stability. • Increased R&D spending to continuously develop or improve high-performance, energy-efficient, and environmentally friendly products, further smart factory initiatives, and establish solar energy sites, energy storage facilities, and charging stations. • Won the Silver Award for Best Sustainability Report at the Taiwan Corporate Sustainability Awards (TCSA), affirming the Company's steadfast commitment to environmental, social, and governance (ESG) sustainability.
	• Promoted workplace diversity and inclusion by hiring 16 people with disabilities and 17 indigenous (In 2025, the Company hired one person with disabilities and three indigenous employees.) employees in 2025, representing 2% of the total workforce. • Employed 276 non-Taiwanese employees in 2025 to nurture a multicultural and inclusive work environment. • Supported mid-to-senior-aged employment by hiring 15 individuals in 2025, further enhancing workplace diversity and inclusivity. • Held regular labor-management and welfare committee meetings to ensure internal management transparency and fairness. • Conducted workplace bullying prevention training courses to create a friendly work environment. • Participated in handcraft workshops organized by the Genesis Social Welfare Foundation, aiding skills development for individuals with disabilities. • Contributed to the Taiwan Creative Content Agency (TAICCA) to support six cultural organizations in providing performances for disadvantaged groups in the Taoyuan region, thereby promoting cultural equity. • Provided long-term support to the Taiwan Osteogenesis Imperfecta Association for patient and caregiver engagement activities, strengthening the linkage of patients' families with society, and raising public awareness and acceptance of rare diseases (2025 "Full of Strength, Embracing the Sunshine" program).
	• Conducted two street-cleaning activities during the year, with 52 volunteers cleaning approximately 5 km of main streets in Guanyin District, Taoyuan City, and 37 volunteers cleaning approximately 4.7 km of streets in the Neili area, Taoyuan City, supporting community cleanliness and environmental maintenance. • Conducted fire drills at the plant to enhance emergency response capabilities and safety awareness. • Motivated employees to become community service volunteers to give back to society. • Donated to the Tribal Dream Library in Jianshi Township to support educational development in remote areas. • Donated NT$2 million for disaster relief following the Mataian River landslide-dammed lake event in Hualien, supporting affected communities with financial assistance and care. • Provided baseball equipment to support the Hualien Xincheng Elementary School baseball team. • Provided to the Association of Taiwan Forest Restoration (ATFR) for native vegetation restoration at Taichung Houli Forest Park.
	• Promoted the reduction of industrial waste and the recycling of resources to improve environmental protection efforts. • Procured green-labeled products, including laptops, copy paper, air conditioners, hybrid vehicles, and electric vehicles, to adopt sustainable consumption practices. • Conducted used shoe and second-hand clothing recycling activities, with a total of 285 pairs of shoes and 367 clothing items donated during the year, reducing resource waste.

United Nations SDGs Indicators	Company Actions And Performance In Response To SDGs
	• Promoted waste sorting and recycling to reduce waste generation. • Implemented a paper reduction policy and encouraged digitization to improve resource utilization efficiency. • Implemented a light off at noon initiative to reduce energy consumption. • Supported environmental education by inviting 10,000 schoolchildren to visit and raise environmental awareness. • In 2025, reduced carbon emissions by 150.54 metric tons through energy-saving initiatives and performance plans, achieving a 16.34% decrease in energy intensity compared to last year, resulting in significant energy savings.
	• Engaged 152 volunteers and their families in a joint beach cleanup at the southern dunes of Zhuwei Beach, removing several hundred kilograms of waste and supporting marine ecosystem conservation. • Engaged 89 electric vehicle owners and their families in the 2025 Linshanbi Beach Cleanup Family Day, combining environmental education with family participation to promote marine ecosystem conservation awareness. • Donated to the National Museum of Marine Science and Technology for coral breeding and ecological conservation projects.
	• Provided ongoing support to the " Taoyuan City Arbor Day" program by planting 100 tree saplings, continuously promoting the afforestation and tree-planting program. • Adopted a Formosan black bear and a pangolin at the Taipei Zoo to support wildlife conservation efforts. • Donated to the Taiwan Reforestation Association to aid in cultivating native saplings for restoring low elevation mountain vegetation in Nantou.
	• Had all suppliers sign the Supplier Integrity Clause, Energy Policy, and Environmental, Occupational Health and Safety Policy Compliance Commitment to ensure adherence to ethical supply chain standards. • Continuously implemented the 'Character Strengthening Season" initiative to strengthen corporate integrity culture. • Established an external third-party whistleblower platform to protect whistleblowers and safeguard the rights and interests of the company, employees, suppliers, and customers. In 2025, 5 whistleblower cases were received, and all were closed.
	• Continued collaboration with international companies such as HITACHI, MEIDENSHA Corporation, ABB, GE, SIEMENS and SMIT to promote cross-border technology development and business cooperation. • Actively increased the production of transformers for both domestic and international markets to ensure stable voltage for global power grids. • Charging facilities are deployed across a wide range of everyday settings—including dining, retail, residential, transportation, education, entertainment, and commercial office locations. Through partnerships with well-known organizations such as Taipei 101, 7-ELEVEN, Starbucks, United Microelectronics Corporation (UMC), and Sheraton Hotels, the Company provides reliable and convenient charging services that empower EV drivers to travel with confidence. • The Company continues to strengthen strategic partnerships with leading automotive brands, including Mercedes-Benz, BMW, Porsche, Rolls-Royce, LUXGEN, LEXUS, TOYOTA, and KIA, to further expand and enhance Taiwan's EV charging ecosystem.

ABOUT THE REPORT

Report Overview & Publication Frequency

This Sustainability Report will be published in August 2026 as part of FORTUNE ELECTRIC's regular disclosure of financial performance and operational achievements. The Company will continue to publish both Chinese and English versions of the report annually, which are available for download on the Company's official website, demonstrating its commitment to sustainable operations. The next edition is scheduled for August 2027. Any reclassification or restatement of information, if applicable, is disclosed within the relevant sections of this Report.

Reporting Boundaries and Scope

The information provided in this report covers the period from January 1 to December 31, 2025, and includes FORTUNE ELECTRIC HQ/ Zhongli Plant , Guanyin Plant II and Guanyin Plant II, Taipei Office, Kaohsiung Office, Nangang Office, FORTUNE ELECTRIC EXTRA HIGH VOLTAGE, and FORTUNE ELECTRIC VALUE CO., LTD.(EVALUE). Overseas subsidiaries (offices) are not included. There were no significant changes during the reporting period in the scale, structure, ownership, or supply chain of the organization.

Three major strategic developments were added during the reporting period:

1. **Power Division II (Guanyin Plant 3B)** The facility is scheduled for completion by the end of 2025. As it was still under construction and had not officially commenced operations during the reporting period, the related environmental performance data was not included in the current statistics. The facility is expected to be incorporated into the disclosure boundary and carbon inventory commencing in 2026.
2. **FORTUNE NEV CO., LTD.** A wholly owned subsidiary established in 2025, with operations expected to commence in 2027. As there was no substantive operational impact during the reporting period, it was not included within the scope of this report but will be incorporated upon the commencement of formal operations.
3. **FORESEE ENERGY CO., LTD.** Approved for incorporation on December 5, 2025. The company will initially focus on hydrogen production from renewable energy sources and the development of green hydrogen demonstration applications. As there was no substantive operational impact during the reporting period, it was not included within the scope of this report but will be incorporated upon the commencement of formal operations.

The economic performance data presented in this Report are derived from the consolidated financial statements of FORTUNE ELECTRIC for fiscal year 2025, covering the Company and its subsidiaries as the reporting scope. The environmental disclosure scope includes Zhongli Plant, Guanyin Plant II and Plant III, and FORTUNE ELECTRIC EXTRA HIGH VOLTAGE. The Taipei Office, Kaohsiung Office, Nangang Office, and FORTUNE ELECTRIC EVALUE are excluded from the environmental disclosure scope due to their relatively limited environmental impact. The social disclosure boundary includes the Taipei Office, Zhongli Plant, Guanyin Plant II and Plant III factories, Nangang Office, FORTUNE ELECTRIC EXTRA HIGH VOLTAGE, Kaohsiung Office, and FORTUNE ELECTRIC EVALUE. FORTUNE ELECTRIC EVALUE is excluded from human resources-related disclosures due to its operational characteristics. For further information regarding affiliated companies, please refer to the FORTUNE ELECTRIC Annual Report for fiscal year 2025.

Compilation Guidelines

This Sustainability Report is prepared in accordance with the GRI Standards 2021 issued by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) standards for the Electrical & Electronic Equipment industry, the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB), the Rules Governing the Preparation and Filing of Sustainability Reports by Listed Companies issued by the Taiwan Stock Exchange, and the United Nations Sustainable Development Goals (SDGs). The GRI Content Index and SASB disclosure indicators are provided in the appendices of this Report.

Progress on the Adoption of IFRS S1/S2

In view of the significance of sustainability-related issues to corporate value and financial performance, FORTUNE ELECTRIC is actively preparing for the adoption of IFRS S1 and IFRS S2 standards. In accordance with the Roadmap for Taiwan's Alignment with IFRS Sustainability Disclosure Standards announced by the Financial Supervisory Commission (FSC), the Company engaged external consultants in 2025 to conduct relevant training programs on the applicable requirements. The Company also plans to establish a cross-functional sustainability disclosure task force in 2026. In line with the Taiwan Stock Exchange's reference guidance and implementation timetable for IFRS Sustainability Disclosure Standards, the progress of the Company's implementation plan will be regularly reported to the Board of Directors on a quarterly basis for oversight and control. Through these initiatives, the Company aims to ensure timely compliance with applicable regulations, enhance the quality of sustainability-related information, and strengthen the comparability, transparency, and investor confidence of its external sustainability disclosures.

Responsible Department and Quality Management Methods

To enhance the completeness and reliability of sustainability information disclosures, FORTUNE ELECTRIC has established sustainability report preparation and management procedures in accordance with the *Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies*. Relevant procedures have also been incorporated into the Company's Internal Control System and the *FORTUNE ELECTRIC Sustainability Information Management Guidelines* to ensure the consistency and traceability of the collection, compilation, and disclosure of sustainability-related information.

To strengthen the management of sustainability information, each responsible unit is tasked with the collection and preliminary verification of sustainability-related data in accordance with its respective functions and responsibilities, while designated management units oversee the consolidation, review, and governance of sustainability information. During the preparation of the Sustainability Report, cross-functional communication and data reconciliation are conducted with the departments responsible for the Annual Report, greenhouse gas inventory, and other statutory disclosures to ensure the consistency, accuracy, and integrity of disclosed information. In terms of governance and control mechanisms, the Company conducts relevant audit procedures through the Internal Audit Office in accordance with the Internal Control System prior to the end of each fiscal year. Internal control self-assessments are subsequently carried out at the beginning of the following year, with each department completing the required assessments and submitting the results to the Internal Audit Office for consolidation and review. In addition, the sustainability information management procedures and Sustainability Report preparation process are routinely reported to the Board of Directors for review and approval, thereby ensuring the appropriateness and effectiveness of the related management framework and operational controls.

Through the aforementioned institutionalized management framework and internal control mechanisms, FORTUNE ELECTRIC continues to strengthen the quality of its sustainability disclosures, ensuring that relevant information is transparent, reliable, and consistent, while responding to the expectations of regulators and stakeholders regarding sustainability-related disclosures.

CONTACT INFORMATION

If you have any suggestions or inquiries regarding the 2025 FORTUNE ELECTRIC Sustainability Report, please contact us using the information provided below. To fulfill our commitment to transparency and information disclosure, this Report is also available on the Company's official website for public access and to download.

FORTUNE ELECTRIC CO., LTD.

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WEBSITE: https//www.fortune.com.tw

FORTUNE ELECTRIC Sustainability Website: https://esg.fortune.com.tw

CONTACT: Ching-Lin Hsieh, Risk Management Dpt. & Legal Affairs Office, Management Division

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Procedure	Method	Responsible Unit (Position)
Compilation	The Sustainable Development Committee is responsible for coordinating this report. Data, information, strategic objectives, and performance indicators disclosed in the report are provided by relevant departments and subsequently edited and reviewed by the Management Division and the Sustainability Development Committee.	Sustainability Development Committee (SDC) / Administration Div., and relevant departments
Internal Review	Each department must confirm the completeness and accuracy of the report, and the head of each department is responsible for final approval.	Applicable departments and dept. heads
External Assurance	To further enhance the accuracy and credibility of this report: • AFNOR Asia Ltd., an independent third-party assurance provider, has conducted assurance in accordance with AA1000 Assurance Standard v3 (AA1000AS v3), applying Type 2 assurance and a combined assurance approach. The assurance process confirms that this Report is prepared in accordance with the GRI Standards and the AA1000 Accountability Principles (AA1000AP, 2018). • Financial data has been audited by Deloitte Taiwan in accordance with the International Financial Reporting Standards (IFRS). All financial figures are presented in New Taiwan Dollars (NTD). • The Company's management systems include the Quality Management System (ISO 9001), Energy Management System (ISO 50001), Occupational Health and Safety Management System (ISO 45001), Environmental Management System (ISO 14001), Information Security Management System (ISO 27001), and Greenhouse Gas (GHG) Inventory (ISO 14064-1). All systems are subject to annual internal audits and external verification to ensure the accuracy and reliability of data and information.	AFNOR Asia Ltd. / Deloitte & Touche
Finalization	The final version of this Report is prepared by the Sustainability Development Committee in accordance with FORTUNE ELECTRIC's Internal Sustainability Report compilation procedures. It is submitted to the Board of Directors for approval prior to public release.	Board of Directors / Chairman

STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

Stakeholder Identification and Engagement

To ensure stakeholder understanding and support for the Company's sustainable development initiatives, FORTUNE ELECTRIC has referenced the five principles outlined in the AA1000 Stakeholder Engagement Standard —Dependency, Responsibility, Tension/Concern, Influence, and Diverse Perspectives. Through its internal management and external affairs units, the Company conducted stakeholder identification via questionnaire surveys to determine stakeholder groups that maintain close operational or business relationships with the Company and demonstrate significant levels of concern and influence. The identified stakeholder groups, in order of priority, are: **(1) Customers, (2) Suppliers/Contractors, (3) Employees, (4) Investors/Shareholders, (5) Business Partners/ Distributors, (6) Government Agencies, and (7) Local Communities/Public**.

As there were no significant changes in the stakeholder categories identified above during the reporting period, the Company will continue to adopt the same seven stakeholder groups in 2025. The Company has also established a dedicated stakeholder section on its official website featuring an open feedback mechanism, allowing stakeholders to submit inquiries, suggestions, or complaints about material topics and related information. This mechanism facilitates effective two-way communication and further enhances transparency and mutual trust.

Stakeholder Communication and Performance Evaluation Table

Stakeholder	Significance to FORTUNE ELECTRIC	Topics of Concern	Engagement Method and Frequency	Communication Performance	Responses and Actions
Customers	Customers are the primary users of FORTUNE ELECTRIC's products and the foundation of trust in the Company's brand. Maintaining stable customer relationships is a key factor in sustaining the Company's leading position in the domestic and international heavy electrical equipment markets.	Customer service, Ethical Corporate Management, Supply chain management, Procurement practices and management, Product quality and safety, Occupational health and safety	• Regular and ad hoc participation in exhibitions and power technology seminars • Global service locations on our website • Routine surveys and visits as needed • Participation in customers' annual supplier conferences • Ad hoc phone calls, emails, or instant messaging • Toll-free line +886-800-211-569	• Participated as an exhibitor in 4 trade shows in 2025 • Q3 routine survey • 4 customer e-newsletters • Participated in annual supplier conferences held by customers, including GE, CTCI, Taipower, and Yankee. • Arranged domestic and international customer visits to the Company's manufacturing plants and various group locations.	Service processes are continuously improved based on customer survey results and feedback obtained through customer visits. The Company also strengthens its customer visit mechanisms to enhance the transparency of its products and services. Please refer to Ch3
Suppliers/ Contractors	Suppliers and contractors constitute an essential support network for FORTUNE ELECTRIC's production capabilities and quality management. Strong collaborative relationships help enhance procurement efficiency, product quality, and supply chain resilience.	Operational performance, Ethical Corporate Management, Procurement practices and management, Product quality and safety, Occupational health and safety	• Yan-qing Chang, Procurement Team +886-3-483-6155 Ext269 • Vendor feedback on the Company website • Ad hoc phone calls, emails, and instant messaging	• 1 supplier meeting and 4 Board of Directors and Supervisors meetings of the Supplier Association were held. • Irregular inspections and evaluations	Based on evaluation results, continuously optimize the supplier management system and contractor safety management mechanisms, while regularly providing suppliers with feedback and recommendations for improvement. Please refer to Ch3

Stakeholder	Significance to FORTUNE ELECTRIC	Topics of Concern	Engagement Method and Frequency	Communication Performance	Responses and Actions
 Employees	Employees are the key internal force enabling FORTUNE ELECTRIC to sustain its operations, achieve excellence in quality and innovation, and advance its sustainability goals. Ensuring employee satisfaction, talent development, and workplace safety is fundamental to the Company's long-term and sustainable growth.	Operational performance, Ethical Corporate Management, Product quality and safety, Talent development and recruitment, Workplace equality and diversity, Human rights and occupational health and safety	• Employee feedback area / exchange of opinions – voice inbox • Routine employee interviews and responses to feedback • Interviews with supervisors as needed • Senior management/HR head inbox • Monthly plant meetings / process improvement proposal initiatives • Regularly update onboarding guidelines for foreign blue-collar employees	• Employee opinion surveys are conducted once every six months. • Annual employee performance review interviews are conducted by supervisors in each department.	Based on employee feedback, the Company continuously improves talent development programs, workplace safety systems, and diversity initiatives, while enhancing the effectiveness of internal communication platforms. Please refer to Ch5
 Investors/ Shareholders	Investors and shareholders provide financial support to FORTUNE ELECTRIC and have expectations regarding corporate governance and business strategy. The level of investor trust has a direct impact on the Company's access to funding and its market valuation.	Operational performance, Ethical Corporate Management, Occupational health and safety, Talent development and recruitment	• Spokesperson system (for shareholder meetings and communications as needed) • Annual shareholders' meeting • Investor feedback on the Company website • Material information and press releases • Foundation conferences • Ad hoc phone calls, emails, and instant messaging	• One earnings call and 52 communications (telephone/email) • 26 material information announcements (including routine regulatory announcements) • One annual shareholders' meeting	Enhance communication mechanisms with institutional investors, improve the quality of governance-related disclosures, respond to investor inquiries in a timely manner, and continuously optimize governance processes. Please refer to Ch2
 Business Partners/ Distributors	Business partners and distributors play a key role in supporting FORTUNE ELECTRIC's market expansion and brand services, and serve as an important extension of the Company's product quality and service network.	Customer service, Ethical Corporate Management, Product quality and safety	• Routine and ad hoc visits and exchanges • Ad hoc phone calls, emails, and instant messaging	• Participated in annual supplier conferences held by customers, including GE, CTCI, Taipower, and Yankee. • Arranged domestic and international customer visits to the Company's manufacturing plants and visits to various group locations. Conduct factory acceptance inspections and joint inspection activities in accordance with the planned schedule.	Based on distributor feedback, the Company refines partner support programs and quality service standards, and continuously improves market collaboration mechanisms. Please refer to Ch3
 Government Agencies	Government authorities have a key influence on regulatory development, safety standards, and industrial policies. Their support and oversight directly impact the operational legitimacy of FORTUNE ELECTRIC as well as opportunities for industry development.	Ethical Corporate Management, Product quality and safety	• Formal correspondence • Ad hoc visits, phone calls, emails, and instant messaging • Participation in joint visits with industry associations and providing suggestions to government agencies	• Carry out official visits to the Ministry of Foreign Affairs, Ministry of Economic Affairs, Ministry of the Environment, the Industrial Development Administration, and Energy Administration. • All plants and sites hold periodic visits to relevant local government authorities across different counties and cities.	The Company strengthens engagement with government authorities, proactively responds to regulatory changes, implements compliance measures ahead of time, and participates in policy advocacy initiatives. Please refer to Ch2
 Local Communities/ Public	Local communities and the general public form the social and living environment in which FORTUNE ELECTRIC operates. Maintaining strong local relationships and a positive corporate reputation supports operational stability and long-term sustainable development.	Ethical corporate management, Occupational health and safety, Workplace equality and Diversity, Social contributions	• Occupational health and safety departments or managers of each factory regularly and ad hoc engage in exchanges and participate in relevant industrial zone activities. • The Volunteer Committee regularly organizes neighborhood activities. • Ad hoc phone calls, emails, or instant messaging	• Participated in industrial park vendor association events in 2025. • Served as a director/supervisor of the Zhongli/ Guanyin Industrial Park Manufacturers Association. • The Volunteer Committee conducts two beach cleanups each year in Guanyin District; other charitable activities include tree planting events organized by the Taoyuan City Government, activities with the Taiwan Fund for Children and Families (TFCF) and the Huashan Social Welfare Foundation, and blood drives.	The Company continuously engages in local communication and participation, enhances community understanding and support, and promotes workplace equality and public welfare initiatives, demonstrating its commitment to corporate social responsibility. Please refer to Ch6

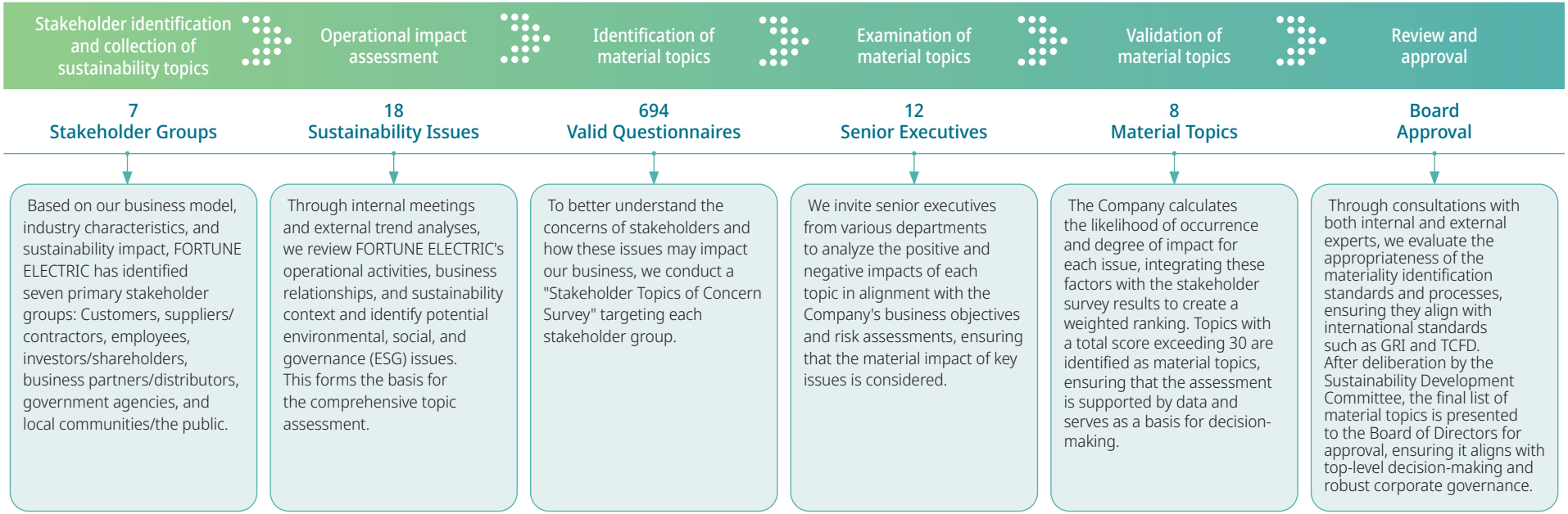
TOPIC MATERIALITY ANALYSIS

FORTUNE ELECTRIC aligns its sustainability reporting with the GRI Standards and international sustainability disclosure trends, and benchmarks against peer disclosure practices to ensure the completeness and comparability of its sustainability information. The Company follows the AA1000 AccountAbility Principles (2018), identifying material topics based on the four principles of Inclusivity, Materiality, Responsiveness, and Impact. The material topic identification process is developed in accordance with the AA1000 framework and the GRI Universal Standards 2021. In addition, the Company takes into consideration international frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) to assess industry-specific sustainability risks and opportunities, thereby strengthening its sustainability strategy and communication through transparent and forward-looking disclosure.

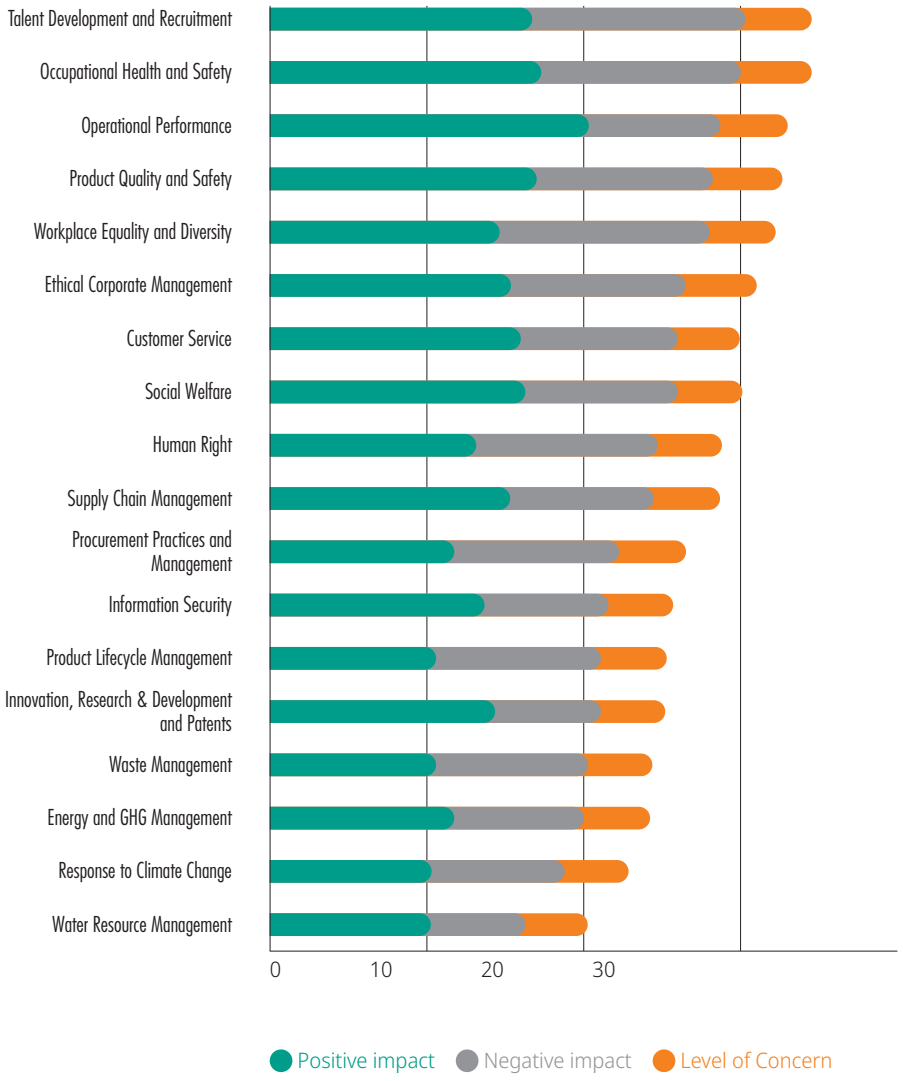
In 2024, the Company completed the identification of eight material topics. Short-, medium-, and long-term targets and performance evaluation mechanisms were established for each topic. The report provides detailed disclosures on the scope of impacts, relevance to the Company's operations, and related risks and opportunities, including policies and objectives, risk and opportunity assessments, key performance indicators, and management approaches. In 2025, in collaboration with external consultants, the Sustainability Development Committee conducted a review and assessment; as there were no significant changes in the internal or external environment, the existing material topic framework remained and was reported to the Board of Directors. On this basis, the Company continues to strengthen its management approach and enhance performance to ensure the steady implementation of its sustainability strategy.

To ensure the effectiveness of its sustainability strategy, the Sustainability Development Committee reports to the Board of Directors at least once a year the annual ESG performance and implementation targets for the following year, ensuring that the Company's sustainability policies and resolutions are effectively executed and that corporate sustainability value is enhanced.

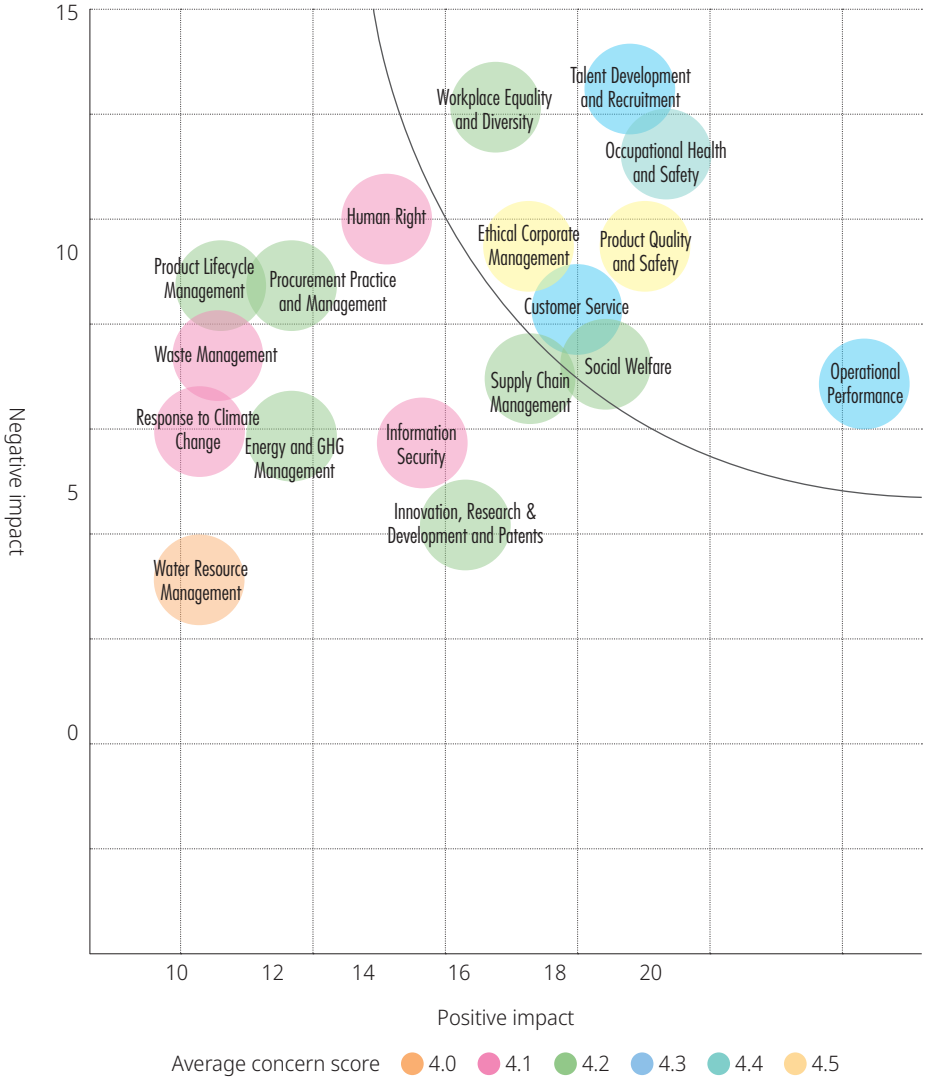
The process for the 2025 material topic assessment and identification is as follows:



Assessment of positive and negative topic impacts



Material topic matrix



Material topics lists

Aspect	Material Topic	Importance to The Company	Impact to Value Chain			Actual and Potential Positive and Negative Impacts	FORTUNE ELECTRIC's Actions	Chapter	Corresponding GRI/ SASB Standards
			Upper Stream	FORTUNE ELECTRIC	Lower Stream				
GOVERNANCE	Operational Performance	Strong and stable operational performance serves as a fundamental pillar for advancing sustainability at FORTUNE ELECTRIC. By maintaining robust profitability, a sound capital structure, and operational resilience, the Company can continuously invest in research and development, capacity expansion, talent development, and green transformation. This enables the Company to respond to the long-term value expectations of customers, shareholders, and society, while strengthening its overall sustainability performance.	●	●		Actual Impacts **Positive:** Enhance revenue growth, profitability, and market competitiveness, while strengthening investor confidence and access to capital. **Negative:** Economic fluctuations or rising costs may affect profit stability and increase financial risk. Potential Impacts **Positive:** The renewable energy market and international expansion drive long-term growth momentum. **Negative:** Changes in industry demand or policy may affect the Company's future revenue structure.	The Company continues to focus on its core power equipment business and opportunities arising from the energy transition, expanding its presence in resilient power grids, renewable energy, energy storage, and overseas markets. Through optimizing its product portfolio, enhancing manufacturing efficiency, and strengthening operational management, FORTUNE ELECTRIC steadily improves its overall operational performance.	Ch1	GRI 201-1 GRI 201-4
	Product Quality and Safety	Product quality and safety are directly related to customer equipment operation, power system stability, and brand trust, and are also key to FORTUNE ELECTRIC's market competitiveness and industry leadership. In the heavy electrical equipment industry, quality is not only a product requirement but also a corporate responsibility.		●	●	Actual Impacts **Positive:** Ensure the stability and safety of power equipment, and enhance customer satisfaction and brand trust. **Negative:** Product quality issues may lead to customer losses or operational risks in system performance. Potential Impacts **Positive:** High-quality products help expand market share and strengthen international competitiveness. **Negative:** Inadequate quality management may result in major safety incidents and damage to brand reputation.	The Company continuously implements quality management systems, process control, testing and validation, and shipment inspections, while integrating pre-sales technical support and after-sales service mechanisms to ensure that products meet safety, stability, and high-performance standards.	Ch1	Customized Topics RT-EE-250a.1 RT-EE-250a.2
	Ethical Corporate Management	Ethical corporate management conduct is a core foundation of corporate governance and sustainability. A robust culture of integrity and regulatory compliance helps reduce operational risks, safeguard corporate reputation, and strengthen stakeholder trust in FORTUNE ELECTRIC.		●	●	Actual Impacts **Positive:** Strengthen corporate governance and regulatory compliance, and enhance stakeholder trust. **Negative:** Insufficient internal control or integrity mechanisms may lead to regulatory non-compliance or ethical risks. Potential Impacts **Positive:** A robust integrity system helps establish long-term and stable business partnerships. **Negative:** Integrity-related incidents may have a significant impact on corporate reputation and operations.	Through ethical corporate management policies, regulatory compliance management, internal control systems, and awareness training, the Company continuously strengthens the integrity awareness of employees and management. It also establishes grievance and communication channels to ensure transparent governance.	Ch2	GRI 205-1 GRI 205-2 GRI 205-3 GRI 206-1 RT-EE-510a.1 RT-EE-510a.2 RT-EE-510a.3
	Customer Service	Customer service forms a key foundation for building long-term partnerships with customers at FORTUNE ELECTRIC. Service quality not only affects customer satisfaction but is also closely linked to brand image, customer trust, market reputation, and future collaboration opportunities.		●	●	Actual Impacts **Positive:** Enhance customer satisfaction and loyalty to support stable orders and business growth. **Negative:** Inadequate service quality may result in customer attrition and adversely affect brand reputation. Potential Impacts **Positive:** High-quality service strengthens long-term partnerships and expands market opportunities. **Negative:** Rapid changes in customer demand, if not addressed in a timely manner, may affect competitiveness.	The Company continuously enhances customer communication, project execution, after-sales maintenance, and incident handling mechanisms. Through customer feedback, service tracking, and process optimization, service quality and response efficiency improves overall.	Ch3	Customized Topics

Aspect	Material topic	Importance to the Company	Impact to Value Chain			Actual and Potential Positive and Negative Impacts	FORTUNE ELECTRIC's Actions	Chapter	Corresponding GRI/ SASB Standards
			Upper stream	FORTUNE ELECTRIC	Lower stream				
SOCIETY	Talent Development and Recruitment	Talent is key to FORTUNE ELECTRIC's continued growth and technological advancement. In the face of industry upgrades and market changes, continuing to attract, develop, and retain talent helps maintain organizational competitiveness, technical continuity, and operational resilience.		●		Actual Impacts **Positive:** Enhance employees' professional capabilities and work efficiency to support the Company's continuous growth. **Negative:** Talent shortages or high employee turnover may affect operational stability and knowledge and technical expertise continuity. Potential Impacts **Positive:** A robust talent development system helps build a long-term competitive advantage. **Negative:** Intensified competition in the labor market may increase recruitment and training costs.	The Company continues to promote talent recruitment, training and development, career development, and key talent cultivation. Through a range of learning opportunities and internal training mechanisms, it strengthens employees' professional capabilities and enhances organizational talent depth.	Ch5	GRI 401-1 GRI 404-1 GRI 404-2 GRI 404-3
	Occupational Health and Safety	Employee health and safety are fundamental to stable operations and an important aspect of FORTUNE ELECTRIC's corporate responsibility. A safe working environment not only safeguards employee well-being but also helps reduce the risk of operational disruptions and incidents.		●		Actual Impacts **Positive:** Reduce occupational accident risks, safeguard employee safety, and improve work efficiency. **Negative:** Occupational accidents may result in employee injuries and operational disruptions. Potential Impacts **Positive:** A robust safety management system can enhance corporate image and strengthen employee trust. **Negative:** Failure to properly implement safety management may lead to serious accidents and legal liability.	The Company continues to promote occupational health and safety management, hazard identification, training and education, on-site inspections, and emergency response measures. Safety management is embedded in factory sites, construction sites, and daily operational processes.	Ch5	GRI 403
	Workplace Equality and Diversity	A fair, respectful, and diverse workplace culture fosters employee engagement, strengthens collaboration, and enhances organizational innovation. For FORTUNE ELECTRIC, cultivating an inclusive and supportive work environment is a key foundation for sustainable talent development and long-term corporate resilience.		●		Actual Impacts **Positive:** Promote a fair and inclusive workplace environment to enhance employee satisfaction and strengthen team collaboration. **Negative:** Inadequate management may lead to issues related to discrimination or unfair treatment in the workplace. Potential Impacts **Positive:** A multicultural workplace contributes to enhanced innovation capabilities and greater organizational resilience. **Negative:** Insufficient diversity management may affect organizational cohesion and cultural integration.	Continue to promote equal employment opportunities, a friendly workplace environment, multicultural communication, and talent development initiatives to foster a workplace that respects diversity and ensures equal opportunities, thereby enhancing organizational cohesion.	Ch5	GRI 405-1 GRI 405-2
	Social Welfare	Community engagement reflects Fortune Electric's commitment to society and corporate responsibility, and is a key way the Company fulfills its mission of " Secure Society." By fostering positive relationships with local communities, Fortune Electric strengthens public trust and expands its positive social impact.		●	●	Actual Impacts **Positive:** Enhance corporate social image and local engagement, and strengthen public trust. **Negative:** Inefficient allocation of resources may reduce operational effectiveness. Potential Impacts **Positive:** Deepening social engagement can enhance brand value and corporate sustainability impact. **Negative:** Inappropriate responses to social issues may cause reputational risk.	The Company continues to invest in philanthropic initiatives, community engagement, and social inclusion activities, leveraging corporate resources and employee participation to address local needs and fulfill its commitment to giving back to society.	Ch6	GRI 203-1

CHANGES OF MATERIAL TOPICS

In the 2025 material topic assessment, FORTUNE ELECTRIC continued with the 2024 material topics and did not conduct a re-identification process. The Company nevertheless continues to refer to the GRI and SASB standards, ESG disclosure practices of peers, and the latest sustainability trends to review the alignment between existing topics, the business direction, and sustainability strategy, ensuring that the material topics remaining are materially relevant and effectively managed. The changes in material topics for 2025 are as follows:

Changes of FORTUNE ELECTRIC's material topics in 2025



CHAPTER

1

BECOMING A GLOBAL LEADING HEAVY ELECTRICAL EQUIPMENT BRAND



- About FORTUNE ELECTRIC
- Main Business and Services
- Innovation and R&D
- Product Quality and Safety
- Smart Factory
- Green Energy Project Promotion
- Green Mobility and Smart Cities
- Economic Performance
- Participation in External Organizations

ANNUAL PERFORMANCE HIGHLIGHTS

- The annual operating revenue reached **NT$24,423,057** thousand.
- R&D investment reached NT$397,975 thousand, accounting for 1.63% of operating revenue. **14** invention patents were obtained.
- SF_6 emissions were reduced by over **95%** compared to the 2024 baseline year.
- **Zero** incidents of non-compliance with health and safety regulations concerning products and services.
- The value of green energy project contracts obtained reached **NT$529** million.
- A leading EV charging operator in Taiwan, with **663** charging stations and **2,363** charging connectors.
- Obtained **IEC 62443** industrial cybersecurity certification.
- EPS **NT$13.99**
  Cash dividend per share: **NT$11** / Stock dividend per share: **NT$1**



VISION

To build upon our core competencies in heavy electrical equipment technologies and professional services, continuously expand our global market presence, and become an international leading brand in the heavy electrical industry recognized for technological leadership, trusted quality, and sustainable value. The Company is committed to serving as a key equipment provider supporting the global energy transition and grid resilience.



STRATEGY

Focusing on high-efficiency transformers, green energy integration solutions, and power infrastructure services, the Company strengthens R&D innovation, enhances manufacturing quality and delivery competitiveness, and further expands its presence in North American and international markets to build global customer trust and long-term partnerships.



TARGETS

The Company continues to increase the proportion of overseas market revenue and enhance brand visibility, strengthen the competitiveness of renewable energy and grid-related products, and expand the deployment of high value-added products and solutions, steadily transforming FORTUNE ELECTRIC from a local heavy electrical equipment manufacturer into an international green energy infrastructure partner.

Material Topics	**Operational Performance**	**GRI Indicator**	GRI 201-1, GRI 201-4

Commitments and Policies

The Company focuses on "Equipment Manufacturing, System Engineering, and Service Operations" as its primary service offerings. The Company will continue to develop and innovate products and technologies, transforming the traditional heavy electrical equipment industry into a high-tech manufacturing service sector. The Company will also actively implement international operational strategies.

Complaint and Communication Channels

- Investor Contact Mailbox
- Stakeholder Section on the Company Website
- Investor Conferences

Metrics and Targets

Short-term goal (1~2 years):

- Continuously monitor annual operating revenue and overall operational performance to steadily enhance business results.
- Green energy project orders are expected to account for more than 13% of total domestic order value.
- Order value for solar, wind, and geothermal power projects is expected to exceed NT$380 million.
- Order value for green products (PV BOX, AMT DR, and SDB) is expected to exceed NT$100 million.
- Order value for engineering and project contracts is expected to exceed NT$1.6 billion.
- More than 5 projects are expected to be in operation, with more than 3 projects successfully awarded.
- More than 5 new suppliers or business partners are expected to be added annually.
- Continuously increase revenue from wind power and other green energy-related businesses.

Medium-term goal (2~5 years):

- Continuously improve annual operating revenue, profitability performance, and budget achievement, while optimizing operational structure and management efficiency.
- Based on the existing short-term green energy order contribution, the Company continues to raise the proportion of green energy project orders and steadily expand its green energy market footprint.
- Based on its existing achievements in solar, wind, and geothermal power project orders, the Company continues to enhance order value from green energy engineering and equipment businesses.
- The Company continues to promote the steady growth and market penetration of green products, including PV BOX, AMT DR, and SDB.
- Based on its short-term order objectives, the Company continues to increase the scale and enhance the quality of engineering and project orders.
- The Company continues to improve the conversion of active projects into awarded projects, while strengthening pre-sales services and customer development capabilities.
- The Company continues to expand its supplier and partner network, thereby strengthening growth momentum in revenue and profitability.
- The Company continues to expand the revenue contribution of green energy businesses, thereby strengthening its competitiveness in the green energy market.

Long-term goal (over 5 years):

- The Company seeks to capture opportunities arising from smart grids, energy transition, and net-zero emissions by integrating internal and external resources to diversify into new products, markets, businesses, and business models, expand its industrial footprint, and create a second growth curve for sustainable growth.

Effectiveness Tracking Mechanism

- The Company regularly tracks revenue growth, profitability, budget achievement, customer satisfaction, and market expansion performance through annual reports, financial reports, investor conferences, and internal management mechanisms.
- The Company reviews the execution of its business strategies and annual targets as a basis for subsequent improvement and refinement.

Actions and Measures

- In 2025, the Company recorded total operating revenue of NT$24,423,057 thousand. For further details on financial performance, please refer to the "Economic Performance" section of this report.
- In 2025, the Company continued to advance engineering order intake and pre-sales services, with estimated revenue of NT$1.03 billion and order value of NT$588 million, achieving an 85% fulfillment rate including pending contracts.
- In 2025, 5 new suppliers or business partners were added.
- The Company continued to engage in government green energy initiatives and wind power industry collaborations, contributing NT$353 million in related revenue.
- Green energy project orders represented 13% of the domestic division's total order value. Order value for solar, wind, and geothermal power projects amounted to NT$1,024,975 thousand, with an achievement rate of 169.7% against the target.
- Order value for PV BOX, AMT DR, and SDB amounted to NT$167,819 thousand, with an achievement rate of 167.82% against the target.

Material Topics	Product Quality and Safety	GRI Indicator	Customized Topics

Commitments and Policies

- FORTUNE ELECTRIC has developed a comprehensive product quality and safety management system to ensure that essential electrical equipment, such as transformers and switchgear, meets both international and domestic safety standards.
- Each year, we conduct internal and external audits to identify and mitigate potential product risks, thereby strengthening our quality management system.
- Regular product risk assessment meetings are held to review operational status, customer feedback, and market needs, optimizing product design and manufacturing processes accordingly.
- In alignment with company policies, comprehensive pre-sales and after-sales services are provided. FORTUNE ELECTRIC dispatches technical teams promptly to sites for equipment inspections and to deliver solutions, ensuring the safety and stability of its products throughout operation.

Complaint and Communication Channels

- Customer feedback platform managed by the Business and Quality Assurance Departments.
- 24-hour toll-free service hotlines:
  - Distribution transformers: +886-0800-003-610
  - Cast resin transformers: +886-0800-003-610
  - Switchgear: +886-0800-023-678
  - Power transformers: +886-0800-060-889
  - GIS: +886-0800-060-889

Metrics and Targets

Short-term goal (1~2 years):

- Enhance safety design of transformers and switchgear, for example, adding protective barriers on top of transformers to ensure the safety of construction and maintenance personnel.
- Strengthen supply chain quality management by raising raw material inspection standards to ensure that components comply with IEC, IEEE, and CNS standards.

Medium-term goal (2~5 years):

- Expand the application of smart power equipment monitoring technologies, fully implementing the SIoT transformer diagnostic system to enhance remote monitoring and data analytics capabilities.
- Promote the use of low-carbon and environmentally friendly materials and optimize material selection for transformers and switchgear to align with net-zero carbon emission trends.

Long-term goal (over 5 years):

- Develop an intelligent ecosystem for transformers and switchgear, enabling digital operations and AI-driven fault prediction to enhance power supply reliability.
- Continuously enhance global market competitiveness by driving R&D innovation and developing products that comply with the latest international standards, expanding into international markets.
- Participate in domestic and international power infrastructure projects and promote safe, energy-efficient, and high-performance power solutions to ensure the company's long-term sustainable development.

Effectiveness Tracking Mechanism

- Establish a mechanism for customer feedback and product monitoring to gather user opinions through the feedback platforms of the Business and Quality Assurance Departments. The Technical Division analyzes and evaluates feasibility, integrating viable improvements into future product optimization.
- Conduct thorough tracking and certification of product quality by work order, ensuring that every item from production to shipment meets established standards.
- Strengthen internal training and knowledge management by regularly holding product quality training sessions and uploading key information to the KM knowledge management platform, ensuring the continuous improvement of the company's internal technical and safety standards.

Actions and Measures

- Zero incidents of non-compliance with health and safety regulations related to products and services.
- All products comply with international safety standards, including IEC, IEEE, and CNS.

ABOUT FORTUNE ELECTRIC



FORTUNE ELECTRIC was established in 1969 and has long been dedicated to the power equipment industry. The Company is primarily engaged in the design, manufacture, and sale of transformers, switchgear, distribution panels, and related power distribution equipment. Its products are widely used in power infrastructure, industrial power applications, and public facilities, and the Company has participated in numerous large-scale projects, including power equipment installations, grid resilience upgrade projects, and data center development. FORTUNE ELECTRIC continues to develop high-capacity and high-voltage power equipment technologies, with products covering low-, medium-, high-, and extra-high-voltage equipment series. The Company has also obtained multiple international short-circuit testing certifications for power equipment. As a key player in Taiwan's power equipment supply chain, the Company maintains a comprehensive product portfolio and strong manufacturing capabilities, and has long supported demand for power equipment in power generation, transmission, and distribution systems and grid resilience upgrade projects.

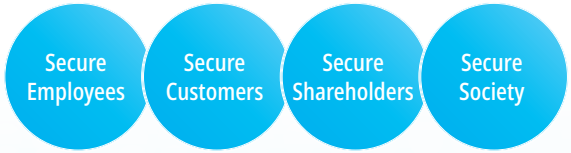
In terms of market development, FORTUNE ELECTRIC continues to strengthen its presence in both domestic and international markets, actively expanding overseas business, deepening relationships with A-class customers, and increasing export sales. Through continuous enhancement of product quality and technological capabilities, the Company maintains a stable operational foundation and strong competitiveness in the global power equipment market. In response to global energy transition and growing electricity demand, FORTUNE ELECTRIC continues to expand production capacity and improve manufacturing technologies. By expanding existing facilities, optimizing production line configurations, and implementing smart manufacturing technologies, the Company aims to enhance production efficiency and strengthen supply stability.

FORTUNE ELECTRIC continues to prioritize long-term sustainable development and integrates Environmental, Social, and Governance (ESG) principles into its corporate strategy. The Company supports power system upgrades and energy transition requirements through advancements in product technology and manufacturing capabilities. It also progressively strengthens energy management and carbon emissions management across its operations to reduce the environmental impact of its business activities.

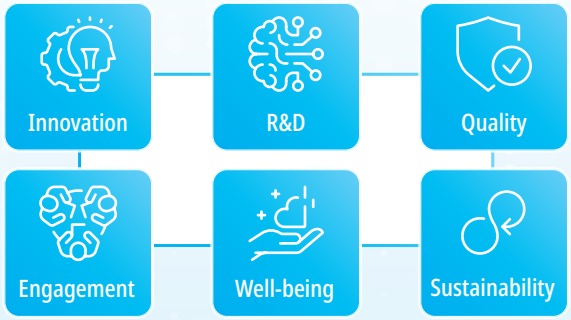
In terms of corporate governance, FORTUNE ELECTRIC continues to strengthen its decision-making mechanisms and internal management systems, enhance information transparency, and uphold integrity in business practices to safeguard the rights and interests of shareholders and stakeholders. The Company also places strong emphasis on talent development by fostering professional teams through training and technical knowledge transfer, and encourages employees to participate in organizational development and continuous improvement initiatives.

Looking ahead, FORTUNE ELECTRIC will continue to strengthen its R&D and manufacturing capabilities, and actively participate in power infrastructure and energy transition initiatives. The Company will drive innovation in products and services, gradually transforming from a power equipment manufacturer into an integrated energy solutions provider. While pursuing business growth, the Company will also continue to uphold its commitment to sustainable operations, creating long-term value for employees, customers, shareholders, and society.

Mission of FORTUNE



Core Values



The Four Principles



Sustainability Commitments and Strategies

Since establishing the Sustainability Development Committee in 2022, FORTUNE ELECTRIC has integrated sustainable development into the core of its corporate decision-making process. The Company evaluates its management practices through an ESG framework and has developed its own sustainability strategies. FORTUNE ELECTRIC recognizes that sustainable operations are not only essential to maintaining corporate competitiveness, but also reflect its responsibility to society and the environment. Therefore, the Company has formulated a series of concrete action plans covering environmental, social, and governance (ESG) aspects, and ensures effective implementation through precise execution and management mechanisms. By creating positive impacts on long-term corporate development, society, and the environment, FORTUNE ELECTRIC aims to work together with stakeholders toward a more resilient and sustainable future.

FORTUNE ELECTRIC Sustainability Strategy Roadmap



MAIN BUSINESS AND SERVICES

In addition to specializing in manufacturing transformers, switchgear, distribution panels, and related distribution equipment, FORTUNE ELECTRIC has also been deeply engaged in renewable energy and energy storage. Its operations cover solar power, wind power, small hydropower, energy storage systems, EV charging stations, and geothermal and ocean energy. FORTUNE ELECTRIC actively participates in the energy policies and grid infrastructure projects of various countries, including Taipower's Grid Resilience Strengthening Construction Plan, to enhance power supply stability and efficiency. At the same time, by expanding into international markets, the company serves energy-intensive customers, including utilities, EPCs, and manufacturing facilities, seizing opportunities in the global energy transition and grid modernization. In recent years, FORTUNE ELECTRIC has achieved steady growth in both domestic and export markets, with the proportion of green energy businesses increasing annually, demonstrating strong growth momentum. Through technological innovation, grid enhancement, and global expansion, FORTUNE ELECTRIC is committed to advancing energy transition and providing efficient and reliable power solutions to meet its sustainable development goals. The company has evolved from a transformer supplier into a business focused on grid resilience, international market expansion, and the green energy sector, paving the way for a new blueprint for corporate development.

	Basic Introduction and Services	Product Highlights
FORTUNE ELECTRIC	Founded in 1969, the company focuses on the manufacturing and sales of power system equipment, with product lines that cover power generation, power transmission, and power distribution. It operates three main business units: the Electrical Distribution Division, the Power Division, and the Switchgear Division. The Company is a leading heavy electrical equipment manufacturer and holds the largest number of Taipower certifications. It specializes in 500kV EHV power transformers, MRT DC equipment, and advanced technology for ultra-low -noise transformers. Additionally, Fortune Electric is the first heavy electrical equipment manufacturer to successfully pass the 230kV and 500kV short-circuit tests conducted by KEMA of the Netherlands. In recent years, FORTUNE ELECTRIC has actively expanded into the wind power and energy storage markets while also broadening its reach to international markets, including the United States, Australia, Japan, and Southeast Asia. The company provides local transportation, installation, and on-site testing services for its equipment in these regions. We are strongly committed to corporate governance and sustainable management, and have won multiple honors, including the *National Sustainable Development Award* and the *Industrial Excellence Award*, among others. These accolades highlight our leading position in the industry.	• **Transformers and Power Equipment:** Exporting 500kV and above transformers to the United States and Southeast Asia, while supplying transformers to Taipower power plants and to solar and wind power plants. • **Distribution and Power Transmission & Distribution Equipment:** Supplying power transformers, GIS switchgear, and power control equipment to both domestic and international markets.
FORTUNE ELECTRIC EXTRA HIGH VOLTAGE	A subsidiary of the FORTUNE ELECTRIC, FORTUNE ELECTRIC EXTRA HIGH VOLTAGE specializes in 500kV and above extra-high-voltage transformers, supplying markets in the United States, Southeast Asia, and beyond. It is also a key supplier for Taipower's *"Ten-Year Grid Resilience Strengthening Construction Plan."* Situated in the Port of Taichung Free Trade Zone, the subsidiary overcomes domestic road weight restrictions and takes advantage of its proximity—just 600 meters from the factory to the port—to address transportation challenges for export products, effectively lowering logistics costs. The facility is also outfitted with an independent testing hall that eliminates external noise and electromagnetic interference, thereby improving testing accuracy and demonstrating a strong commitment to quality that has garnered widespread recognition from international customers. Over a three-year period, the company completed the delivery of 17 power transformers in 2024, including 11 units for the Hsinta Power Plant and 6 units for the Taichung Power Plant.	• **Extra-High Voltage Transformers:** 500kV and above transformers, successfully passing KEMA short-circuit tests and exported to the United States and Southeast Asia. • **Wind Power Transformers:** Deployed in multiple offshore wind farms in Taiwan, enhancing the stability of renewable energy generation.
FORTUNE ELECTRIC VALUE COMPANY LIMITED (EVALUE)	Founded in 2011, FORTUNE ELECTRIC VALUE COMPANY LIMITED (EVALUE). focuses on electric vehicle (EV) charging equipment and intelligent management systems. As Taiwan's first heavy electrical equipment manufacturer to enter the EV charging equipment supply chain, the company installs residential, public, and commercial charging stations, providing one-stop planning and installation services. It is committed to becoming a key player in linking the green economy, driving the smart grid, and fostering low-carbon sustainable development. In partnership with automakers such as Mercedes-Benz, and Porsche (Taiwan Area), the company supplies charging piles, fast-charging stations, and intelligent cloud management systems, thereby contributing to the establishment of Taiwan's electric vehicle (EV) charging network. In recent years, the Company has actively participated in major exhibitions, including building materials exhibitions, auto shows, AMPA exhibitions, and overseas trade fairs, showcasing EVALUE's core products to the public, including a range of EV charging piles and energy management systems (EMS). At the same time, FORTUNE ELECTRIC has strengthened cooperation with local governments, including Taipei City, New Taipei City, Taoyuan City, Hsinchu County, Yilan County, and Taitung County, to jointly develop and expand EV charging infrastructure projects. EVALUE has long been deeply engaged in the residential EV charging market, providing comprehensive home charging solutions. The Company offers end-to-end services, including site surveys, power capacity assessments, professional installation, and after-sales service, all delivered by a dedicated professional team through a one-stop approach. The solutions are built with VPC high-safety standard equipment and robust protection mechanisms, enabling EV owners to charge safely at home and delivering a convenient daily charging experience that integrates closely with everyday life.	• **AC Charging Equipment (slow charging):** Supports SAE J1772 and Type 2 charging standards, suitable for communities and individual users, and compliant with CNS certification requirements. • **DC Charging Equipment (fast charging):** Supports CCS1, CCS2, and CHAdeMO standards, with an output power of up to 640kW, ideal for highways and large vehicle fleets. • **Smart Charging Management System:** Provides real-time monitoring of charging stations, data analytics, and remote maintenance to enhance the stability of the EV charging network. • **Energy Management System (EMS):** Provides essential ICT equipment for local deployment in standalone sites, eliminating the need for costly dedicated server rooms or rack systems. The solution enables flexible expansion and independent operation, allowing managers to operate the system efficiently with only a laptop, while maintaining a high-performance, real-time data network.

Green Products

The Company's products continue to evolve toward higher efficiency, energy conservation, intelligence, and miniaturization. Through the use of high-quality materials and stringent quality management standards, the Company enhances product reliability and operational efficiency, strengthens energy-saving performance, and reduces environmental impact. To ensure long-term competitiveness, the Company continuously improves across all aspects of quality, cost, delivery, and service (QCDS), thereby sustaining the trust of both domestic and international customers.

In addition to its power equipment manufacturing business, the Company places strong emphasis on full lifecycle services by establishing 24-hour power restoration and maintenance support mechanisms, and promoting an *"Advanced Transformer Service Program."* The program includes the development of noise analysis, intelligent monitoring, and maintenance decision-making modules. This technology enables customers to assess acoustic conditions prior to installation, improve the accuracy of operational monitoring, track combustible gas and temperature variations, diagnose remaining service life, and receive annual maintenance recommendations. These capabilities help reduce energy loss and extend equipment service life.

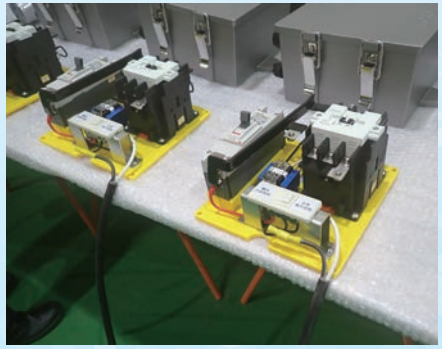
In the electric vehicle charging sector, the Company possesses comprehensive capabilities spanning R&D and manufacturing, engineering construction, and software integration. It provides OEM in-vehicle charging equipment for automakers, factory charging system deployment, as well as station locator and activation app services, while continuously enhancing residential charging devices and platform functionalities to support the development of low-carbon transportation and green energy infrastructure. Through the integration of manufacturing and service-oriented models, and the adoption of smart service solutions, the Company leverages technology to improve energy efficiency and enhance customer experience, while advancing sustainable products and green innovation.

Items		Revenue (NT$ Thousand)	% of revenue
Energy efficiency-related	FR3 natural ester (vegetable oil) and amorphous transformers, approximately 60–70 units for a North American engineering company.	71,706	0.29%
Renewable energy-related	Ground-mounted solar photovoltaic equipment and energy storage systems in Pingtung.	12,764	0.05%
Improving equipment efficiency	PV BOX、AMT DR、SDB	167,819	0.68%
Total		**252,289**	**1.02%**

Ensuring urban lighting resilience through a commitment to quality.

FORTUNE ELECTRIC has achieved a significant milestone in public infrastructure, becoming the first domestic manufacturer to pass Taiwan Power Company's new specification Y451 (112-02) type testing and secure official orders. In response to extreme climate conditions and urban governance challenges, the Company incorporates "resilience thinking" into product design. A "dual-switch mechanism" has been implemented in streetlight switchgear to address the limitation of traditional centralized control systems, where communication failures may lead to power outages. This innovation ensures uninterrupted urban lighting and directly enhances public safety at night.

In quality governance, FORTUNE ELECTRIC demonstrates a high level of self-discipline. In addition to passing stringent electrical testing, the Company proactively implements enclosure airtightness and impulse voltage verification to ensure the durability and waterproof performance of its equipment under long-term outdoor and high-load conditions. This represents not only a technological upgrade but also a concrete commitment to corporate social responsibility. Looking ahead, the Company will continue to focus on developing high-reliability and low-energy-consumption power solutions, serving as a solid foundation for urban sustainability and energy efficiency.





The dual-switch mechanism is connected via a system control line (centralized control) and the load side of a no-fuse breaker (NFB). In the event of a centralized control system failure, it can immediately switch to internal control, ensuring uninterrupted operation of street lighting.

Recognized as a benchmark in green engineering, the Hsingta Power Plant project was awarded the Public Construction Excellent Award.

FORTUNE ELECTRIC undertook the electrical equipment engineering for the *"Hsinta Power Plant Gas-Fired Unit Renovation and Expansion Project."* Leveraging outstanding engineering quality and innovative approaches, the Company promoted low-carbon construction by introducing the nation's first "one-touch automated vacuuming and insulating gas filling" process. This innovative method effectively recovers SF_6 gas and prevents the dispersion of greenhouse gas emissions, contributing to environmental protection and emissions reduction.

In system design, the Company adopted advanced modular GIS equipment to replace conventional AIS, significantly reducing equipment footprint by 60%. In addition, high- and low-voltage capacitors were applied to optimize the power system power factor, improving it from 0.82 to 0.95. By integrating AI-based construction simulation and IoT-enabled smart transformer management, the project is expected to reduce carbon emissions by approximately 43,876 tons over its 35-year life cycle, equivalent to the carbon absorption capacity of 113 Daan Forest Parks. The project sets a benchmark for power infrastructure development that balances grid resilience and environmental sustainability.



FORTUNE ELECTRIC received the *"2025 Public Construction Excellence Award"* for its Hsinta Power Plant project, where the Company introduced a nationwide first automated gas filling process, significantly reducing greenhouse gas emission risks.

Promoting localized energy through community rooftop solar photovoltaic implementation to illuminate green living environments.

In response to national renewable energy development policies, FORTUNE ELECTRIC actively integrates green energy technologies into residential environments and promotes community-based rooftop solar photovoltaic installation projects. In the current year, the Company successfully completed rooftop solar system installation projects for four newly built residential communities and buildings in Zhonghe, Xindian, and Tamsui.

The project has a total installed capacity of 306.73 kW. The electricity generated is directly supplied to community and building public facilities, effectively reducing dependence on grid power and alleviating peak load demand, thereby implementing the sustainability concept of "local energy generation and local use." By transforming idle rooftops into renewable energy generation assets, FORTUNE ELECTRIC helps communities adopt low-carbon lifestyles in their daily operations, adding a touch of green to the urban skyline.



FORTUNE ELECTRIC has installed rooftop solar panels on newly built residential communities in Zhonghe and Tamsui, effectively utilizing rooftop space to generate green energy.

Global Service Sites

The Company's primary markets for products and services remain Taiwan and the United States. The service regions of each subsidiary are as follows:



- Related investments/
  FORTUNE ELECTRIC AMERICA INC.
  FORTUNE ELECTRIC AMERICA CA office

- Related investments/
  FORTUNE ELECTRIC AMERICA INC.
  FORTUNE ELECTRIC AMERICA PA office



- Related investments/
  WUHAN TIANYOU FORTUNE ELECTRIC CO., LTD.
- Taipei office/Nangang office
- Taoyuan office
- Zhongli Plant
- Guanyin Plant II
- Guanyin Plant III
- Kaohsiung office
- Related investments/FORTUNE ELECTRIC EXTRA HIGH VOLTAGE CO., LTD.
- Related investments/FORTUNE ELECTRIC VALUE COMPANY LIMITED.

FORTUNE ELECTRIC Operating Sites

Headquarters & Factories	Address	Tel.
Headquarters / Taoyuan office	No.10, Jilin Rd., Zhongli Dist., Taoyuan City 32063, Taiwan (R.O.C.)	+886-3-4526-111
Taipei office	10F, No. 370, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	+886-2-2704-7001
Nangang office	11F, No. 66, Sanchong Rd., Nangang Dist., Taipei City 106, Taiwan (R.O.C.) (Nangang Software Park Phase III Office Building)	+886-2-2655-9520
Kaohsiung office	Kaohsiung Sales Section: 5 F.-3, No. 25, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City 806614, Taiwan (R.O.C.)	+886-7-3847-001
	Taichung Sales Section: No. 767, Sec. 4, Taiwan Blvd., Xitun Dist., Taichung City 407201, Taiwan (R.O.C.)	+886-4-23582-681
Zhongli Plant	No.10, Jilin Rd., Zhongli Dist., Taoyuan City 32063, Taiwan (R.O.C.)	+886-3-4526-111
Guanyin Plant II	No. 33, Jingjian 2nd Rd., Guanyin Dist., Taoyuan City 32853, Taiwan (R.O.C.)	+886-3-4836-155
Guanyin Plant III	No. 55, Zhongzheng Rd., Guanyin Dist., Taoyuan City 32843, Taiwan (R.O.C.)	+886-3-4736-957
Related Investments Enterprises	**Address**	**Tel.**
WUHAN TIANYOU FORTUNE ELECTRIC CO., LTD.	No. 2832, Dongxihu Avenue, Xihu Dist., Wuhan, Hubei Province	+86-27-83240089
FORTUNE ELECTRIC EXTRA HIGH VOLTAGE CO., LTD.	No. 500, Nanheng 1st Rd., Wuqi Dist., Taichung City 435, Taiwan (R.O.C.)	+886-4-26578118
FORTUNE ELECTRIC VALUE COMPANY LIMITED	12F., No. 66, Sanchong Rd., Nangang Dist., Taipei City, Taiwan (R.O.C.) (Nangang Software Park Phase III Office Building)	+886-2-2325-3320
	6F-3, No.121, Tianwen Rd., Zuoying Dist., Kaohsiung City, Taiwan (R.O.C.)	+886-7-345-9855
FORTUNE ELECTRIC AMERICA INC.	Pennsylvania Office: Shenango Valley Freeway, Hermitage, PA. 16148, U.S.A California Office: Lomita Blvd, Suite 100 Torrance, CA. 90505, U.S.A	+1-888-283-3777
FORTUNE NEV CO., LTD.	11F., No. 66, Sanchong Rd., Nangang Dist., Taipei City, Taiwan (R.O.C.) (Nangang Software Park Phase III Office Building)	+886-2-2655-9520
FORESEE ENERGY CO., LTD	2F., No. 228, Sec. 3, Huanshi Rd., Zhunan Township, Miaoli County 350005, Taiwan (R.O.C.)	+886-2-2655-9520







INNOVATION AND R&D

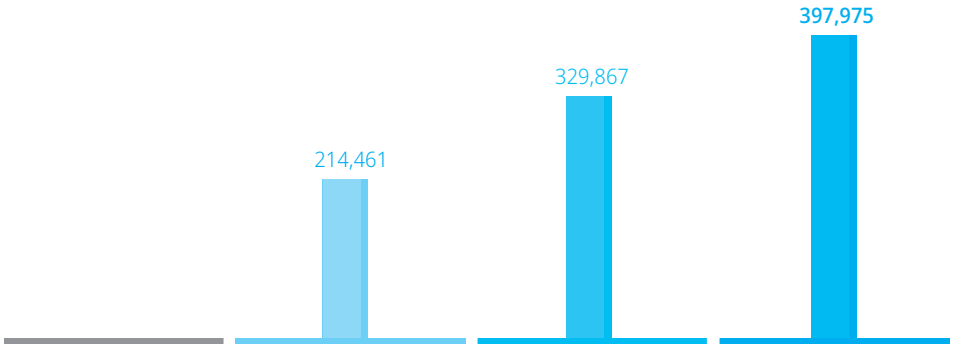
FORTUNE ELECTRIC leverages its strong R&D capabilities to provide innovative solutions that empower customers to grow their businesses and enhance their research and production processes. Through collaborative innovation with customers and industry partners, we create materials specifically designed to meet unique needs, boost product performance and durability, increase production efficiency, and focus on aesthetics alongside environmental protection.

In 2025, the Company developed a "Production Line Risk Assessment and Management System" to evaluate and review risks based on production stations, equipment, and product conditions. The system effectively reduces losses caused by abnormal conditions, ensures stable product quality throughout the manufacturing process, and enhances overall process reliability and efficiency.

In 2025, FORTUNE ELECTRIC invested NT$397,975 thousand in R&D, representing 1.63% of our operating revenue—underscoring our commitment to technological innovation and strengthened market competitiveness. The Company successfully obtained 14 invention patents, many of which are related to smart grids and energy-saving and carbon-reduction technologies. A patented smart-regulating transformer can automatically compensate for 10V voltage deviations, stabilizing feeder voltage and enabling real-time adjustment, thereby enhancing power grid reliability.

FORTUNE ELECTRIC R&D Investment over the Past Three Years

(Unit: NT$ thousand)



Year	2023	2024	2025
Investment amount	214,461	329,867	**397,975**
Ratio in the operating revenue	1.54%	1.63%	**1.63%**



A patent has been obtained for the multi-unit switchable air dehumidification system.

The patented air dryer and multi-unit switchable air dehumidification system adopt a maintenance-free breather and environmentally friendly, reusable heated desiccant. The components are designed to withstand both low- and high-temperature environments. The multi-unit switching dehumidification system further enhances the dryness of air within the oil storage tank gas bag, preventing moisture-induced degradation of insulating oil, thereby extending transformer service life and improving operational stability.

In product design, humidity sensors with stable specifications are adopted to enhance performance. Structural materials have been improved to reduce product weight, which not only increases transportation efficiency but also significantly lowers logistics costs, achieving energy savings in distribution. Through these R&D innovations and design optimizations, FORTUNE ELECTRIC effectively enhances product reliability and service life while implementing energy-saving, carbon-reduction, and green manufacturing strategies.

FORTUNE ELECTRIC's Patent Acquisitions in 2025

Patent Name	Patent Type	Number of Patents	Key Technical Content
SMART REGULATE TRANSFORMER	Patent Subsidized by the Energy Technology Program	5	Achieves ±10Vac voltage adjustment to bring load voltage closer to 220V, even with distribution phase voltage variations between 200Vac and 240Vac.
AIR DEHYDRATING BREATHER	Patent for smart accessory development	2	Applicable to power transformers A single-pipe breather for the air inlet/outlet of the conservator air bag, featuring a heater-equipped design with desiccant that does not require replacement, automatic humidity-sensing heating, and dehumidification functions.
AIR DEHUMIDIFICATION DEVICE WITH MULTI-UNIT SWITCHING FUNCTION	Patent for smart accessory development	1	Applicable to ultra-large power transformers A dual-pipe breather for the air inlet/outlet of the conservator air bag, featuring a heater-equipped design with desiccant that does not require replacement and automatic switching between heating and dehumidification functions based on humidity levels.
INTEGRATED SUBSTATION	A patent has been obtained for an energy storage container system	1	A transformer substation cabinet specifically designed for energy storage projects, integrating a high-voltage switchgear, transformer, and low-voltage switchgear, suitable for 2 MVA applications.
PREDICTION SYSTEM OF TRANSFORMER LOAD	Patent for diagnostic and testing technologies	1	Applicable to power transformers By monitoring transformer load data and forecasting future power consumption trends, it provides customers with recommendations for optimizing factory electricity usage.
INTELLIGENT TRANSFORMER INTEGRATED MANAGEMENT SYSTEM	Patent for diagnostic and testing technologies	1	Applicable to power transformers By collecting data from all transformer monitoring points and applying analytical algorithms, it provides customers with equipment status feedback and alert notifications.
SYSTEM AND METHOD FOR DIAGNOSIS OF VIBRATION ABNORMALITIES IN A TRANSFORMER	Patent for diagnostic and testing technologies	1	Applicable to power transformers Monitors the low-frequency vibrations generated during transformer operation and evaluates potential abnormalities through vibration amplitude analysis and intelligent diagnostic algorithms.
METHOD AND SYSTEM FOR CRACK DIAGNOSIS OF AIR CELL	Patent for diagnostic and testing technologies	1	Applicable to power transformers equipped with a conservator tank By monitoring inlet and outlet airflow conditions, it evaluates whether the transformer gas bag has leakage, rupture, or other abnormal conditions.
RISK ASSESSMENT AND MANAGEMENT SYSTEM FOR PRODUCTION LINE	Patent for risk prevention technologies in R&D and manufacturing processes	1	Applicable to all company units Through the implementation of risk assessment forms, the system supports advance planning, real-time tracking, and post-event review to prevent errors and reduce the risk of failure.

Reducing product operating energy consumption and developing energy-efficient transformers

FORTUNE ELECTRIC continues to focus on the research and development of low-loss transformers to reduce product operating energy consumption, achieving designs with lower core (iron) and copper losses that comply with U.S. Department of Energy (DOE) efficiency requirements. Taking a 100 kVA transformer as an example, compared with the CNS 598:2017 standard (voltage 3.3/6.6 kV, efficiency of 98.05% at 100% load, no-load loss of 531 W, and load loss of 1,458 W), FORTUNE ELECTRIC's energy-efficient transformer achieves an efficiency of up to 99.25% at 50% load, and reduces total losses to 869 W. Over a full year of operation, this translates into energy savings of approximately 9,811.2 kWh. This achievement demonstrates the Company's capability in high-efficiency design and precision engineering, improving energy performance while reducing customers' electricity costs and supporting green manufacturing and carbon reduction goals.

Outstanding green export achievements through the comprehensive adoption of FR3 environmentally friendly natural ester fluid to create highly safe and sustainable green energy transformers.

In response to the global trend toward green supply chains, FORTUNE ELECTRIC has actively promoted Eco-design in its products. To meet the demand for high-end transformers from international export customers, the Company adopted Envirotemp™ FR3 natural ester insulating fluid to replace conventional mineral insulating oil in 20 project units shipped between November 2024 and January 2026.

FR3 insulating fluid is composed of more than 95% renewable vegetable oil and food-grade additives. It is non-toxic and readily biodegradable in the natural environment, effectively eliminating the risk of soil and water contamination. In addition, its fire point and flash point exceed 300°C, which is significantly higher than those of conventional mineral oil, greatly enhancing the fire safety and operational resilience of power equipment. The successful delivery of this export order not only demonstrates FORTUNE ELECTRIC's capability in applying green insulation technologies, but also reflects our commitment to protecting the environment and ensuring energy security through technological innovation and expertise.



FORTUNE ELECTRIC has fully adopted Envirotemp FR3 natural ester insulating fluid in its export transformers. Featuring high fire resistance and biodegradability, it provides international customers with safer and more sustainable power solutions.

Overcoming Extreme Climate Challenges and Advancing Low-Noise Engineering, 525kV Ultra-High-Voltage Transformers Set a New Benchmark for Green Manufacturing

FORTUNE ELECTRIC successfully developed a "525kV-130MVA Ultra-High-Voltage Generator Step-Up Transformer (GSU)" for export to Arizona, United States, demonstrating outstanding operational resilience under extreme ambient temperatures of up to 50°C. This project marks a significant breakthrough in FORTUNE ELECTRIC's ultra-high-voltage technology capabilities. For the first time, the R&D team successfully achieved a lead Basic Insulation Level (BIL) of 1,800kV, with insulation performance comparable to IEC 765kV standards. In addition, an innovative 7N/mm^2 coil compression process was introduced to significantly enhance structural strength.

In terms of environmentally friendly design, FORTUNE ELECTRIC successfully overcame core vibration and cooling resonance challenges through precise simulation analysis and structural optimization, reducing the transformer's overall noise level to below 65 dB—surpassing the international NEMA TR1 standard by 20dB. This achievement not only represents a major manufacturing milestone for the Taichung Plant, but also demonstrates to the global market FORTUNE ELECTRIC's competitive advantage in delivering premium power equipment with high durability and low environmental disturbance.



FORTUNE ELECTRIC's 525kV ultra-high-voltage transformer, featuring resistance to temperatures up to 50°C and ultra-low noise performance, has successfully entered the high-end US power market.

PRODUCT QUALITY AND SAFETY

FORTUNE ELECTRIC is dedicated to delivering safe, reliable products that comply with international standards, ensuring the highest level of safety and protection for customers throughout use. Our product range includes transformers, switchgear, smart grid solutions, and energy storage systems. All products comply with international standards such as IEC, IEEE, and CNS, and undergo rigorous testing and quality verification. We strictly adhere to ISO 9001 Quality Management System and ISO 17025 Laboratory Quality Management System, and we have implemented product recall and abnormality notification mechanisms to ensure that any product issues are promptly reported to customers and relevant authorities for swift resolution.

We have implemented a comprehensive Product Lifecycle Management (PLM) system that covers design, manufacturing, testing, and delivery to ensure product safety at every stage. Additionally, we actively promote the Smart Transformer IoT System (SIoT), utilizing remote monitoring and real-time data analysis to minimize failure risks and enhance the safety and stability of power equipment.

FORTUNE ELECTRIC will continue investing in product innovation and safety technology upgrades, including the development of smart monitoring systems and green manufacturing technologies, to ensure that our products not only meet current safety standards but also address the high safety demands of future smart grid and renewable energy applications. We are dedicated to ongoing improvement to guarantee that all products meet the highest safety standards, providing customers and society with safe and sustainable power solutions.



FORTUNE ELECTRIC's ISO 9001 Quality Management Certificate



FORTUNE ELECTRIC's testing laboratory is accredited with ISO 17025 TAF certification

Obtained IEC 62443 industrial cybersecurity certification, strengthening cybersecurity capabilities for smart grid applications.

To master key technologies in smart grids and digital substations, FORTUNE ELECTRIC has established an "IEC 61850 Laboratory" with a forward-looking vision, creating a core technology platform that integrates smart grid applications, system integration, and industrial control cybersecurity. Moving beyond the traditional heavy electrical manufacturing framework, the Company addresses the unique cybersecurity risks of industrial control environments by implementing an independent ISO 27001-based information security governance system, separate from enterprise IT. This ensures the isolation and security of the OT environment.

The R&D team's efforts culminated in December 2025 with FORTUNE ELECTRIC successfully obtaining IEC 62443-2-4 industrial cybersecurity certification from Bureau Veritas. Across the two major domains of "system integration" and "system maintenance," the Company passed a total of 246 stringent requirements with zero non-conformities, demonstrating world-class technical excellence. This milestone signifies that FORTUNE ELECTRIC has developed "verifiable and replicable" smart substation integration capabilities and has successfully transformed into a high value-added system solution provider. FORTUNE ELECTRIC has evolved from traditional hardware manufacturing into a critical enabler of smart grid cybersecurity and national infrastructure resilience.



The IEC 61850 Laboratory is not only a functional testing facility, but also a core technology platform where FORTUNE ELECTRIC integrates smart grids, system integration, and industrial control cybersecurity.

Products Meeting High-Standards

FORTUNE ELECTRIC has consistently been dedicated to developing high-quality power equipment, maintaining strict adherence to both domestic and international standards. This commitment ensures that our products meet the safety and stability requirements essential for power systems. Our switchgear and distribution equipment are trusted by Taiwan Power Company (Taipower) and other public utilities. These include gas-insulated switchgear (GIS), automatic line switches, low-voltage streetlight switches, armored switchboards, air circuit breakers, and distribution panels—all vital components that ensure the safe and efficient operation of the power grid.

All products are manufactured to meet stringent technical specifications, including standards for 23kV GIS (GIS4), underground line switches (Y241, Y234), low-voltage streetlight switches (Y451), 161kV air circuit breakers (ABS1), and distribution panels (DSPL, PL01). These products undergo thorough testing to ensure both durability and adaptability to environmental conditions. Over the years, our products have proven their value in the market and fully comply with Taipower's technical standards, making them essential for Taiwan's power infrastructure.

Standard / Certification	Product Category
IEC 60076-1 (2011) ; IEC 60076-2 (2011) ; IEC 60076-3 (2013) ; IEEE Std C57.12.90 (2015) ; CNS 598 (106) ; IEEE Std C57.12.00	Power Transformers (Oil-Immersed)
IEC 60076-1 (2011) ; IEC 60076-2 (2011) ; IEC 60076-3 (2013) ; IEEE Std C57.12.90 (2015) ; CNS 598 (106) ; IEEE Std C57.12.00	Distribution Transformers (Oil-Immersed)
CNS 13390 (90) ; IEC 60076-11 (2018)	Distribution Transformers (Dry Type, Including Cast-Resin and Resin Types)
CNS 3990 ; C4130 (84)	3.3kV Armored Metal-Clad Switchgear
CNS 3990 & CNS 3991 (84) ; CNS 15156-200 (100) ; IEC 62271-200 (2011) ; IEC 62271-1 (2017) ; IEC 62271-200 (2021)	Metal-Enclosed Switchgear and Controlgear
IEEE Std C37.20.2(1999)	High-Voltage Metal-Enclosed Distribution Panels
CNS 13542 C4470(84) CNS 13543 C3210(84)	Low-Voltage Metal-Enclosed Distribution Panels
NEMA ICS 18 (2001)	Low-Voltage Motor Control Centers (MCC Panels)
IEEE Std C37.20.1(2015)	Low-Voltage Power Load Centers
IEC 61439-1 (2020)	Low-Voltage Switchgear and Controlgear Assemblies

SMART FACTORY



On the path toward sustainable development, FORTUNE ELECTRIC recognizes that digital transformation and green decarbonization are both essential and inseparable. In response to global sustainability trends, the Company is committed to seamlessly integrating "digital transformation" with "ESG transformation," creating smart factories tailored specifically for the heavy electrical industry. This is not only an upgrade in manufacturing technology, but also a concrete commitment to environmental protection, employee care, and the pursuit of excellence in quality.

Due to the extremely heavy nature of power equipment—often ranging from 50 to 250 tons—FORTUNE ELECTRIC cannot fully adopt the lightweight automation models commonly used in the electronics industry. Instead, the Company has developed a customized production model centered on "smart manufacturing." The factory has fully implemented "smart dashboards" to accurately record and visualize production processes, material usage, and manufacturing data. This enables management teams to remotely monitor real-time factory operations and achieve a high level of digital transparency. In addition, large volumes of test data are collected and used to train AI models, resulting in the development of a "Quality Failure Prevention Assistant." This system establishes a refined manufacturing traceability from the source, ensuring that every delivered unit complies with the most stringent international standards.

In the development of its smart factory, FORTUNE ELECTRIC actively introduces automation and digital technologies to comprehensively enhance manufacturing efficiency, product quality, and sustainability performance. By leveraging technology, the Company has improved the working environment for employees. Previously, the handling of copper wire materials weighing over 100 kilograms relied heavily on manual labor. This process has now been fully upgraded with Automated Guided Vehicles (AGVs), which are responsible for raw material delivery and coil handling operations. This not only significantly reduces physical workload and occupational safety risks, but also eliminates non-value-added activities such as transportation delays and repetitive movement. As a result, employees are able to focus on higher value-added manufacturing and quality-related tasks, leading to significant improvements in overall production efficiency and operational precision.

Building on this foundation, FORTUNE ELECTRIC has also implemented an automated warehouse management system (WMS) integrated with digital inventory control. This enables real-time visibility of material status, optimizes storage allocation and inbound/outbound efficiency, and supports first-in, first-out (FIFO) inventory management. As a result, product quality stability and space utilization are significantly improved, ensuring reliable material supply under high-capacity production conditions. In addition, fully automated oil-filling equipment has been introduced to enhance process stability and consistency in critical manufacturing stages. Beyond deployment to automated equipment , FORTUNE ELECTRIC has further optimized production line layout and applied lean improvement methodologies to systematically eliminate process waste. The Company has also advanced the power-driven material handling system to reduce reliance on manual operations, strengthen process continuity, and stabilize production time. These initiatives not only demonstrate FORTUNE ELECTRIC's digital transformation achievements in manufacturing, but also support energy conservation, carbon reduction, and optimal resource allocation, driving the Company's sustainability transition. While pursuing high-value growth, FORTUNE ELECTRIC also prioritizes workplace safety and employee well-being, achieving balanced progress in efficiency improvement, quality enhancement, and employee welfare, and showcasing the integrated value of smart manufacturing and sustainable operations.

In terms of environmental sustainability (E), FORTUNE ELECTRIC's smart manufacturing initiatives are further extended to driving a green supply chain. The Company begins decarbonization efforts at the production source by actively investing in energy-saving equipment upgrades and the development of high-efficiency power equipment. Through production line optimization, precise energy consumption management, material substitution, and the promotion of a circular economy, FORTUNE ELECTRIC not only reduces its own carbon emissions, but also further supports customers and suppliers in achieving sustainability and decarbonization goals.

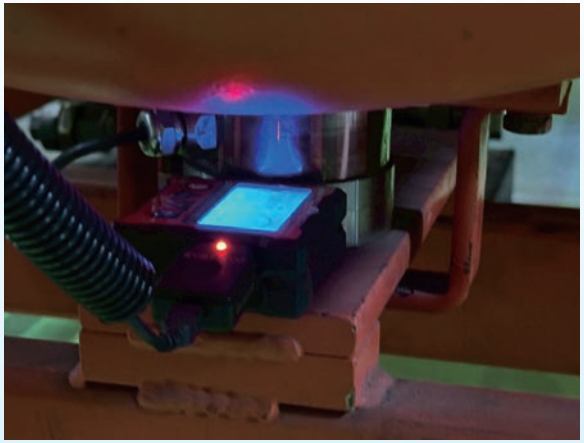
FORTUNE ELECTRIC's smart factory is not only a driver of business growth, but also an ideal platform for putting ESG principles into practice. Looking ahead, the Company will continue to integrate technology with the energy transition, moving toward a greener, more structured, and sustainable future.

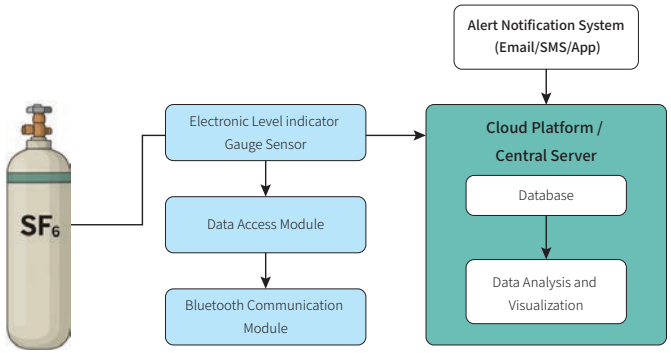
Optimization of SF_6 gas recovery processes and performance in emissions management.

FORTUNE ELECTRIC continues to strengthen its SF_6 greenhouse gas management system. In 2025, the Company optimized gas recovery processes at its Second Plant and Taichung Plant, establishing three standardized operating procedures: (1) transformer → recovery unit → gas cylinder; (2) transformer → recovery unit → storage tank; and (3) storage tank → recovery unit → gas cylinder. These standardized pathways ensure full traceability of gas flow and effectively reduce the risk of gas leakage.

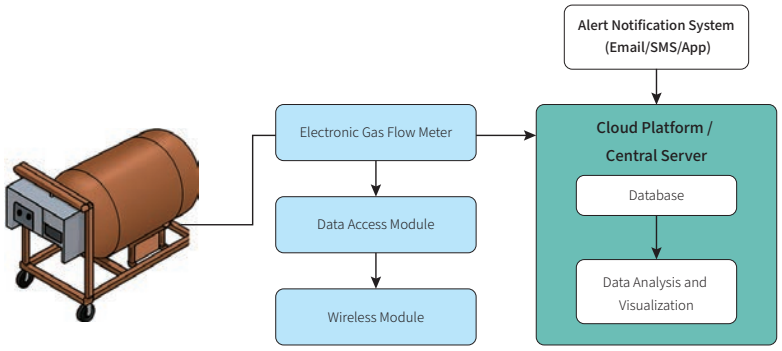
At the same time, the gas storage cylinders were upgraded with smart monitoring capabilities, including weight measurement sensors and XY electronic level indicators. Through algorithm-based calculations, SF_6 gas weight and recovery rates are automatically determined, and the data is further integrated with a work-order-based grouping system to enhance data accuracy and strengthen internal control. With process optimization and digital management in place, SF_6 leakage in 2025 was reduced by more than 95% compared to the 2024 baseline year. The average SF_6 leakage rate per transformer test was controlled below 3%, effectively reducing emissions of a high-global-warming-potential gas and strengthening both climate governance and green manufacturing performance.







Basic Architecture Diagram of the SF_6 Gas Cylinder Electronic Level Gauge



Basic Architecture Diagram of the Human–Machine Workflow for Gas Measurement Processes

GREEN ENERGY PROJECT IMPLEMENTATION

FORTUNE ELECTRIC has undertaken the electrical engineering work for the "Kaohsiung Port Fifth Container Center," establishing a high-efficiency power system to support port automation and the development of low-carbon logistics. At the same time, the Company is actively expanding into diverse energy sectors. In addition to advancing a 30 MW front-of-meter energy storage project in Lize, Yilan to enhance regional grid stability, FORTUNE ELECTRIC continues to promote rooftop solar installations within local communities. These initiatives demonstrate the Company's cross-disciplinary engineering capabilities and its comprehensive commitment to environmental sustainability.

In 2025, FORTUNE ELECTRIC secured green energy projects worth a total of

NT$529 million

Electrical engineering project for the Kaohsiung Port Fifth Container Center

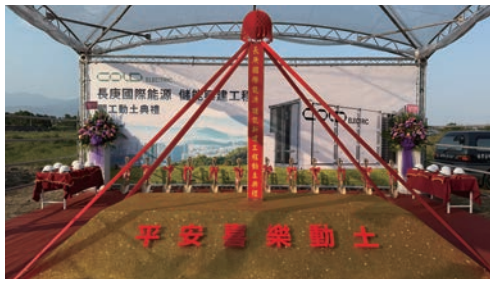
In response to the global shift toward automation and net-zero transformation in the shipping industry, FORTUNE ELECTRIC has partnered with WAN HAI Lines to participate in the development of the next-generation fully automated container terminal at the Kaohsiung Port Fifth Container Center (Berths 79–81). The Company undertook the key high-voltage and electromechanical engineering scope of this project, responsible for establishing high-efficiency power infrastructure to ensure the stable operation of intelligent systems—such as remotely controlled cranes and electrified transportation equipment—under high-load conditions.

In terms of environmental benefits, FORTUNE ELECTRIC's engineering team has optimized the power system design to effectively reduce transmission losses and improve overall energy efficiency. In addition, in coordination with the dredging works at the terminal, the project enhances the efficiency of berthing and cargo handling for large vessels, indirectly reducing energy consumption and carbon emissions during vessel waiting time, thereby supporting the development of a green and low-carbon port operation model. The project is scheduled for completion and commissioning in 2026. During the construction phase, stringent high-voltage safety management practices are strictly enforced, demonstrating FORTUNE ELECTRIC's consistent commitment to both engineering quality and occupational safety while advancing infrastructure upgrades.

30 MW energy storage project in Lize, Yilan

As the nation accelerates its energy transition, FORTUNE ELECTRIC actively responds to government policies and continues to develop high-efficiency energy storage technologies. Following the completion of multiple large-scale projects in Changhua, Yunlin, and Hualien, the Company further expands its renewable energy footprint this year by launching a 30 MW front-of-the-meter energy storage project in the Lize Industrial Park in Yilan, demonstrating its strong integration capabilities in large-scale energy infrastructure.

This project is supported by FORTUNE ELECTRIC in collaboration with Chang Gung International Energy. The project uses battery cabinets supplied by Chang Gung International Energy and integrates PCS (Power Conditioning System) provided by TECO Electric & Machinery Co., Ltd., with grid interconnection to the 161 kV extra-high-voltage transmission network. Beyond technical integration, this project represents a concrete step in FORTUNE ELECTRIC's effort to connect the domestic industrial supply chain and advance the maturity of the energy storage ecosystem. Upon completion, it will effectively enhance regional energy dispatch efficiency and strengthen grid resilience against the intermittency of renewable energy, adding stable momentum to Taiwan's path toward net-zero emissions.





345kV ultra-high-voltage transformer powers Taiwan's largest offshore wind farm

FORTUNE ELECTRIC continues to deepen its localization of the offshore wind power supply chain. In 2025, the Company successfully delivered core power equipment for Ørsted's "Greater Changhua Southwest Phase II and Northwest Offshore Wind Farms" project. The project has a total installed capacity of 920 MW (comprising 337.1 MW for the Southwest Phase II and 582.9 MW for the Northwest), making it the largest development project in Phase II of Taiwan's offshore wind program. The onshore substation is the first site to adopt Taipower's highest-voltage 345 kV transmission system, and is equipped with advanced technologies such as the world's largest-capacity variable shunt reactor, marking a significant milestone in Taiwan's offshore wind development.

FORTUNE ELECTRIC, leveraging its strong capabilities in heavy electrical manufacturing, designed, produced, and delivered the core ultra-high-voltage equipment for the project—two 345 kV, 380 MVA main power transformers. This not only demonstrates that FORTUNE ELECTRIC's technological capabilities in the ultra-high-voltage field meet leading international standards, but also successfully enables the integration of renewable energy into Taipower's backbone transmission system. Ørsted has signed a corporate power purchase agreement (CPPA) with TSMC for this wind farm, marking one of the largest renewable energy procurement agreements globally. As a key equipment supplier, FORTUNE ELECTRIC provides stable and highly efficient power conversion equipment, indirectly supporting the green transformation of the semiconductor industry. Within the sustainable ecosystem spanning energy developers, equipment manufacturers, and end-users of green power, the Company plays an indispensable hub role.





FORTUNE ELECTRIC has delivered two 345 kV, 380 MVA ultra-high-voltage transformers to the onshore substation of the Greater Changhua Offshore Wind Farm, providing power system support at the highest technical standards to advance Taiwan's energy transition.

Pioneering the Hydrogen Era: Establishing Taiwan's First Public–Private Green Hydrogen Demonstration Park

In alignment with the national pathway toward net-zero emissions by 2050, FORTUNE ELECTRIC is actively expanding its presence in forward-looking clean energy sectors. In 2025, the Company was selected as the preferred applicant for the Public–Private Partnership (PPP) project of the "Green Hydrogen Industry Demonstration Park" initiated by the Miaoli County Government, and established a project company, "FORESEE ENERGY CO., LTD." to oversee its operations. Located in Tongluo Township and covering approximately 1.9 hectares, this project is the first hydrogen energy demonstration site in Taiwan driven by a local government through a PPP model. It represents a significant milestone in FORTUNE ELECTRIC's strategic positioning within the emerging new energy value chain.

This park is positioned not as a traditional mass-production facility, but as a core hub for technology validation and industrial demonstration. FORTUNE ELECTRIC will integrate its extensive experience in renewable energy and energy storage systems to establish demonstration platforms for "renewable energy-based hydrogen production" and "silicon–hydrogen technology applications," while linking demand from semiconductor, advanced materials, and other related industries. Through a "demonstration-first" strategy, the Company not only helps reduce the government's financial burden, but also promotes the localization and long-term development of hydrogen technologies. In addition, by incorporating energy education functions, the project aims to create a low-carbon energy landmark that combines R&D, demonstration, and educational value, steadily advancing Taiwan toward a new hydrogen economy era.





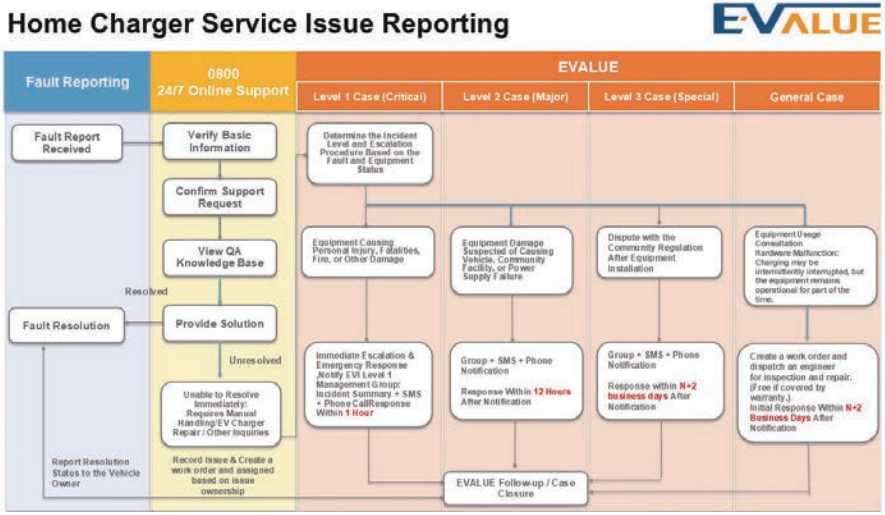
GREEN TRANSPORTATION AND SMART CITIES

Key Performance Indicators of EVALUE (2025)

Key Performance Indicators (KPIs)	Performance Metrics	Market Position
Membership Scale	135,658 members	No. 1 in Taiwan (largest nationwide scale)
Tender Coverage Rate	62.5%	Highest in Taiwan
Charging Infrastructure	663 stations/ 2,363 charging connectors	Taiwan's leading charging network operator
Home Charger Installations	11,676 cases	Strong presence in the home charging market
Automotive OEM Partnerships	15 major brands	No. 1 market share

FORTUNE ELECTRIC VALUE (EVALUE) is one of Taiwan's major electric vehicle charging network operators. Through continuous expansion of charging infrastructure and the introduction of digitalized operational services, the Company enhances the convenience and accessibility of EV usage, supporting the development of low-carbon transportation and vehicle electrification. As of the reporting period, EVALUE has deployed 663 charging stations and 2,363 charging connectors across Taiwan, forming a large-scale public and private charging network. The Company also participates in public charging infrastructure tenders nationwide, achieving a tender coverage rate of 62.5%, thereby supporting the government's efforts in building public charging infrastructure and advancing smart city development.

In the social and governance dimensions, EVALUE serves as a designated charging partner for 15 major automotive brands in Taiwan, providing integrated services covering DC/AC charging infrastructure deployment, operation and maintenance management, showroom solutions, and residential charging installations. As of 2025, the Company has completed 11,676 home charger installation cases, extending low-carbon mobility services into residential settings. Through stable charging services and integrated digital platforms, EVALUE has also accumulated a membership base of 135,658 EV users, continuously strengthening customer service quality, industry partnerships, and long-term operational resilience.



As of the end of 2024, EVALUE had deployed 1,114 AC charging connectors and 184 DC charging connectors across Taiwan. By the end of 2025, the installed base had increased to 2,128 AC connectors and 235 DC connectors, representing an overall year-on-year growth of approximately 82%. This growth momentum is primarily driven by government and municipal policy initiatives, including regulatory amendments requiring at least 2% of parking spaces in public off-street parking facilities and more than 1% in private off-street public parking facilities to be equipped with EV charging infrastructure, as well as deepened collaboration with international automotive manufacturers. In addition, through a diversified deployment strategy across multiple application scenarios, the Company has progressively expanded its charging infrastructure into public, commercial, and residential settings, supporting EV adoption and the development of low-carbon transportation.

EVALUE is committed not only to building a comprehensive charging network, but also to engaging with communities and promoting low-carbon mobility through diverse on-site initiatives. In 2025, the Company organized large-scale carnivals, brand car gatherings, and coastal cleanup activities, successfully engaging more than 135,000 members and their families, thereby transforming "green mobility" into tangible social impact.

Edutainment that takes root in sustainability

EVALUE hosted the "2025 EVALUE Carnival" at the West Lake Resort in Miaoli, attracting 1,575 participants. The event combined electric vehicle exhibitions, charging experience activities, and sustainability education, while also incorporating family-friendly interactive programs. Through an edutainment approach, it introduced concepts of energy conservation and carbon reduction to children, fostering greater family awareness and understanding of green energy lifestyles.

In addition to large-scale public events, EVALUE continues to engage deeply with EV owner communities. In 2025, the Company hosted three brand owner gatherings in March, April, and November for BMW iX2, Audi Q4 e-tron, and Luxgen N7 owners respectively. Through interactive exchanges and hands-on charging experiences, these events helped drivers develop proper charging practices and reduce the information gap during the transition from gasoline-powered vehicles to electric vehicles.



Through large-scale events and active engagement with EV owner communities, EVALUE transforms energy transition topics into everyday experiences, fostering broader acceptance of low-carbon lifestyles across diverse groups.

Protecting the oceans and fulfilling ecological responsibility

EVALUE continues to encourage EV owners to extend their carbon reduction efforts from transportation into broader environmental conservation. On August 16, 2025, the Company organized the "EVALUE Beach Cleanup Family Day" at the Linshanbi Geological Scenic Ecological Trail in New Taipei City, bringing together EV owners and their families to participate in environmental protection activities.

A total of 89 EV owners and their family members participated in the event, collectively removing several hundred kilograms of beach waste on the day, effectively improving coastal environmental quality and protecting marine ecosystems. The activity also incorporated parent–child participation, integrating environmental protection and carbon reduction concepts into family life, and deepening the next generation's understanding and recognition of nature conservation and sustainability values.



EVALUE mobilizes EV owners to extend their carbon reduction efforts from the road to the coastline, giving back to the environment through tangible action.

ECONOMIC PERFORMANCE

With a solid financial foundation, FORTUNE ELECTRIC is dedicated to establishing sound operational plans and capital management while achieving strong financial performance that creates long-term, stable economic value and delivers returns to all stakeholders. As part of its long-term goal of becoming a sustainable enterprise, the Company remains focused on delivering value back to society and its stakeholders. Despite changes in the market environment and rising demand, as well as the impact of reciprocal tariffs imposed by the United States, FORTUNE ELECTRIC still delivered strong results in both revenue and profitability. In 2025, revenue increased by approximately 20.89% compared with 2024, while earnings per share increased from NT$13.57 (adjusted retrospectively for stock dividends) to NT$13.99, reflecting the Company's strengths in product innovation and market expansion.

While maintaining stable financial performance, FORTUNE ELECTRIC is also committed to enhancing investor returns. It distributes current year earnings to shareholders through cash dividends and stock dividends. In 2025, the Board of Directors approved a cash dividend of NT$11per share and a stock dividend of NT$1 per share, thereby offering greater returns to investors.

Consolidated Financial Statements of FORTUNE ELECTRIC and Subsidiaries in the Last Three Years (Note 1)

(Unit: NT$)

Year/Item	Unit	2023	2024	2025
Capital	Thousand dollar	2,610,585	2,871,644	**3,158,808**
Operating revenue	Thousand dollar	13,899,740	20,202,779	**24,423,057**
Gross profit	Thousand dollar	4,334,019	7,384,693	**9,885,318**
Profit from operations	Thousand dollar	2,853,582	4,890,544	**5,227,156**
Income tax	Thousand dollar	510,295	1,168,328	**1,242,009**
Net profit for the year	Thousand dollar	2,561,785	4,270,996	**4,367,128**
Net profit attributable to owners of parent company	Thousand dollar	2,577,260	4,286,020	**4,419,436**
Earnings per share (Note 2)	NT$	8.15	13.57	**13.99**
R&D expenses	Thousand dollar	214,461	329,867	**397,975**
Employee compensation and welfare expenses	Thousand dollar	1,778,389	2,575,433	**2,971,198**
Community investment	Thousand dollar	791	7,887	**10,459**
Cash dividends distributed to shareholders	NT$/share	6	9	**11**
Stock dividends are distributed to shareholders	NT$/share	1	1	**1**

Notes: 1. The entities included in the consolidated financial statements include the headquarters of FORTUNE ELECTRIC and its subsidiaries.
2. Due to the retrospective adjustment for earnings capitalized into stock dividends.

Direct Economic Value Generated and Distributed by the Organization

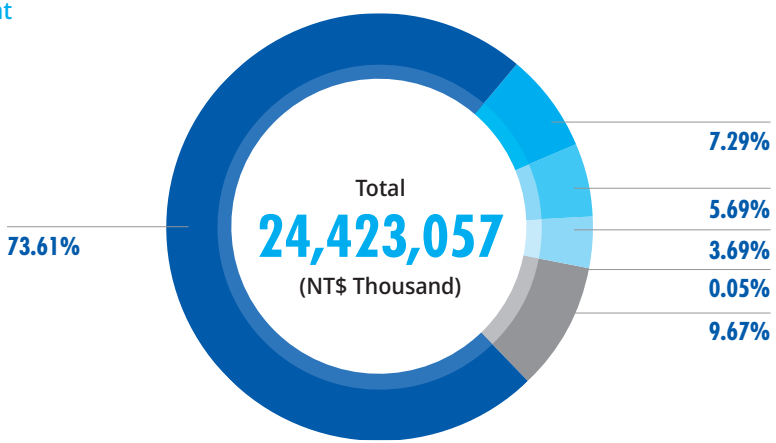
Item (Unit: NT$ Thousand)		2023	2024	2025
Direct economic value generated	Operating revenue	13,899,740	20,202,779	**24,423,057**
	Non-operating revenue (Note 1)	267,783	586,607	**429,079**
Economic value distributed	Operating cost (Note 6)	8,586,609	11,484,885	**13,037,586**
	Employee compensation and welfare (Note 2)	1,778,389	2,575,433	**2,971,198**
	Payments to capital providers (Note 3)	701,931	1,865,237	**2,918,742**
	Payments to the government (Note 4)	20,060	918,949	**1,483,585**
	Community investment	791	7,887	**10,459**
Economic value retained (Note 5)		3,079,743	3,936,995	**4,430,566**

Notes: 1. This amount excludes financing costs and has already been included in payments to the investors.
2. Please refer to page 50, note (5) of the consolidated financial statements: Depreciation, Amortization, and Employee Benefit Expenses.
3. This amount includes dividend payments to shareholders and financing costs.
4. Please refer to page 12 of the consolidated financial statements for the amount of income tax paid.
5. Economic value retained = Direct economic value generated - Economic value distributed
6. During the reporting period, the scope of disclosure for operating costs was adjusted to exclude employee salaries and benefits recorded under operating costs from the calculation of total operating costs. This restatement was made to enhance the consistency and completeness of information disclosure and to ensure comparability of data across periods.

2025 Product Categories and Business Composition / Revenue Breakdown by Product Segment

Items	Revenue Amount (NT$ Thousand)
Transformer	17,977,822
Distribution panel	1,780,725
Engineering Contracting	1,389,881
Power Distribution Equipment	901,909
Electricity sales	12,764
Other	2,359,956

Note: In 2025, the Company adjusted its approach to disclosing product information. Production volume is no longer disclosed and has been replaced by revenue and business composition. This adjustment does not affect the financial data.



Financial Subsidies from the Government

In 2025, FORTUNE ELECTRIC successfully obtained multiple government subsidies, including incentives from the Government of the Republic of China (Taiwan) for hiring senior workers, youth employment incentives, and stable employment programs. In addition, the Company received trade show subsidies from the International Trade Administration, Ministry of Economic Affairs, low-carbon equipment subsidies from the Taoyuan City Government, and funding from the Workforce Development Agency's 2025 "Charging Forward" program. The total amount of subsidies reached NT$1,852 thousand (based on the annual financial statements).

Tax Policy, Governance, and Risk Management

FORTUNE ELECTRIC adheres to the principles of tax compliance and corporate social responsibility, striving to create corporate value and establish strong tax risk management practices. To achieve this, we have developed tax governance policies and transfer pricing policies, built a solid tax management system and culture, and ensured timely and efficient handling procedures. These policies not only seek to enhance corporate value but also demonstrate our commitment to fulfilling corporate social responsibility and civic obligations, thereby promoting the Company's sustainable development. In 2025, the company did not incur any penalties for violations of tax-related regulations.

In terms of tax governance, the company has established a clear organizational structure and a well-defined division of responsibilities. The Director of the Administration Division also currently serves as the top executive for financial governance and is responsible for making overarching tax governance decisions and ensuring that the tax management mechanisms function effectively within the context of operational strategies and business environments. The Accounting Department oversees tax management and reports monthly to the Director of the Administration Division on tax related management matters.

The Company's tax governance policy is founded on transparency, openness, and regulatory compliance. The Company adheres to the following tax policy and code of conduct:

Regulatory Compliance	• Commit to following local tax regulations and legislative principles at every operational location, and ensure compliance with international tax standards. Ensure accurate tax calculation, declaration, and timely payment within statutory deadlines to fulfill tax obligations. • The Company's tax compliance audit is exclusively entrusted to local accounting firms of a specific scale. Deloitte Taiwan receives the Company's annual financial data for the tax compliance filing.
Information Transparency	• Ensure information transparency in tax reports by submitting the country-by-country report, the Group master file report, and the transfer pricing reports to the appropriate tax authorities as required. • Ensure that tax assessments related to decision-making include the collaborative involvement of qualified and experienced internal tax professionals and external experts. • Regularly disclose tax information to stakeholders through public channels (e.g., official website and annual report), thereby ensuring transparency of information. • Implement legal and transparent tax incentive policies, and refrain from taking advantage of tax reductions or exemptions in a manner that undermines the spirit of the law.
Commercial Substance	• Ensure that the corporate structure and transactions accurately reflect their true commercial substance; avoid using tax structures designed to evade taxes or transfer profits to regions with lower tax rates for tax avoidance purposes. • Ensure that related party transactions comply with the arm's length principle, and commit to adhering to the transfer pricing regulations in each region where it operates. Fulfill tax obligations in the areas where value is created. • Based on mutual trust, transparency of information, and regulatory compliance the Company initiates discussions on material tax topics and assists in improving the tax environment and system.
Honest Communication	• Ensure that transactions between affiliated enterprises adhere to the transfer pricing principles set forth by the Organization for Economic Cooperation and Development (OECD) and the relevant regulations addressing Base Erosion and Profit Shifting (BEPS). • Establish a relationship built on mutual trust and honest communication with the tax authorities in the regions where it operates, providing practical industry insights and professional opinions, and assisting with the improvement of the tax environment and system.
Risk Management	• Establish a solid tax risk control structure, as well as an organizational culture, that gives due consideration to the impact of optimizing the Company's overall tax burden, risk control, and sustainable value. Prudently evaluate tax risks and response measures.

Policy for Communication with Stakeholders of Tax-related Issues

Our primary stakeholders in tax-related matters include government tax agencies. All tax filings and payments are conducted rigorously in accordance with relevant national laws and regulations. If any ambiguity arises in the applicable laws during daily operations, we will communicate directly or through Deloitte Taiwan with government agencies to ensure accurate and compliant handling. In the event of a tax audit, we will promptly prepare the relevant materials upon receiving the notification and fully cooperate with the inspection process. To enhance transparency in tax governance, we also provide relevant tax information to shareholders and investors through the stakeholder section of our official website, our annual report, and our shareholders' meeting, thereby addressing stakeholder concerns.

PARTICIPATION IN EXTERNAL ORGANIZATIONS

EXTERNAL INITIATIVES

In addition to publishing sustainability reports in accordance with GRI sustainability principles, FORTUNE ELECTRIC also actively supports the 17 Sustainable Development Goals (SDGs) of the United Nations and has introduced various ISO systems to support sustainable corporate management. The company has achieved ISO 14001 certification for its environmental management system to improve environmental performance, implemented the ISO 45001 occupational health and safety management system to ensure workplace safety and health, and, as the first company in the heavy electrical industry to obtain ISO 50001 energy management system certification, continues to enhance energy efficiency. Furthermore, FORTUNE ELECTRIC has established an information security management system based on the ISO 27001:2013 standard to ensure that corporate data and cybersecurity meet international standards.

MEMBERSHIP IN ASSOCIATIONS

Item No.	Associations Participated	Membership
1	Taiwan Electrical and Electronic Manufacturer's Association	Group member
2	Taiwan Listed Companies Association	Group member
3	The Third Wednesday Club-Young Entrepreneur Group	Group member
4	Taiwan Japan Association for Business Communication	Group member
5	Taiwan Wind Industry Association	Group member
6	The European Chamber of Commerce Taiwan, ECCT	Group member
7	Taiwan Smart Grid Industry Association	Group member
8	PV Generation System Association (PVGSA)	Group member
9	SEMI (Semiconductor Equipment and Materials International)	Group member
10	Taiwan Cogeneration Association	Group member
11	Taiwan Power and Energy Engineering Association	Group member

Item No.	Associations Participated	Membership
12	Taiwan Water Pipe Engineering Industry Association	Group member
13	Taiwan Refrigeration & Conditioning Engineering Association of ROC	Group member
14	Taiwan Electric Vehicle Power Supplement Industry Technology Promotion Alliance	Group member
15	Mobility In Harmony (MIH Open EV Alliance)	Group member
16	Taiwan Professional Electrical Engineers Association R.O.C	Group member
17	Chung-Hwa Railway Industry Development Association	Group member
18	Taiwan Hydrogen & Fuel Cell Partnership	Group member
19	Taiwan Photovoltaic Industry Association	Group member
20	Taiwan Advanced Automotive Technology Development Association, TADA	Start-up member
21	Green Impact Academy	Corporate member
22	Taiwan Renewable Energy Association (TREA)	Corporate member

CHAPTER

2

ROBUST GOVERNANCE AND SUSTAINABLE OPERATIONS

- Corporate Governance Policy and Guidelines
- Functional Committees
- Risk Management
- Ethical Corporate Management
- Information Security Risks



ANNUAL PERFORMANCE HIGHLIGHTS

- The whistleblower reporting platform achieved a **100%** case closure rate.
- All directors achieved **Excellent** self-evaluation results, and the Company conducted its first external performance assessment of the Board of Directors.
- The Company implemented 305 risk treatment measures, effectively mitigating and controlling **98%** of identified risk events.
- A total of 143 participant attendances were recorded across **10** ethical corporate management training sessions.
- The Company successfully defended against cyberattacks and recorded **Zero** data breaches.
- The Company completed the **transition** to ISO 27001:2025 certification.

VISION

To build a transparent, ethical, and resilient governance framework that embeds sustainability into every aspect of corporate decision-making and operations, positioning the Company as a trusted and sustainable enterprise for employees, customers, shareholders, and society.

STRATEGY

By strengthening board governance, risk management, regulatory compliance, and ethical management systems, together with sustainability KPI management and disclosure mechanisms, the Company enhances transparency and internal management effectiveness to create long-term corporate value.

TARGETS

The Company continuously enhances board functions and governance effectiveness, strengthens material risk management and internal control mechanisms, improves the quality of sustainability disclosures, and links sustainability management performance with business operations to further embed sustainable governance in practice.



Material Topics	Ethical Corporate Management	GRI Indicator	GRI 205-1, GRI 205-2, GRI 205-3, GRI 206-1

Commitments and Policies

FORTUNE ELECTRIC considers ethical corporate management to be a fundamental principle of corporate governance. We uphold corporate ethics to ensure transparency and legality in business. By establishing a comprehensive ethical management system, we aim to prevent misconduct and continuously strengthen trust between the company and all stakeholders. In relation to ethical corporate management, we commit to:

- Implementing the *Code of Ethical Corporate Conduct*, which covers anti-corruption, conflict of interest management, and internal reporting mechanisms.
- Providing integrity-related education and training to strengthen employees' ethical awareness.
- Regularly reviewing the implementation of ethical management policies to ensure compliance and effectiveness, while making adjustments as needed based on actual circumstances.
- Strengthening ethical management across the supply chain and encouraging partners to follow corporate ethics in order to maintain long-term, positive partnerships.

Complaint and Communication Channels

- Whistleblower reporting platform (FORTUNE ELECTRIC CO., LTD.)
- Investor feedback (FORTUNE ELECTRIC CO., LTD.)
- Vendor feedback (FORTUNE ELECTRIC CO., LTD.)

Metrics and Targets

Short-term goal (1~2 years):

- The Company continues to promote its Code of Ethical Corporate Conduct and implement the signing of ethical conduct commitment statements by all employees.
- The Company aims to maintain corporate governance evaluation rankings within the top 36%–50% or above industry peers, while continuously enhancing ESG-related disclosures and participating in sustainability assessment platforms.
- The Company implements risk management mechanisms to prevent material impacts on operational performance or corporate reputation.
- The Company completed internal risk assessments and established a comprehensive anti-corruption mechanism.
- The Company continues to provide internal and external ethical corporate management training, with 100% participation required for all new employees in ethics education programs.
- The Company has established an internal whistleblowing mechanism to ensure that 100% of reports are responded to within 30 days.

Medium-term goal (2~5 years):

- Based on existing ethical management promotion initiatives, the Company continues to implement and promote its Code of Ethical Corporate Conduct, with at least one awareness session conducted per department annually.
- Continue to maintain corporate governance evaluation rankings within the top 36%–50% or above industry peers, while participating in corporate sustainability awards and obtaining related recognition.
- Continue to maintain and operate the whistleblowing platform for three consecutive years.
- Require partners to sign an ethical conduct commitment, thereby extending the scope of anti-corruption policies to suppliers.
- Based on existing onboarding training programs, the Company progressively extends integrity and ethical management refresher training to all employees, with at least one training session provided each year.
- Expand whistleblower reporting to the supply chain and provide external reporting channels.

Long-term goal (over 5 years):

- The number of customer complaint incidents is maintained at fewer than five cases annually.
- Continue to maintain corporate governance evaluation rankings within the top 36%–50% or above industry peers, while strengthening the integration of audit and inspection systems to monitor ethical risks and non-compliance.
- Continue to operate the whistleblowing platform for more than five years, ensuring continuous and uninterrupted functionality.
- Establish a dedicated Ethical Corporate Management Task Force to continuously enhance global ethical management, promote a culture of accountability, and emphasize our strong commitment to integrity.
- Digitize ethics education by creating a learning platform to embed ethical principles throughout the company culture.
- Regularly publish whistleblower case handling reports to demonstrate FORTUNE ELECTRIC's operational transparency and credibility.

Effectiveness Tracking Mechanism

- Conduct annual internal audits of activities related to integrity and propose recommendations for improvements to ensure alignment with the principles of our anti-corruption policy.

Actions and Measures

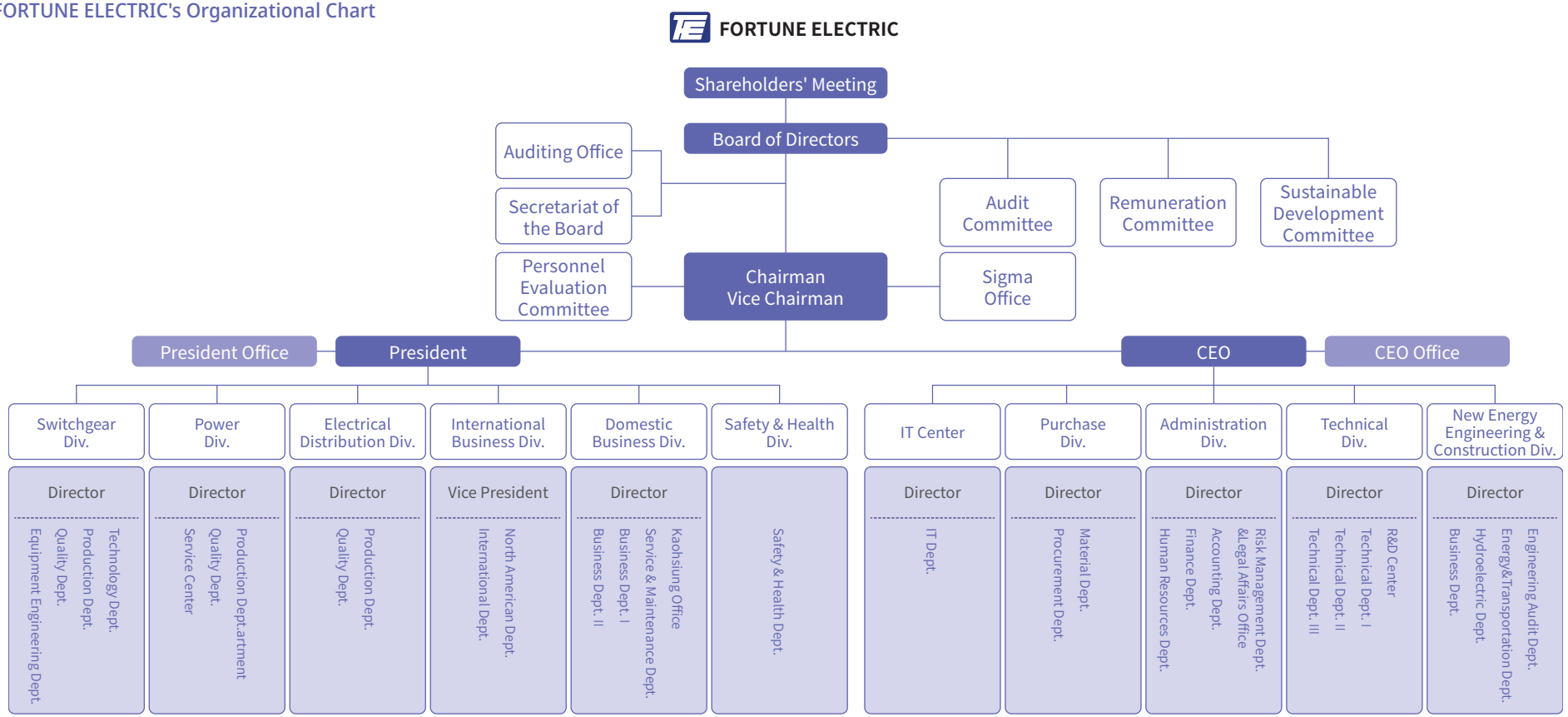
- Submit quarterly reports on the implementation of the Code of Integrity and Corporate Social Responsibility to the Board of Directors, and disclose them on the company's official website to keep stakeholders informed about our ethical corporate management and performance.
- Strengthen anti-corruption awareness among employees by publishing a total of eight case studies on the Code of Integrity throughout the year.
- Conduct three integrity-related training sessions for new employees during the year, with all participants successfully passing the assessments.
- A total of 10 internal and external training sessions on integrity management topics were conducted, with 143 participants and a total of 143 training hours.
- Achieve a 100% closure rate for whistleblower cases through the whistleblower reporting platform.
- Incorporated integrity compliance clauses into a total of 529 standard contracts throughout the year.

CORPORATE GOVERNANCE POLICY AND GUIDELINES

FORTUNE ELECTRIC upholds the principles of ethical corporate management and responsible governance by establishing a robust corporate governance framework. The Board of Directors serves as the highest governance body and is responsible for overseeing the Company's overall strategic direction, major decisions, and risk management, ensuring alignment with long-term sustainable development objectives. Through clearly defined governance responsibilities and oversight mechanisms, the Company delineates the roles and accountabilities of the Board, management team, and stakeholders, thereby improving decision-making quality and governance effectiveness.

In the operation of its governance framework, FORTUNE ELECTRIC is committed to maintaining transparency and accountability in decision-making. The Company discloses the composition, responsibilities, and operating mechanisms of its highest governance body, and uses institutionalized management and internal control systems to ensure that decisions across economic, environmental, and social dimensions are aligned with its corporate mission and sustainability commitments. At the same time, the Company upholds the core principles of ethical corporate management, fair treatment of stakeholders, and sustainable development. Through a sound governance structure and strategic planning, it continuously enhances corporate resilience and long-term competitiveness, striving to create sustainable value for shareholders and all stakeholders, while actively generating positive impacts on society and the environment.

FORTUNE ELECTRIC's Organizational Chart



Diverse Members of the Board of Directors

FORTUNE ELECTRIC's Board of Directors serves as the highest governance body of the Company and consists of 10 directors. Directors are elected through a candidate nomination system, whereby shareholders select from a list of eligible candidates with full legal capacity. Each director serves a three-year term and is eligible for re-election. The most recent board re-election was completed on June 15, 2023, with the current term set to expire in June 2026. The Board includes four independent directors, accounting for 40% of the board seats, and two employee directors, representing 20%. The nomination and election of directors are conducted in accordance with Article 192-1 of the *Company Act* and the Corporate Governance Best Practice Principles. Candidate selection is based on a comprehensive evaluation of professional expertise, industry experience, integrity, and independence to ensure effective oversight and decision-making capability of the Board. In 2025, the Board held seven meetings, with all 10 directors achieving a 100% attendance rate.

In terms of Board composition, FORTUNE ELECTRIC places strong emphasis on the diversity and professionalism of its governance structure. The Board comprises members with varied genders, ages, and professional backgrounds, including expertise in finance, law, industry technology, and operational management, thereby enhancing decision-making quality and risk management capabilities. The Company continues to promote board diversity by incorporating directors with different backgrounds and perspectives, strengthening the inclusiveness and forward-looking nature of its governance framework. To ensure fairness and transparency in Board operations, a conflict-of-interest management mechanism has been established. When agenda items involve a director's own interests or those of the entity they represent, directors are required to proactively disclose such interests and recuse themselves from voting in accordance with applicable laws and internal regulations, in order to prevent conflicts of interest from affecting decision-making integrity. Further details regarding Board diversity and independence are provided on page 8 of the Annual Report.

Diverse Members of FORTUNE ELECTRIC's Board of Directors

Title	Name	Basic Composition							Professional Background				Professional Competencies								Concurrent Directorships in Other Companies
		Gender	Employee Identity	Age					CPA / Lawyer	Industry	Finance	Lecturer, Higher Education Institution	Operational Judgment Capability	Financial and Accounting Expertise	Operational Management Capability	Crisis Handling Capability	Industry Knowledge	Global Market Perspective	Leadership Capability	Decision-making Capability	
				41 - 50	51 - 60	61 - 70	71 - 80	81 - 90													
Directors	Hsu, Bang-Fu	Male						V		V	V		V	V	V	V	V	V	V	V	None
	Hsu, Shou-Hsiung	Male						V		V	V	V	V	V	V	V	V	V	V	V	None
	Shu, Yi-Cheun	Male			V					V	V		V	V	V	V	V	V	V	V	None
	Hsu, I-Te	Male	V		V					V	V		V	V	V	V	V	V	V	V	None
	Hsu, I-Sheng	Male	V	V						V	V		V	V	V	V	V	V	V	V	None
	Weng, Jen-Pei	Male						V		V	V		V	V	V	V	V	V	V	V	None
Independent Directors	Hu, Len-Kuo	Male					V			V	V	V	V	V	V	V		V	V	V	None
	Lei, Whey-Min	Male						V		V	V	V	V	V	V	V		V	V	V	None
	Liao, Chih-Hsiang	Male		V					V	V	V		V	V	V	V		V	V	V	None
	Yeh, Yun-Ching	Female			V				V	V		V	V		V	V	V	V	V	V	None

Recusal for Conflicts

The highest governance body of FORTUNE ELECTRIC is chaired by Chairman Hsu, Bang-Fu, who is responsible for presiding over Board meetings and guiding the Board in fulfilling its supervisory and strategic decision-making responsibilities. Chairman Hsu has over 50 years of experience in the electrical engineering industry, with long-standing expertise in power equipment and the energy sector. He has accumulated extensive practical experience in corporate management, strategic planning, crisis management, and international market expansion, leading the Company's steady and sustainable development. In addition to serving as Chairman of FORTUNE ELECTRIC, he also concurrently serves as Chairman of FORTUNE ELECTRIC EXTRA HIGH VOLTAGE and FORTUNE ELECTRIC ENERGY.

The directors of FORTUNE ELECTRIC are elected through a candidate nomination system, whereby the shareholders elect directors from a list of nominated candidates in accordance with Article 192-1 of the *Company Act*, ensuring that the Board composition maintains both professional competence and independence. The Board has established functional committees, including the Audit Committee, the Remuneration Committee, and the Sustainable Development Committee, to support the Board in strengthening its oversight mechanisms and governance effectiveness, and to ensure that corporate governance practices meet the expectations of stakeholders.

To maintain fairness and transparency in Board decision-making, FORTUNE ELECTRIC has established a conflict-of-interest management mechanism. When agenda items involve a director's own interests or those of the legal entity they represent, directors are required, in accordance with applicable laws and internal regulations, to proactively disclose such interests and recuse themselves from both discussion and voting. Directors are also prohibited from exercising voting rights on behalf of other directors, thereby preventing conflicts of interest from affecting the objectivity and fairness of decision-making. Through institutionalized conflict-of-interest management and principles of director self-discipline, the Company ensures that Board operations adhere to ethical governance and responsible decision-making standards. In 2025, two Board agenda items involved director-related interests, and recusal procedures were duly implemented in accordance with regulations. Further details are provided on page 13 of the Annual Report. The detailed recusal policy is set out in the *Ethical Corporate Management Best Practice Principles of FORTUNE ELECTRIC*.

Improving Governance Team

To assess the operational efficiency and effectiveness of the Board of Directors, the Company established the "Performance Evaluation Measures for the Board of Directors" during a meeting on May 11, 2020. Board evaluations have been conducted annually since 2020, with performance results announced before the end of the first quarter of the following year. In 2025, the evaluation results for the Board of Directors and individual directors were excellent, and the results were submitted to the Board on March 9, 2026. The Company's "*Corporate Governance Best Practice Principles*" et out a diversity policy under Article 20, which has been disclosed on the Company's website. For detailed information, please refer to the "Corporate Governance Implementation" section of the current Annual Report.

In 2025, FORTUNE ELECTRIC commissioned the Taiwan Corporate Governance Association (TCGA) for the first time to conduct an external performance assessment of the Board of Directors (evaluation period: March 1, 2024 to February 28, 2025). The evaluating institution and its experts have no business relationship with the Company, ensuring their independence. The evaluation covered five key dimensions: Board composition and structure, guidance and supervision, delegation and risk management, communication and collaboration, and self-discipline and continuous improvement. The assessment was conducted through questionnaires and on-site interviews, and the evaluation report was issued on May 23, 2025. The assessment recommendations included:

1. Induction training for new directors: It is recommended to establish an onboarding program for newly appointed directors and provide a "Board Handbook" to help directors quickly familiarize themselves with their responsibilities and the Company's operations.
2. Reporting mechanism for material and ad hoc events: It is recommended to establish a formal reporting procedure to ensure the Board is promptly informed of material incidents and significant events.
3. Board participation in governance matters: It is recommended that the Company regularly report on corporate sustainability development, key talent cultivation, major risk management, and stakeholder engagement to strengthen the Board's supervisory and guiding functions.
4. Performance and independence of the head of internal audit: It is recommended that the internal audit head's objectives and performance evaluation incorporate the Audit Committee's input, and that regular private meetings be held with internal auditors and external auditors to enhance the independence and effectiveness of the internal audit function.

The Company has developed improvement plans based on the recommendations and is gradually strengthening Board governance effectiveness and corporate sustainability initiatives.

2025 Continuing Education Courses attended by the FORTUNE ELECTRIC Board of Directors and Total Duration

Title/Trainee	Course Name	Training Duration (h)
CHAIRMAN Hsu, Bang-Fu	• Strengthening organizational resilience through dual transformation—AI governance and sustainability governance (3 hours) • Sustainability strategy based on core competencies: How enterprises use ESG to build long-term resilience and competitive advantage (3 hours)	6
VICE CHAIRMAN Hsu, Shou-Hsiung		6
DIRECTOR & G M Hsu, I-Te		6
DIRECTOR & CEO Hsu, I-Sheng		6
DIRECTOR Weng, Jen-Pei		6
INDEPENDENT DIRECTOR Lei, Whey-Min		6
INDEPENDENT DIRECTOR Hu, Len-Kuo		6
INDEPENDENT DIRECTOR Liao, Chih-Hsiang		6
INDEPENDENT DIRECTOR Yeh, Yun-Ching		6
DIRECTOR Shu, Yi-Cheun	• Strengthening organizational resilience through dual transformation—AI governance and sustainability governance (3 hours) • Sustainability strategy based on core competencies: How enterprises use ESG to build long-term resilience and competitive advantage (3 hours) • Trends in sustainability disclosure: The issuance, impact, and response to IFRS S1 and S2 Sustainability Disclosure Standards (3 hours)	9
Total duration (h)		**63**

Remuneration Policy

FORTUNE ELECTRIC conducts regular annual performance evaluations of the Board of Directors and individual directors through a structured self-assessment questionnaire mechanism to review Board effectiveness. The evaluation covers multiple aspects, including directors' participation in corporate decision-making, the quality of Board decisions, and the composition and structure of the Board. The results of the evaluation are submitted to the Remuneration Committee as a reference for reviewing the director compensation system and payment standards, ensuring that remuneration is aligned with directors' responsibilities, governance performance, and the Company's long-term development strategy. The remuneration of directors and managerial officers is reviewed and recommended by the Remuneration Committee based on a comprehensive assessment of corporate performance, individual responsibilities, and industry benchmarks. The proposals are then submitted to the Board of Directors for review and approval, ensuring the reasonableness and transparency of the remuneration system.

To respond to global sustainability trends, FORTUNE ELECTRIC continues to integrate sustainability principles into its operational management. The Company plans to gradually implement a "sustainability performance-linked remuneration" mechanism in the future, incorporating sustainability-related indicators into departmental and individual performance evaluations. In addition, the Company upholds the principles of ethical corporate management, requiring that directors, managerial officers, and employees must not directly or indirectly offer or accept any improper benefits. In the event of any such circumstances, relevant matters shall be assessed by a designated unit in accordance with internal regulations, and appropriate handling measures will be proposed to safeguard corporate governance integrity and business integrity.

FUNCTIONAL COMMITTEES

FORTUNE ELECTRIC has established the Audit Committee, Remuneration Committee, and Sustainable Development Committee, and the Board of Directors approved the risk management commitment and risk management policy in 2010. Each management unit regularly evaluates and reviews risk matters and reports the implementation status of the previous year's risk management work to the Board at the beginning of each year. In the course of business management, the Company prevents and controls potential risks and establishes relevant early warning measures.

Name	Audit Committee			Remuneration Committee		
	Title	Number of Attendances in 2025	Actual Attendance Rate in 2025	Title	Number of Attendances in 2025	Actual Attendance Rate in 2025
INDEPENDENT DIRECTOR Hu, Len-Kuo	Convener	7	100%	Convener	2	100%
INDEPENDENT DIRECTOR Lei, Whey-Min	Member	7	100%	Member	2	100%
INDEPENDENT DIRECTOR Liao, Chih-Hsiang	Member	7	100%	Member	2	100%
INDEPENDENT DIRECTOR Yeh, Yun-Ching	Member	7	100%	Member	2	100%

Remuneration Committee

To strengthen corporate governance and sustainable management and improve the remuneration system for its directors and managers, the Company has established a "Remuneration Committee." The operation of this committee is governed by the Company's "Rules of Procedure for the Remuneration Committee." The Remuneration Committee comprises four members, all of whom are independent directors, with one appointed as the convener. The committee evaluates the remuneration policy and system for the Company's directors and managers in a professional and objective manner, providing recommendation to the Board of Directors for decision-making reference. The committee's responsibilities are defined by the rules established by the Company regarding the scope of independent directors. The term of the members of (the current fifth) committee runs from June 15, 2023, to June 14, 2026. In 2025, the Remuneration Committee convened two meetings, with all four committee members achieving a 100% attendance rate.

Audit Committee

The Company has established an Audit Committee in accordance with the provisions of Article 14-4 of the *Securities and Exchange Act* to enhance the structure and operation of the Board of Directors. The Audit Committee comprises four independent directors. It is responsible for assisting the Board of Directors in overseeing the quality and integrity of the Company's accounting, auditing, and financial reporting processes, and ensuring financial control to maintain transparent and accurate financial information.

Audit Committee resolutions require the approval of more than half of all members and are submitted to the Board of Directors for review. The Audit Committee convenes at least once a quarter and may hold additional meetings as needed. Its key responsibilities include reviewing quarterly financial reports, endorsements and guarantees, profit distribution plans, major asset transactions, and derivative financial instrument transactions. The Committee also assesses the effectiveness of internal control systems to ensure that the company's operations are compliant, secure, and aligned with sustainable development principles. All committee resolutions are submitted to the Board of Directors to uphold sound corporate governance and robust financial management. In 2025, the Audit Committee held seven meetings, with all four committee members achieving a 100% attendance rate.

Sustainable Development Committee

To further strengthen sustainable development, FORTUNE ELECTRIC resolved through a Board of Directors meeting held on March 9, 2026, to amend the organizational charter of the Sustainable Development Committee and elevate it to a Board-level functional committee. This enhancement is intended to reinforce the Company's sustainability governance framework and strengthen the Board's supervisory function.

The Sustainable Development Committee of FORTUNE ELECTRIC is chaired by the Chairman, who also serves as Chief Sustainability Officer. The Vice Chairman serves as the convener, while the General Manager and Chief Executive Officer act as deputy conveners. The executive secretary is the Corporate Governance Officer, and committee members are composed of designated internal managerial officers appointed by the Company. In accordance with Article 27 of the Corporate Governance Best Practice Principles, the Committee's organizational charter has been established to clearly define its responsibilities and authority.

In its operational framework, the Sustainable Development Committee of FORTUNE ELECTRIC serves as a cross-functional integration platform responsible for identifying sustainability issues relevant to the Company's operations and stakeholder concerns, formulating corresponding strategies and action plans, and planning and promoting annual implementation programs. The Committee also regularly monitors execution effectiveness to ensure that sustainability strategies are embedded in daily operations and effectively implemented across the organization.

The Sustainable Development Committee of FORTUNE ELECTRIC reported to the Board of Directors on March 9, 2026, presenting ESG short-, medium-, and long-term target setting as well as the sustainability implementation results for the prior year (2025). The Board of Directors reviewed the feasibility of the proposed targets and, where necessary, directed the management team to make adjustments in order to strengthen the effectiveness of sustainability strategy execution and governance mechanisms.

Organizational Chart of the Sustainable Development Committee



Dedicated and part-time sustainability units and the Executive Secretary assist the Sustainable Development Committee in implementing various plans, covering the following organizational tasks and reporting implementation progress to the Committee:

Corporate Governance Group

Responsible for ensuring compliance with corporate governance regulations, developing reasonable remuneration policies and employee performance appraisal systems, providing education and training, and establishing stakeholder communication mechanisms to achieve the Company"s sustainable development goals.

Sustainable Environment Group

Responsible for the environmental management system, ensuring compliance with environmental laws and international standards, evaluating sustainable transformation, improving resource utilization, developing climate change response mechanisms, and establishing dedicated environmental management units or personnel to achieve environmental sustainability goals.

Social Welfare Group

Responsible for managing human rights policies and procedures, ensuring compliance with human rights-related laws and international standards, and establishing communication with all members of the organization, including employees, subsidiaries, joint ventures, and key members of the value chain. This involves assessing relevant risks and management mechanisms while promoting community and cultural development to achieve sustainable management goals.

Sustainability Information Disclosure Team

Responsible for sustainable information management policies while complying with relevant laws and international standards on sustainable information disclosure, and ensuring the complete disclosure of relevant and reliable sustainable information to enhance transparency. The cross-departmental team executes the business outlined in the previous paragraph, compiles execution plans and other sustainability-related matters, and reports the execution results to the dedicated and part-time sustainability units or this committee.

Additionally, the Board of Directors has authorized the Administration Division to establish a "Volunteer Committee Organization," guided by the principle of "Serve to Achieve Self-Fulfillment, Beautify Communities with Passion, Serve People with Patience, and Foster a Caring and Healthy Society," to promote community relations and charitable activities. The Volunteer Committee reports to the Board of Directors quarterly and regularly updates the website while also publishing relevant information in various Company periodicals.

RISK MANAGEMENT

FORTUNE ELECTRIC upholds the sustainability philosophy of "Secure Employees, Secure Customers, Secure Shareholders, and Secure Society." Since 2010, the Company has established a comprehensive risk management system integrating strategic, operational, financial, and potential hazard risks. The Head of Administration serves as the Chief Risk and is responsible for overseeing system implementation and action plans. The Company reports risk management matters to the Board of Directors on an annual basis, ensuring transparency and accountability in risk governance, and thereby strengthening corporate resilience and competitiveness.

FORTUNE ELECTRIC's risk management framework is established in accordance with ISO 31000 and adopts the PDCA (Plan–Do–Check–Act) cycle, covering products, processes, and operational activities, and continuously improves its management procedures. The Company's risk management system is overseen by the Board of Directors and the Audit Committee. The Board has delegated the Head of Administration as the Chief Risk Officer, responsible for coordinating the overall operation of the risk management organization and the implementation of related plans. Corruption risk is incorporated into the annual risk assessment, requiring all departments to comply with the Code of Ethical Corporate Conduct and applicable regulatory compliance standards.

In the first quarter of 2026, FORTUNE ELECTRIC invited external consultants to conduct a TCFD climate risk and opportunity workshop, focusing on identifying climate-related risks and opportunities and assessing their potential financial impacts. Looking ahead, the Company will continue to align with IFRS S1 and S2 sustainability disclosure standards to identify various sustainability-related risks, quantify their financial impacts, and ensure the effective implementation of subsequent management measures. This approach aims to integrate risk management with financial disclosure, establishing a cohesive framework that supports the Company's long-term sustainable operations.



Risk Management Policy

Through a Board resolution on August 19, 2010, the Company approved its risk management commitment, established a risk management system and implemented a risk management handbook to strengthen the overall risk governance framework in a systematic manner. The risk management policy is founded on the core principles of "creating corporate value," "pursuing corporate sustainability," and "enterprise-wide risk management."

In terms of creating corporate value, FORTUNE ELECTRIC aims to maximize the interests of customers and investors. In alignment with its operational strategy, the Company proactively identifies and prevents potential risks, while balancing risk and return to support sound and stable operations. In pursuing corporate sustainability, the Company has established and continuously operates a structured risk management system to effectively identify, analyze, evaluate, and respond to risks. The implementation status is regularly monitored and reviewed to ensure that risks are controlled within acceptable levels for stakeholders, thereby supporting long-term business development. For enterprise-wide risk management, the Company adopts a top-down and bottom-up approach. Management establishes the framework and commitment to strengthen the overall risk management mechanism. At the same time, training programs are conducted to enhance employees' risk awareness and management capabilities, gradually fostering a risk management culture and embedding risk management into daily operations and workflows.

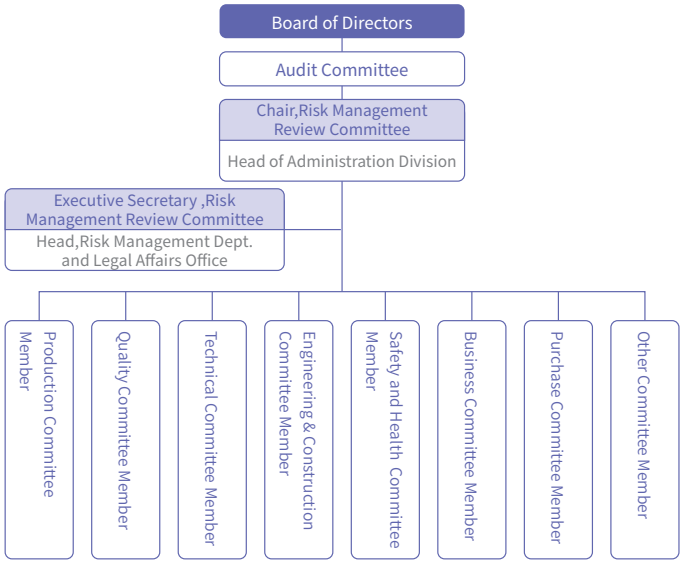
Risk Management Organizational Structure and Responsibilities

The Company has established a top-down risk management organizational structure with clearly defined roles and responsibilities at each level to ensure the effective operation and continuous enhancement of its risk management system. The Board of Directors serves as the highest supervisory body for risk management, responsible for reviewing overall risk management policies, systems, and frameworks. The Audit Committee assists the Board in overseeing the implementation of the system to ensure its effectiveness and completeness. The Administration Department acts as the highest executive unit for risk management, responsible for promoting and implementing the Company's overall risk management mechanism. In compliance with applicable laws and regulations, it comprehensively identifies and manages all risks faced by the Company, including legal risks, and bears ultimate responsibility for the effectiveness of risk management execution.

At the operational level, the Risk Management Department and Legal Office are responsible for driving relevant initiatives. In accordance with established policies, the unit supports each department in setting risk management objectives, facilitates cross-functional risk management activities, and strengthens legal risk controls. The unit also regularly monitors the risk status of each department and submits assessment reports to the heads of business units and the Risk Management Review Committee.

In addition, the Company has established a Risk Management Review Committee composed of professionals from various departments. The Committee holds regular meetings to review the implementation of risk management practices, strengthen cross-functional communication and information integration, and reduce information asymmetry risks. A risk information collection mechanism has also been established to promptly capture internal and external risk developments, thereby enhancing early warning and response capabilities. Department heads serve as first-line risk owners, responsible for identifying, analyzing, evaluating, responding to, and monitoring risks within their respective units, ensuring that relevant risk management procedures are effectively embedded in daily operations.

FORTUNE ELECTRIC Risk Management Organizational Structure



At the beginning of each year, the Risk Management & Legal Affairs Office reports to the Board of Directors on the implementation status of the previous year's risk management efforts (at least once a year). The implementation status of 2025 risk management activities was reported to the Board of Directors on March 9, 2026:

Implementation of risk management work as scheduled:

A total of **194** high-level risks, including operational and environmental climate-related risks, were identified. Among these, improvement action plans were developed for items with significant impact or requiring timely mitigation. In addition, high-level risks without mitigation plans are continuously monitored and managed. Other medium and low-level risks are controlled by respective departments and reported to the Risk Management Dept. and Legal Affairs Office for consolidation and oversight.

Implementation of related education and training:

By the end of 2025, relevant education and training for new employees, as well as the course "Risk Perception and Control," had been implemented, with a total of **199** trainees and **334** cumulative training hours.

Risk treatment performance:

A total of **305** risk treatment measures were implemented, and it was assessed that **98%** of risk events were effectively mitigated and controlled.

Impacts of Sustainability-Related Risks and Management Measures

According to the Global Risks Report published by the World Economic Forum, the top ten risks are no longer limited to economic impacts. They also include increasingly severe ESG related issues, such as climate change social issues and human rights concerns, which can have varying impacts on the Company's operations and stakeholders. To effectively manage sustainability-related risks, we referenced the relevant requirements of the IFRS S1 sustainability disclosure standards and used the SASB framework to identify risk topics that could reasonably be expected to affect FORTUNE ELECTRIC's financial performance and operations. We also evaluated the current and potential impacts of these issues on the Company's business model, value chain, and finances.

Items	Description of Impact			Response and Management Measures
	Impact on Business Model	Impact on Value Chain	Financial Impact	
Energy Management	Continuously optimize energy usage, enhance equipment efficiency, and lower carbon emissions to meet international environmental standards.	Customer requirements regarding carbon emissions have tightened, requiring stronger green supply chain management and encouraging suppliers to improve production and transportation practices.	Increased capital expenditure (CAPEX) for equipment upgrades and energy-saving technologies, along with higher depreciation and maintenance costs, impacting profitability, increasing non-current assets, and reducing cash flow. Future reductions in energy costs and operating expenses are expected to have a positive effect on operating income.	• Promote energy conservation and carbon reduction to reduce operational carbon footprint. • ISO 50001 Energy Management Certification obtained, annual energy-saving targets established, and energy management systems implemented for real-time monitoring and optimization of factory energy consumption with minimal waste.
Hazardous Waste Management	Implement waste sorting and reduction strategies, adopt a circular economy approach, and ensure compliance with relevant regulations.	This affects the overall waste management approach and requires upstream suppliers to reduce pollutant emissions.	This directly increases waste treatment and compliance costs, raising operating expenses. If not properly managed, it may result in future fines or reputational risks.	• Implement ISO 14001 environmental management, including source reduction, sorting, and recycling, as well as refined management, to improve recycling rates. For example, waste transformer insulating oil and paint waste powder are reused through outsourced treatment, and waste sludge is reused in brick manufacturing.
Raw Material Sourcing	Ensure the stable supply of critical materials, reduce risks of material shortages and price volatility.	Suppliers must comply with environmental standards and responsible sourcing requirements	Raw material price fluctuations may impact production costs, gross profit margins, and accounts payable. Long-term supply agreements and environmentally friendly procurement can lower financial risks and boost competitiveness.	• Local sourcing, supply chain diversification, and green procurement help mitigate operational disruptions and financial impacts caused by raw material price fluctuations.
Product Safety	Enhance product safety and quality standards to minimize the risks of market recalls and regulatory noncompliance.	To protect customer trust and Fortune Electric's brand reputation, products must meet market and regulatory requirements.	If product safety issues arise, they may result in legal liability, product recalls, increased inventory costs, or customer compensation claims, ultimately leading to brand damage and additional non-operating expenses.	• Adopt a Product Lifecycle Management (PLM) approach and comply with product safety regulations and market standards.
Business Ethics	Implement ethical corporate management, strengthen internal controls, and audit to prevent unfair competition and corruption risks.	To protect our partners' reputation, we ensure that all partners comply with the principles of integrity in operations.	Involvement in corruption or unfair competition can lead to fines, legal liability, and a decline in shareholder confidence and share price, ultimately impacting shareholders' equity.	• Establish a code of ethical corporate management, set up a whistleblower mechanism to protect whistleblower confidentiality, and conduct anti-corruption and regulatory compliance training to ensure that the entire supply chain and employees adhere to corporate ethical standards.
Workplace Safety	Strengthen occupational health and safety management, implement risk prevention and response plans, and improve workplace safety.	Focus on ensuring that suppliers and partners comply with occupational safety regulations and standards to ensure safety compliance across the entire value chain.	Occupational accidents would increase insurance and compensation costs, as well as expenses for training, equipment upgrades, depreciation, and maintenance aimed at reducing future occupational injuries.	• Maintain ISO 45001 occupational health and safety management certification, conduct regular risk assessments, emergency drills, and inspections, and provide occupational safety education and training.

ETHICAL CORPORATE MANAGEMENT

Ethical Values and Professional Conduct

To strengthen ethical corporate management, FORTUNE ELECTRIC has established a series of governance policies developed by the Human Resources Department and the Risk Management Department & Legal Affairs Office. These include the "Ethical Corporate Management Best Practice Principles," the "Procedures for Ethical Management and Guidelines for Conduct," the "Work Rules," and the "Operating Procedures for the Personnel Review Committee," all of which have been approved by the Board of Directors. These policies clearly define the Company's ethical conduct commitments and compliance standards for the Board and management. In addition, the Company has established the "Guidelines for Employee Ethics Assessment and Behavioral Standards," which are accessible to all employees via the internal platform to ensure full awareness and adherence, thereby reinforcing the implementation of ethical corporate management. For details on the effectiveness of ethical management implementation, please refer to the Company's official website.

FORTUNE ELECTRIC manages conflict-of-interest risks through governance policies, training programs, and internal audits, ensuring that decision-making prioritizes the Company's best interests. The Company also continuously promotes ethical principles to business partners through meetings, publications, and "manufacturer engagement sessions," ensuring that stakeholders understand and uphold its core values. In addition, FORTUNE ELECTRIC has established the "Operating Procedures for Whistleblower Protection and Whistleblowing," encouraging employees and stakeholders to report improper conduct, thereby fostering a fair and transparent corporate culture.

FORTUNE ELECTRIC has established a rigorous reporting and disciplinary mechanism to fully implement ethical corporate management through to the final stage of implementation. The Company has formed a Personnel Review Committee, with an executive secretary serving as the dedicated contact window responsible for handling whistleblowing cases, investigations, disciplinary actions, grievances, and reward-and-penalty matters. In cases where internal personnel make false reports or malicious accusations, disciplinary actions will be imposed in accordance with internal management rules, depending on the severity of the case. To facilitate reporting by both internal and external stakeholders, the Company provides feedback channels and email contact points on its official website and internal platforms. Since 2021, to further enhance the willingness to report internal misconduct, the Company has engaged Deloitte to establish a whistleblower reporting platform, enabling employees to seek assistance or report any misconduct that violates Company policies.

Communication and Training of Anti-Corruption Policy and Procedures

According to the amended Regulations Governing Establishment of Internal Control Systems, the Company has implemented operational control measures for the "Management of Insider Trading Prevention." This includes defining the scope of significant internal information that can affect stock prices, ensuring confidentiality prior to the disclosure of such information, prohibiting trading, and establishing operating procedures for the content, timing, methods, and personnel involved in the external disclosure of significant information that can affect stock prices. These measures are designed to prevent insider trading. In 2025, the performance of anti-corruption and integrity policy implementation is as follows:

Implementation of the Ethical Corporate Management Concept	Regulatory compliance	Promotion through internal publications	Manufacturer engagement meeting	New employee Education, training, communication, and assessment	Whistleblower reporting platform	Ethical contract performance clause
In addition to standardizing provisions related to professional ethics in its organizational rules and regulations, the Company also requires colleagues to implement four major workplace tests: truthfulness, fairness, goodwill and friendship, and mutual benefit. The Company continually promotes this concept to its customers and suppliers to ensure ethical corporate management. In 2025, the Company organized **10** internal and external training sessions on topics related to ethical corporate management, including compliance with integrity operation regulations, anti-bribery and anti-corruption practices, accounting systems, and internal controls. A total of **143 participants** attended, amounting to **143 cumulative training hours**.	The Company diligently adheres to the *Company Act*, the *Securities and Exchange Act*, relevant rules and regulations governing TWSE-listed companies, and other laws related to commercial practices. Additionally, the Company regularly discloses its corporate information on MOPS as required, to ensure openness and transparency of information. For many years, the Company has consistently earned an **A grade** for information transparency in evaluations of TWSE/TPEx -listed companies.	FORTUNE ELECTRIC regularly publishes relevant content on character advocacy, workforce development initiatives, and the promotion of teaching materials in its internally published periodical "Fortune Weekly." In 2025, a total of **52 articles** were published, including **8 articles** that focused on promoting Code of Integrity case studies.	Various meetings and events are regularly used to conduct internal education, training, and communication within the Company. Additionally, the company has established a **"Supplier Engagement Meeting"** to invite business partners to gain a complete understanding of the company's commitment to ethical corporate management practices, relevant policies, and prevention programs.	Each new employee is scheduled to receive training on our integrity operation policy upon starting their duties. In 2025, **9 training sessions** were conducted, and all participants successfully passed the assessment.	In 2025, five whistleblower reports were received through the whistleblower reporting platform, and all **5 cases** were closed; only the number of cases is disclosed to protect whistleblowers' information and ensure the confidentiality of these cases.	The Company has incorporated integrity and ethical performance clauses into its standard contracts, explicitly stipulating **the screening out of unsuitable suppliers and the provision of a list of qualified suppliers to design units and factories**, in order to avoid conducting business with suppliers that have records of unethical conduct.



In 2025, Corruption related risk assessments were conducted for all operational units, achieving a 100% completion rate.

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incidents of illegal conduct were reported in 2025.

Effectiveness of Regulatory Compliance Education

Guided by its long-standing management philosophy of "Quality, Engagement, Well-being, and Sustainability," the company provides resources to ensure that all employees understand and comply with applicable regulations. These resources include the collection, tracking, and evaluation of laws and regulations, policy development, education and training, and legal compliance communication. This practice enhances employee awareness of the law, maintains the Company's image, and reduces legal risks in operations. We also closely monitor domestic and foreign policies and regulations that may affect the company's finances and business operations, establish procedures for regulatory compliance, and assign the legal affairs unit to consolidate and review compliance status.

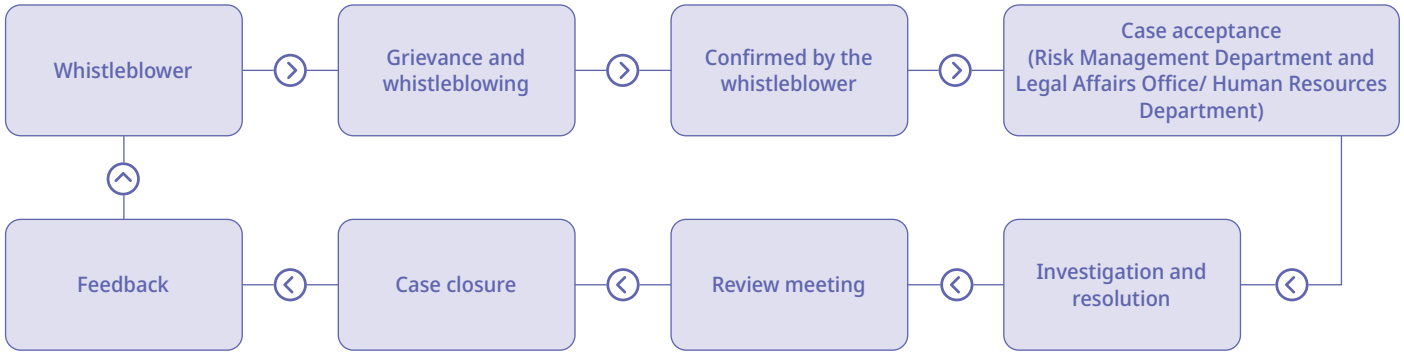
In 2025, FORTUNE ELECTRIC did not incur any major monetary or non-monetary penalties for failing to comply with laws and regulations in the economic, environmental, and social categories. FORTUNE ELECTRIC conducted internal control audits on 39 cases that year. Of these cases, no deficiencies were found, and one improvement item was completed, resulting in an improvement completion rate of 100%.

Grievance and Suggestion Channels

Ethical and responsible business practices form the foundation of corporate sustainable management. Therefore, we have established various grievance, whistleblowing, and suggestion channels, which are announced on our official website. Stakeholders and both internal and external personnel of the Company are encouraged to report or file grievances regarding unethical or improper conduct, any impacts of our operating activities on the environment, economy, society, and human rights, or provide relevant suggestions through the public whistleblowing webpage.

We also provide an option for anonymous reporting. The receiving units must ensure the confidentiality of the whistleblowers' identities and incidents. They shall not provide the relevant information to any third parties not involved in the investigation, unless otherwise necessary for the investigation, to prevent whistleblowers from being treated unfairly or unfavorably. Furthermore, we have explicitly defined the relevant protection system, case acceptance process, and standards for handling violations in our Operating Procedures for Whistleblower Protection and Whistleblowing. The complaint mechanism at FORTUNE ELECTRIC is transparent and functions effectively; in 2025, there were five reports, all of which were closed.

Intake Process for Whistleblowing and Grievance Cases



Statistics of FORTUNE ELECTRIC's Grievance and Whistleblowing Cases in the Last Three Years

Year	2023		2024		2025	
Case Type	Number of Cases	Case Closure Rate	Number of Cases	Case Closure Rate	Number of Cases	Case Closure Rate
Business conduct	2	100%	0	0	0	0
Environmental issue	0	0	1	100%	0	0
Labor rights	5	100%	2	100%	0	0
Human rights-related(e.g., discrimination and inequality)	0	0	2	100%	5	100%
Total	7	100%	5	100%	**5**	**100%**



INFORMATION SECURITY RISKS

FORTUNE ELECTRIC has established a robust internal control system and conducts regular internal audit activities to strengthen the management of key risk areas, including information security, thereby strengthening overall cybersecurity resilience. In recent years, the Company has continued to replace legacy equipment and upgrade its systems. In alignment with ISO 27001 standards, it has established an Information Security Management Committee and appointed information security management representatives and dedicated personnel to reinforce its cybersecurity governance framework.

In terms of management and protective measures, FORTUNE ELECTRIC regularly conducts host vulnerability scans, social engineering drills, and information security training to identify potential vulnerabilities in both human behavior and system environments. In addition, endpoint security is strengthened through antivirus software, and maintenance agreements are established with professional cybersecurity service providers to support the monitoring and analysis of various information security incidents, thereby enhancing employees' awareness and ability to identify and prevent cybersecurity risks.

Results of 2025 Information Security Training and Social Engineering Simulation Exercises

Information security training	Phishing simulation exercises	Telephone phishing simulation exercise
• Participants: 1,300 • Passed: 856 (66%) • Failed: 444 (34%)	• Participants: 1,070 • Email open rate: 20%–26% • Link click-through rate: up to 4.21% • Attachment opening rate: as low as 1.31%	• Participants: 85 • Successfully contacted: 50 • Connection rate: 58% • Commonly leaked information: computer model, application software, asset serial number

Information Security Policy and Core Commitments

FORTUNE ELECTRIC is committed to implementing an information security management system to ensure the confidentiality, integrity, and availability of critical information systems. By fostering the principle that "Information security is everyone's responsibility," the Company encourages all employees to actively participate in achieving the objective of continuous business operations. The Company's information security policy is based on four core guiding principles:

1. **Strengthen information security and enhance service quality:** Implement appropriate confidentiality measures to reduce the risk of leakage, damage, or loss caused by external threats or internal mismanagement to an acceptable level, while continuously conducting monitoring, reviews, and audits.
2. **Enhance risk management and ensure continuous business operations:** Continuously conduct information security training to improve employees' cybersecurity awareness and emergency response capabilities, thereby reducing information security risks.
3. **Establish effective emergency response and rapid disaster recovery:** Develop emergency response and disaster recovery plans for critical information assets and key business operations, and conduct regular drills to ensure rapid recovery and minimization of losses in the event of major incidents.
4. **Ensure proper use of personal data and prevent data breaches:** Implement assessment and control mechanisms for personal data protection requirements.

FORTUNE ELECTRIC appoints an Information Security Management Representative to oversee information security matters and serve as the highest-level point of escalation and command in the event of cybersecurity incidents. When anomalies or security incidents occur in information systems, an "Information Security Incident Response Team" and a "Crisis Management Team" are convened as needed to conduct incident assessment, damage containment, and system recovery operations.

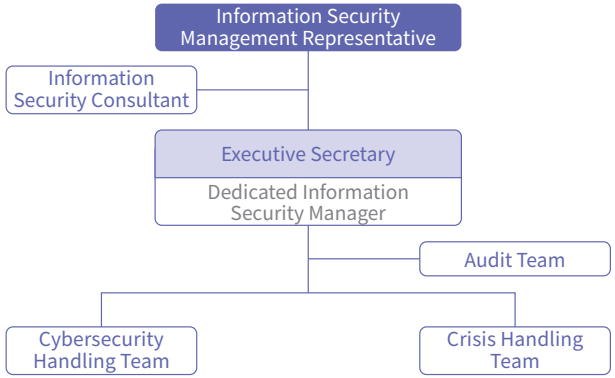
Information Security Management System and Risk Assessment

FORTUNE ELECTRIC places strong emphasis on the protection of information assets. Since 2014, the Company has been certified under the ISO 27001 Information Security Management System (ISMS) by AFNOR Group (Association Française de Normalisation), and has established a structured, documented, and systematic information security management framework in accordance with ISO 27001:2013 to ensure the confidentiality, integrity, and availability of information assets. In 2025, the Company completed the transition to the updated version of the standard.

FORTUNE ELECTRIC continuously monitors and regularly reviews its information security management performance to strengthen employees' cybersecurity awareness and response capabilities, thereby reducing information security risks and ensuring compliance with applicable regulatory requirements. The Company has also established a "Cybersecurity Management Committee," which convenes at least once a year to review the adequacy of the system and the achievement of management objectives. The Committee also makes timely policy revisions and improvements when necessary to ensure the continuous and effective operation of the information security management system.

FORTUNE ELECTRIC has established a comprehensive risk assessment mechanism for information security. The Company evaluates the confidentiality, integrity, and availability of hardware and software information assets by analyzing asset value, internal vulnerabilities, the likelihood of external threats, and the degree of operational impact to quantitatively determine the risk level of each asset, based on which corresponding risk treatment measures are formulated. The 2025 risk assessment report identified a total of 399 information assets. An "Information Asset Risk Assessment Report" was prepared as the basis for subsequent risk mitigation actions and the formulation of risk management strategies.

Organizational Structure of FORTUNE ELECTRIC's Information Security Team



Cybersecurity Incident Management and Reporting Mechanism

To effectively manage the operational impact of cybersecurity incidents, FORTUNE ELECTRIC has established an "Information Security Incident Management Procedure." Information security incidents are classified into three levels based on their impact on confidentiality, integrity, and availability, and clear recovery time objectives (RTO) are defined accordingly.

Level 3: Major Incident	Level 2: Alert Incident	Level 1: Minor Incident	24-hour reporting mechanism
In cases involving disruption to critical business operations or leakage of confidential-level data, recovery or damage containment must be completed within 36 hours.	In cases involving non-core system disruptions or general data leakage, recovery or damage containment must be completed within 72 hours.		FORTUNE ELECTRIC has established a 24/7 reporting channel to ensure that, in the event of an incident, notifications can be rapidly escalated via telephone or email to unit supervisors and the Information Security Management Representative in a timely and structured manner.

Continuously strengthening cybersecurity protection

FORTUNE ELECTRIC's Information Center continues to strengthen cybersecurity protection measures to ensure the security and resilience of the Company's information systems, IT infrastructure, and supply chain. In 2025, key cybersecurity initiatives included continuous updates of security software, upgrades to protection and backup systems (enhancing capacity and performance), and the implementation of Endpoint Detection and Response (EDR) and Network Detection and Response (NDR) solutions. In addition, a Security Operations Center (SOC) was utilized to provide real-time monitoring and response to potential threats.

For off-site backup and disaster recovery, storage devices are rotated weekly to ensure data security and rapid recovery capability. In addition, vulnerability scans are conducted twice annually, along with one to two penetration tests per year. The supply chain information flow system is also assessed by third-party experts, with security reviews performed upon the launch of new systems or changes to core systems. In February 2025, a cyberattack was detected; however, no data breach occurred, demonstrating the effectiveness of the existing information security protection measures.

FORTUNE ELECTRIC has strengthened supplier VPN secure connections by implementing multi-factor authentication (MFA) and continuously enhancing access control management. The Company also conducts regular reviews of shared accounts and permission scopes to ensure the security of both internal systems and supplier connectivity. The EDR system analyzes user behavior across personal computers and servers, retaining detailed logs during security incidents, while the NDR system analyzes logs from network devices, switches, and firewalls to enhance threat detection capabilities at the network level.

In addition, FORTUNE ELECTRIC revised its AI standards manual in 2025 to enhance procurement and operational process requirements. Information security requirements have been incorporated into digital applications and operational management, thereby continuously strengthening the Company's cybersecurity governance capabilities and organizational resilience.

Implement AI-driven intelligent applications to enhance operational efficiency and service quality



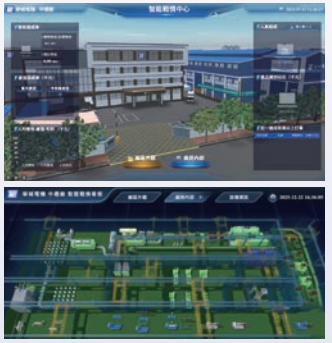
To continuously strengthen operational efficiency and digital transformation capabilities, FORTUNE ELECTRIC conducted 12 AI-related training sessions in 2025, covering both foundational knowledge and practical applications. The Company also established an AI support group to promptly address employees' questions and issues related to AI usage. In addition, AI tools have been actively integrated into the daily workflows of various departments. Through intelligent applications, the Company improves service quality, optimizes operational processes, and reduces employees' workload.

Assisted FORTUNE ELECTRIC VALUE in implementing AI-powered customer service response mechanisms.. Through an intelligent system, the Company provides real-time responses to frequently asked customer questions, such as membership tier explanations, equipment troubleshooting, and mobile application usage guidance. This approach effectively shortens customer waiting times, improves issue resolution efficiency and overall service satisfaction, while also reducing the workload on frontline customer service personnel.

In internal management, AI is also applied to contract review processes, assisting in summarizing key clauses, identifying potential risk provisions, and performing version comparison analysis. This significantly reduces document review time and enhances the efficiency of legal and related departments in document review. In addition, employees widely use AI as a daily work support tool, such as for inquiries related to company benefits and leave policies, travel expense reimbursement procedures, and initial troubleshooting of IT-related issues, including computer hardware malfunctions, system connectivity, and software configuration problems.

Through the adoption of AI tools, FORTUNE ELECTRIC is progressively building an intelligent working environment. This not only enhances overall operational efficiency but also strengthens knowledge management and internal support capabilities, laying a solid foundation for the Company's digital transformation and sustainable development.

Implementation of a 3D digital twin dashboard to strengthen smart manufacturing capabilities and operational resilience



FORTUNE ELECTRIC's Zhongli Plant3D visualization dashboard integrates the concept of digital twins into the physical production site. It consolidates real-time production line data and automation system information, enabling management personnel to monitor production operations in real time through a single digital interface. The project covers multiple applications, including semi-finished product handling, automated guided vehicle (AGV) operations, and automated warehouse storage location management. These functions enhance transparency in production support processes and material flow, thereby improving overall operational stability. When equipment or production support systems experience abnormalities, the platform can quickly display the affected areas and scope of impact, significantly reducing issue identification and resolution time. This improves real-time information accessibility, accuracy in locating problems, and production adjustment efficiency, thereby strengthening operational stability and governance capabilities.

Through data and spatial integration, the system enables visualization of production line layout and area workload distribution, serving as a basis for optimizing space utilization and capacity allocation. This helps reduce waiting time and redundant operations, thereby improving overall efficiency. It represents a key milestone in the digital transformation of FORTUNE ELECTRIC's ZhongliPlant. In the future, the Company plans to gradually integrate energy and operational data to further enhance information transparency and data governance capabilities, laying a solid foundation for sustainable management.

CHAPTER

3

CO-CREATING VALUE IN SUPPLY CHAIN MANAGEMENT

- Sustainable Supply Chain
- Supplier Management
- Services Satisfying Customers



ANNUAL PERFORMANCE HIGHLIGHTS

Green procurement increased significantly to **NT$25** million.

Neither the Company nor its suppliers were involved in any incidents related to child labor or forced labor, and **NO SIGNIFICANT** risks or related cases were identified.

The completion rate of on-site supplier audits reached **125%**

Customer Satisfaction

Domestic Sales Division: **95.03** points / Overseas Sales Division: **97.70** points

VISION

Collaborate with supply chain partners to establish a sustainable supply system that is high-quality, efficient, low-risk, and aligned with environmental and social responsibilities, thereby jointly enhancing overall industry competitiveness and value creation capabilities.

STRATEGY

Through supplier classification management, procurement risk assessments, quality audits, the implementation of sustainability requirements, and collaborative guidance mechanisms, the Company promotes continuous improvements across the supply chain in areas including quality, delivery, environmental protection, safety, and human rights.

TARGETS

Strengthen management coverage of key suppliers, enhance the rate of sustainability assessments and audits across the supply chain, reduce supply disruption and quality risks, and progressively establish resilient and responsible local and global supply networks.



Material Topics	Customer Service	GRI Indicator	Customized Topics

Commitments and Policies

- FORTUNE ELECTRIC prioritizes customers, values their experience and feedback, and upholds the quality policy of "Customer Care and Adherence to Six Sigma (6σ)." The company is committed to continuous innovation and technological advancement to deliver high-quality, reasonably priced, and technologically advanced products and services that meet customer and societal needs. We firmly believe that our ongoing efforts and innovation will provide customers with higher-quality products and services while making a greater contribution to society.

Complaint and Communication Channels

- Customer Satisfaction Survey

Metrics and Targets

Short-term goal (1~2 years):

- Continuously improve customer satisfaction, with a short-term target of achieving a 1% increase compared to the previous year.
- Maintain an average customer satisfaction score above 95 points.
- Continue collecting customer feedback through satisfaction surveys to track customer opinions and identify areas for improvement.

Medium-term goal (2~5 years):

- Based on the short-term target of a 95-point customer satisfaction score, continuously improve the average score to 96 points.
- Strengthen customer needs assessment and improvement tracking mechanisms through satisfaction surveys, customer communication, and technical service support.
- Join hands with third-party manufacturers or customers to jointly implement social charitable activities at least one annually.

Long-term goal (over 5 years):

- Continuously improve and maintain an average customer satisfaction score above 96.5 points.
- Further strengthen product quality, service efficiency, and technical support capabilities to deepen long-term customer relationships and enhance market competitiveness.
- Continuously optimize customer service processes and response quality through customer feedback mechanisms, thereby improving overall service resilience.

Effectiveness Tracking Mechanism

- Customer Satisfaction Survey

Actions and Measures

- In 2025, the Domestic Business Division received 198 customer satisfaction questionnaires with a response rate of 93%. The average customer satisfaction score reached 95.03 points.
- In 2025, the International Business Division received 27 customer satisfaction questionnaires, achieving a 100% response rate. The average customer satisfaction score reached 97.70 points.

SUSTAINABLE SUPPLY CHAIN

The Company upholds the principle of sustainable operations, with a vision to establish a supply chain management system that integrates supply stability, risk management, and sustainable value creation. Suppliers are regarded as key partners. The Company's strategy is to continuously strengthen supply chain risk management through supplier evaluation, audits, guidance, and classification mechanisms, while promoting supplier compliance with sustainability requirements in areas such as quality, environmental protection, occupational health and safety, human rights, and ethical business conduct. The Company continues to enhance key supplier management, implement sustainable supply chain practices, strengthen supply chain risk identification, and promote local sourcing to improve supply stability and overall operational resilience. Looking ahead, the Company will further improve supplier assessment and audit coverage, progressively enhance the sustainability management capabilities of key suppliers, and advance green procurement and low-carbon supply chain development, working with suppliers to enhance overall supply chain competitiveness and sustainability performance.

FORTUNE ELECTRIC plays a key role in the sustainable supply chain by providing essential power equipment such as transformers and distribution panels to support infrastructure development and renewable energy expansion. In response to the government's promotion of the nuclear-free homeland policy and grid resilience initiatives, the Company actively participates in power grid construction and upgrades to enhance power supply stability and facilitate the energy transition. As an upstream equipment supplier, FORTUNE ELECTRIC ensures a stable supply of critical materials such as silicon steel sheets and copper wire, while optimizing midstream and downstream component management to improve resource efficiency, strengthen supply chain resilience, and promote low-carbon and sustainable industrial development.

To address shortage risks in 2024, the Company has implemented various supplier management measures for materials with medium or higher risk levels to ensure supply stability and reduce production risks. First, direct communication channels have been established to bypass agents where appropriate and connect directly with suppliers' production management departments, allowing for real-time monitoring of production capacity and order progress. Regular supplier visits are conducted for risk assessments and production audits to ensure smooth supply chain operations. Additionally, for project-specific needs, orders are placed early to secure sufficient stock of key materials. Through demand forecasting and negotiations with suppliers, production capacity is secured in advance to prevent shortages caused by market fluctuations in supply and demand.

Regarding supplier diversification, the Company actively develops secondary and tertiary sources to rely on any single supplier. New suppliers undergo small-batch trial production and verification to ensure that quality and delivery requirements are met. Meanwhile, support is provided to existing suppliers to promote capacity expansion plans, including equipment upgrades, production line expansions, and raw material stockpiling to enhance production flexibility. Long-term cooperation agreements ensure priority access to critical materials during peak demand. Technical support and production collaboration further enhance overall supplier capabilities. Together, these measures strengthen FORTUNE ELECTRIC's supply chain resilience and help to maintain stable production despite short-term material shortage risks.

Supply Status of the main upstream raw materials

Main Raw Materials	Usage	Supply Source
Silicon steel sheet	Manufacture of transformer cores	Taiwan, Asia, Europe, the Americas, and the Middle East
Copper wire	Manufacture of transformer cores	Manufacturers in Taiwan and Asia
Insulating oil	Transformer insulation	Taiwan, America, Europe, Australia, and Asia
Switchbox	Armored switchgear and various switches	Taiwan and overseas manufacturers
Metal materials (casing)	Casings for transformers and distribution panels	Taiwan and Asian manufacturers

Green Procurement and Local Procurement

FORTUNE ELECTRIC has long been committed to environmental sustainability and actively implements green procurement policies. Energy conservation and emissions reduction principles are embedded across all operational activities, including the design and manufacturing stages. For example, the enameled aluminum wire used in distribution transformers is sourced from green electricity-powered production. By procuring such environmentally friendly materials, the Company not only ensures product performance and quality but also advances low-carbon manufacturing and sustainable sourcing strategies, supporting the development of an environmentally friendly supply chain.

In response to the United Nations Sustainable Development Goals (SDGs), the Company continues to optimize its procurement processes by prioritizing products with eco-friendly labels or that comply with environmental regulations, including laptops, computers, air conditioning systems, A4 paper, and leased company vehicles. In recent years, green procurement expenditures have shown steady growth, increasing from NT$5.81 million in 2021 to NT$20.79 million in 2024, and rising further to NT$25 million in 2025. Looking ahead, FORTUNE ELECTRIC will continue to strengthen its green procurement strategy, reduce the environmental impact of its products and operations through procurement management and supply chain collaboration, and enhance its environmental competitiveness through concrete action while jointly promoting sustainable development.

In 2025, FORTUNE ELECTRIC saw a significant decline in its local procurement share, primarily due to several factors. In the first half of the year, tariffs and the depreciation of the U.S. dollar led to certain orders being denominated in U.S. dollars, making procurement from overseas suppliers more cost-effective. In addition, strong demand for export projects, along with customer requirements specifying the use of foreign suppliers, also contributed to the shift. Overall, although the local procurement share declined, the Company continues to manage both domestic and international suppliers in accordance with supplier evaluation and ESG standards, ensuring supply chain quality, compliance, and sustainability performance.

FORTUNE ELECTRIC's Local Procurement Spending Ratio over the Last Three Years

(Unit: NT$ 100 million)

Year	Amount of Raw Materials Procured Locally	Total Amount of Raw Materials Procured	Ratio of the Amount of Raw Materials Locally Procured
2023	113.89	139.02	82%
2024	128.78	163.01	79%
2025	**82.27**	**181.25**	**45%**

Note: Local suppliers are defined as suppliers registered in the country where the Company's operating sites are located.

Responsible Procurement

FORTUNE ELECTRIC places strong emphasis on legal and stable raw material sourcing, establishing stringent procurement and verification mechanisms to ensure that its products meet high standards of technical performance and safety requirements. Key raw materials, including silicon steel sheets, steel plates, copper wires, and copper strips, are sourced from leading domestic and international manufacturers. Material purity and technical specifications are clearly defined in the procurement specifications (FE specifications).

In terms of quality and compliance management, key materials such as copper wire, copper strips, and silicon steel sheets are required to be accompanied by test reports upon delivery. Insulating oil must be provided with a Material Safety Data Sheet (MSDS) to ensure compliance with safety and environmental regulations. In addition, in light of industry characteristics and international trends, the Company requires suppliers to commit to the non-use of conflict minerals, ensuring that raw material sourcing aligns with responsible procurement principles.

SUPPLIER MANAGEMENT

FORTUNE ELECTRIC is committed to refined management practices for key domestic and international suppliers, strengthening mutual trust and cooperative relationships, securing priority collaboration opportunities, and creating mutually beneficial outcomes while demonstrating the Group's differentiated competitive advantage and steadily expanding in domestic and international markets. The Company actively supports suppliers in implementing continuous improvement programs to ensure they meet requirements for quality, environmental protection, product safety, and on-time delivery. At the same time, suppliers are required to uphold employee health and safety, human rights protection, and corporate social responsibility, while continuously enhancing risk management capabilities and strengthening supply chain resilience.

To diversify risk and enhance overall supply chain quality, FORTUNE ELECTRIC maintains stable and constructive cooperation with existing suppliers while continuously expanding its network of new partners, ensuring a resilient, flexible, and sustainable supply chain. In 2025, 39 new suppliers were added, all of whom (100%) signed the Supplier Integrity Commitment, Energy Policy, the Environmental, Occupational Health and Safety Policy Compliance Commitment. Through supplier qualification reviews, document verification, and specification control mechanisms, the Company strengthens supply chain quality management and sustainability risk management, ensuring that product performance, safety, and compliance consistently meet customer and regulatory requirements.

FORTUNE ELECTRIC holds an annual Supplier Collaboration Conference (Supplier Summit) to enhance communication and cooperation with suppliers, while sharing the Company's operational strategies and sustainability management priorities. The 2025 conference was held in February, with approximately 110 participating suppliers, mainly key domestic partners. Through this platform, the Company strengthens mutual collaboration, improves supply chain resilience, and enhances overall operational efficiency. In addition, the Company's Information Center has established a supply chain information flow platform for key suppliers, enabling real-time information exchange with core partners. The platform provides instant visibility of production output and material manufacturing progress, as well as order status by job number. This allows FORTUNE ELECTRIC to quickly assess whether internal production schedules need to be adjusted in advance, thereby improving supply chain coordination efficiency and production flexibility, ensuring delivery stability and strengthening operational resilience.



Environmental

- All suppliers must sign the "Environmental and Occupational Health and Safety Policy Compliance Commitment," pledging to reduce and prevent pollution, continuously implement waste reduction, and comply with environmental regulations.
- Suppliers must implement policies for hazard prevention and mutual care to ensure occupational safety. This includes identifying potential hazards related to their operations and employing practices that reduce risks. Additionally, they are required to adhere to FORTUNE ELECTRIC's ISO 14001 Environmental Policy, ISO 45001 Occupational Health and Safety Policy, and ISO 50001 Energy Policy, all of which serve as key criteria for selecting qualified suppliers.
- For key suppliers, ISO 14064 greenhouse gas inventory guidance is provided to assist them in establishing comprehensive carbon emission accounting processes and management capabilities. This initiative enhances suppliers' environmental management standards and ensures transparency of greenhouse gas information and sustainability performance across the supply chain.



Social

- By signing the ethics clause, suppliers commit to the following:
  - Not to engage in improper business practices.
  - Not to offer bribes to Company employees.
  - Not to participate in unlawful behavior that causes reputational damage to the Company and its employees, or damage to its assets.
  - If any suppliers are involved in unlawful behavior, the Company will seek compensation and retain the right to legal recourse.
- Additionally, the Company prohibits the use of child labor (below the age of 16), forced labor, or any form of improper employment discrimination. We also require our suppliers to adhere to the same international standards as well as laws concerning labor and employment at our operating sites.
- In 2025, neither the Company nor its suppliers were involved in any significant risk or incident involving child labor or forced labor.

Supplier Risk Assessment and Response

To effectively reduce the risk of supply chain disruptions and enhance the Company's quote stability and order acquisition capabilities, we have implemented a series of response strategies. These strategies cover prevention, contingency planning, and continuous improvement, and are designed to strengthen the resilience and responsiveness of our supply chain. This helps ensure that we maintain a competitive edge in an ever-changing market environment.

Response Strategies for Supplier Disruption Risks

1. Before bidding on new projects, we collaborate closely with the R&D and design departments to identify and filter out critical components with longer lead times, ensuring smooth project execution.
2. An efficient strategic inventory system is established to maintain sufficient stock levels during demand surges or supply disruptions, thereby reducing the risk of supply chain disruptions.
3. A supply-demand platform has been created to track the supply status of key materials in real-time, enabling timely visibility into supply conditions and effective risk management.

Response Strategies for Long Lead-Time Components in Major Projects

1. For critical components with long lead times, internal processes are proactively initiated once the likelihood of winning the order reaches a predetermined threshold (e.g., 60%) to ensure on-time project delivery.
2. A collaborative model among production, sales, R&D, and purchase departments is established to activate a strategic inventory mechanism, increasing stock levels of key components to address fluctuations in market demand.
3. Reliable suppliers are chosen, and agreements are signed prior to bidding, ensuring stable supply support upon project award.
4. To meet customer needs, diversified sourcing strategies are embraced to reduce reliance on single suppliers and mitigate supply risks.
5. For components with extended lead times, we recommend high-quality domestic suppliers to customers, helping shorten delivery times and enhance customer satisfaction.
6. We actively visit major suppliers to foster strong partnerships and secure priority access to critical components, ensuring a timely and stable supply.

Supplier Evaluation and Audit

To strengthen sustainable supply chain management, FORTUNE ELECTRIC has established the "Supplier Development Evaluation and Assessment Procedure," conducting annual evaluations and ad-hoc audits to ensure suppliers comply with requirements related to quality, occupational health and safety, and environmental management. The evaluation process is managed through a tiered supplier classification system based on supplier criticality. Key suppliers are subject to on-site audits conducted by a cross-functional audit team, while other suppliers are assessed by the Procurement Department through document reviews or on-site evaluations.

The annual supplier evaluation criteria are weighted according to operational impact, including quality (40%), delivery performance (30%), price (20%), and coordination (10%). Based on the results, suppliers are classified into grades A to E. Suppliers rated A to C are considered qualified. Grade D suppliers are issued a "Supplier Performance Improvement Notice," requiring corrective action plans and follow-up on improvement progress. Grade E suppliers are subject to order reduction or termination mechanisms; to resume cooperation, they must submit an improvement plan after at least one quarter and undergo re-evaluation. In addition, for deficiencies identified during audits, suppliers are required to propose corrective actions and provide feedback within one month.

In 2025, face-to-face engagement and assessments were conducted for long-term engineering contractors and high-spend suppliers, covering a total of 35 suppliers, with a 100% completion rate. No major deficiencies or significant sustainability risks were identified. In early 2026, the evaluation results were re-examined, and 9 suppliers were classified as Grade C. In accordance with the Company's policy, no corrective action notices were required at this stage. Through a systematic evaluation and tiered management mechanism, the Company continues to enhance supply chain quality stability and sustainability risk management capabilities, while strengthening shared responsibility with its business partners.

FORTUNE ELECTRIC conducts annual and ad-hoc on-site supplier audits in accordance with the "Supplier Development Evaluation and Assessment Procedure" to ensure the effective implementation of sustainable supply chain management. On-site audits are primarily conducted for the following four categories of suppliers:

1. Suppliers rated Grade C for three consecutive years;
2. Suppliers that have experienced major quality incidents;
3. Suppliers suspended due to occupational safety incidents and require re-evaluation;
4. Suppliers previously rated Grade E or below in the annual evaluation who seek to resume cooperation after termination.



As the Company's revenue has grown, the number of suppliers and the order volume per supplier have both increased. In 2025, the on-site supplier audit completion rate reached 125%, exceeding the annual target and demonstrating the Company's continued strengthening of supply chain management to keep quality, occupational safety, and sustainability risks controllable.

FORTUNE ELECTRIC Supplier Evaluation Results over the Last Three Years

Grade	Score	2023	2024	2025
Grade A	90 or above	0	1	**1**
Grade B	80~89	712	768	**750**
Grade C	70~79	6	10	**29**
Grade D	60~69	3	0	**0**
Grade E	Below 60	1	0	**0**

FORTUNE ELECTRIC Supplier Audit Implementation Status over the Last Three Years

Auditing Method		2023	2024	2025
On-site audit	Number of suppliers expected to receive an on-site audit	34	35	**40**
	Number of suppliers that actually received an on-site audit	38	35	**50**
	Achievement rate	111.8%	100%	**125%**

SERVICES SATISFYING CUSTOMERS

BEFORE DESIGN	DURING MANUFACTURING	ACCEPTANCE OF FINISHED PRODUCTS	SHIPMENT AND INSTALLATION	AFTER-SALES SERVICES
Hold multiple meetings and reviews with customers before design, discuss product details step by step, and carefully listen to customer requirements while offering suggestions.	Provide a production progress Gantt chart, arrange progress meetings and inspections, and help customers understand product progress and material quality.	Test finished products in accordance with customer requirements and international standards, and provide reports and operating manuals to customers for review and retention.	Accommodate customers' delivery requirements and assign technical engineers to guide customers in product use and installation.	A 24-hour customer service hotline is available to provide comprehensive support for customer emergencies.

"Production is only part of the process; service is the ultimate goal." With 55 years of experience in domestic and international sales, FORTUNE ELECTRIC is well-versed in international standards and regulatory requirements across different countries. This enables us to respond flexibly to diverse market challenges and offer customers a wide range of tailored solutions. In the domestic market, we maintain close communication with our clients, adjusting quotation validity periods to accommodate unforeseen events beyond our control. This proactive approach ensures the on-time execution of projects, and to date, we have had no instances of contract breaches. In the international market, amid global uncertainties and port congestion leading to material shortages, we take the initiative to coordinate delivery schedules with our customers. Although this may lead to higher shipping costs, our dedication to integrity and professionalism has earned strong customer support and helped us avoid substantial losses.

Emergency Power Restoration Service

To enhance the reliability of power equipment and service quality, FORTUNE ELECTRIC has established an Emergency Power Restoration Service System (EWE001 Standard), ensuring that customers can receive prompt support in the event of power issues. The system provides 24-hour service. Customers may report power outages or equipment abnormalities—such as distribution panel failures—via the 0800 service hotline or by directly contacting the Quality Assurance Department. Upon receiving a report, the QA team immediately activates the emergency response mechanism and assesses the fault in accordance with standard procedures. Professional technical personnel are then dispatched to provide remote guidance or on-site support, and spare parts or equipment replacement is arranged when necessary. Through this service system, the Company is able to significantly reduce downtime caused by equipment issues, ensure power supply stability, and strengthen its professional image and customer trust in the field of emergency power support. Regardless of whether FORTUNE ELECTRIC's products are used, 24/7 year-round support is provided—immediate assistance is available with a single phone call. For more details on the emergency power restoration system, please refer to the Company's official website.

Customer Complaint Handling Mechanism

The Company has established a tiered customer complaint handling mechanism, classifying complaints as General, Grade C, Grade B, or Grade A based on the severity of the customer issue, ensuring timely response and effective risk management.

General level	Grade C	Grade B	Grade A
Routine service issues or customer feedback cases.	Complaints arising from product or component defects, with no resulting incidents or damage.	Incidents such as equipment failure or power trip (without causing damage), or major customer complaints.	Incidents resulting in damage, personal injury, loss of power supply to customers, or severe customer complaints.

In terms of the handling process, customers are contacted on the same day a complaint is received to confirm the issue details and agree on a resolution timeline. When necessary, work is coordinated with the customer's scheduled power outage periods. Depending on the nature of the case, on-site support or expedited spare parts preparation mechanisms are activated to improve response efficiency and timeliness. For higher-risk B and A-level cases, if the issue cannot be resolved within the agreed timeframe, it must be escalated to management on the same day (from the QA Manager level up to the General Manager). For A-level cases, personnel are dispatched to the site immediately to assess and manage the situation. After a case is completed, customer confirmation and sign-off are required, and the results are reported back to internal management for quality tracking and continuous improvement. Through this tiered response and escalation mechanism, the Company ensures timely complaint handling, effective risk control, and continuous enhancement of service quality and customer relationship management.

Customer Satisfaction Survey

FORTUNE ELECTRIC is dedicated to delivering high-quality products and services, with a strong focus on customer satisfaction. After completing domestic and international projects, the Company proactively distributes satisfaction surveys to gather customer feedback and suggestions. This enables the Company to quickly understand customer needs, identify areas for improvement, and enhance the quality of its products and services. The Company regards customer feedback as a catalyst for continuous improvement, helping maintain a high level of customer recognition and trust in FORTUNE ELECTRIC.

To further improve its products and services, both domestic and international business units collaboratively plan the customer satisfaction survey process. Surveys are distributed either in person by sales or Quality personnel, or by mail, to ensure comprehensive feedback collection. Survey results are integrated into service improvement plans, ensuring that every piece of feedback is translated into concrete actions that promote quality enhancement and increased customer satisfaction.

In 2025, FORTUNE ELECTRIC's customer satisfaction continued to improve. In the domestic market, the increase was primarily attributable to enhanced after-sales and pre-sales services, as well as improved sales service quality. In overseas markets, the improvement was mainly driven by higher product quality and faster maintenance response times. In response to customer suggestions and improvement requests, the Company focused on acceptance inspection quality, documentation quality, and related process improvements. The Quality Dept. systematically tracks and manages all feedback from customer satisfaction surveys, implementing corrective and improvement actions to ensure that customer input is effectively translated into quality enhancement initiatives.

In response to fluctuations in the international market, FORTUNE ELECTRIC's Overseas Sales Division uses an early activation mechanism to proactively allocate necessary resources and production plans for potential orders. It also provides customers with production capacity reservation options to ensure on-time delivery of key orders, demonstrating the Company's strengths in supply chain resilience, flexible scheduling, and risk management. As a result, the Company received the "GE Supplier Quality & Delivery Award" (the only recipient in Taiwan), with key KPIs including high on-time delivery (OTD) performance and an extremely low product defect rate (PPM). This recognition not only affirms the Company's excellence in quality and delivery performance but also generates positive spillover effects in securing orders from other international OEMs, further enhancing FORTUNE ELECTRIC's global customer trust and competitiveness.

Customer Satisfaction Survey Process

Project Completion

Distribution of Satisfaction Survey

- Domestic surveys encompass three aspects: product usage, sales activities, and after-sales service
- International surveys include three aspects: the inquiry stage, the transportation stage, and the after-sales service stage

Customer Feedback Collection

- Evaluation items include product, service, delivery time, and documentation completeness

Survey Results Analysis and Statistics

- Satisfaction target: 85 points
- The average score exceeded 90 over the past three years

Improvement Actions

- Customer interviews and follow-ups
- Product and service adjustments
- Internal optimization and employee training

FORTUNE ELECTRIC Customer Satisfaction Survey Results over the Last Three Years

Domestic Business Division

Year	2023	2024	2025
Number of responses	191	189	**198**
Response rate	91%	91.75%	**93%**
Average score of customer satisfaction	92.3	94.3	**95.03**

International Business Division

Year	2023	2024	2025
Number of responses	19	24	**27**
Response rate	100%	100%	**100%**
Average score of customer satisfaction	94.01	96.58	**97.70**

CHAPTER

4

SMART ENERGY CONSERVATION AND ENVIRONMENTAL SUSTAINABILITY

- Risks and Opportunities of Climate Change
- Energy Management
- Greenhouse Gas Emissions
- Air Pollution Prevention and Control
- Water Resource Management
- Waste Management
- Natural Environment and Biodiversity



ANNUAL PERFORMANCE HIGHLIGHTS

- Through the implementation of various energy-saving initiatives, energy consumption was reduced by **1,143,378 MJ**.
- Greenhouse gas emissions intensity (Scope 1+ Scope 2): **0.3871** tCO_2e per million NTD.
- Sponsored the Formosan black bear and pangolin at Taipei Zoo to **SUPPORT THE CONSERVATION OF NATIVE SPECIES**.
- The annual reduction rate of energy intensity reached **16.34%**.
- Sponsored the "Coral Reef Ecology Exhibition Tank" at the National Museum of Marine Science and Technology to **SUPPORT CORAL RESTORATION INITIATIVES**.
- All four factories **100%** have fully implemented energy management systems.
- Collaborated with the Taiwan Ecological Restoration Association on the "Nantou Foothill Vegetation Restoration Project" to **CULTIVATE NATIVE PLANT SEEDLINGS**.

VISION

With energy conservation, carbon reduction, green manufacturing, and environmental sustainability at its core, the Company continues to enhance the environmental performance of its products and operations, striving to become a key driver of the low-carbon energy transition and green industry development.

STRATEGY

Focusing on the development of high-efficiency energy-saving products, process optimization, energy management, greenhouse gas inventory and reduction, resource recycling, and pollution prevention, the Company advances environmental sustainability across both its products and operations.

TARGETS

The Company continues to increase the share of energy-efficient and green products, institutionalize carbon emissions management, improve energy efficiency and resource recycling performance, and progressively establish a measurable decarbonization pathway and environmental performance management framework.

RISKS AND OPPORTUNITIES OF CLIMATE CHANGE

In response to the climate-related risks and opportunities affecting its operation, FORTUNE ELECTRIC has assigned its Sustainable Development Committee to coordinate with relevant departments in identifying and managing potential climate-related risks and opportunities. In alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework, the Company conducts systematic assessments across four key areas: Governance, Strategy, Risk Management, and Metrics and Targets. Based on these assessments, the Company proactively develops response strategies and measures to mitigate potential risks and address the impacts of climate change. As a leading company in Taiwan's heavy electrical industry, FORTUNE ELECTRIC is committed to addressing global climate challenges and supporting the transition toward net-zero emissions. Through comprehensive climate risk evaluation, continuous product innovation, and strengthened supply chain management, the Company enhances corporate resilience and sustains long-term competitive advantages.

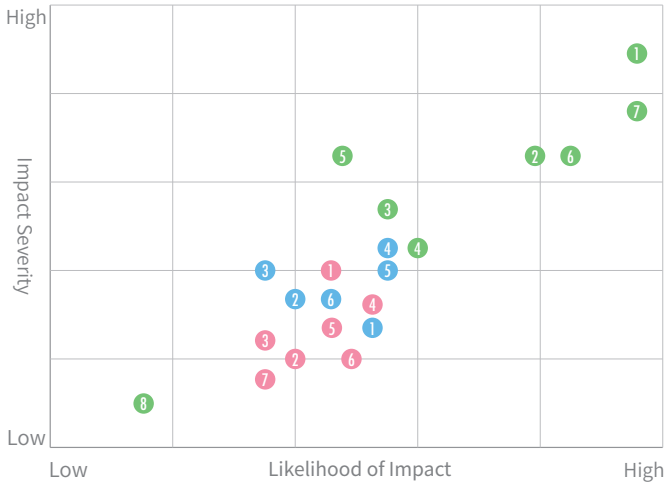
1. Governance

FORTUNE ELECTRIC has designated its Sustainability Development Committee to oversee and manage climate-related issues. The Committee regularly convenes relevant departments to review climate change risks and opportunities and to identify their potential impacts on both internal and external stakeholders. Based on risk assessment results, the Committee identifies material issues, formulates corresponding mitigation measures, and regularly tracks implementation progress through meetings. At the beginning of each year, the Sustainability Development Committee reports the previous year's risk management implementation and climate-related outcomes to the Board of Directors, ensuring that climate risks are fully integrated into the Company's overall governance and decision-making framework.

2. Strategy

FORTUNE ELECTRIC uses the four core pillars of the TCFD framework to identify climate-related transition risks, physical risks, and opportunities based on its business characteristics and operating model. These include policy and legal, technology, market, and reputation risks; acute and chronic physical risks; and opportunity areas such as markets, energy sources, products and services, resilience, and resource efficiency. Through workshops, operational and management units assess each issue in terms of timing, affected locations, impacts on the business model and value chain, mitigation and adaptation measures, reporting periods and expected financial impacts. By considering both impact likelihood and impact severity, the Company evaluates the risk level of each issue. Cross-departmental responses are consolidated and standardized to identify and prioritize material climate-related risks and opportunities.

Climate-related Risk and Opportunity Matrix



Transition Risks	Physical Risks	Opportunities
1 Increasingly Stringent Regulations	1 Extreme Weather (Typhoons, Heavy Rain) Causing Damage to Facilities and Equipment	1 Growing demand for power equipment under global resilient grid initiatives and net-zero trends
2 GHG Inventory (Scope 3–5 in Supply Chain)	2 Extreme Weather Disrupting Supply Chain and Logistics	2 Adoption of low-carbon gases (SF_6 alternatives) in gas-insulated switchgear
3 Stricter Environmental Laws	3 Extreme Weather Impacting Production and Workforce Scheduling	3 Enhanced brand image and market competitiveness
4 Replacement of SF_6 Gas with Low-Carbon	4 Extreme Weather Delaying Construction Projects	4 Expansion of EV charging infrastructure market
5 Rising Customer Expectations for Energy Efficiency	5 Extreme Weather Damaging Operational Equipment	5 Optimization of factory energy management and standardized air-conditioning settings
6 Increased R&D Costs and Resource Allocation	6 High Temperatures Impacting Factories and Outdoor Work	6 Rising demand for high-reliability equipment (e.g., low/high temperature resistant, humidity proof, shock-resistant)
7 Net Zero Carbon Transition Pathway		7 Government and corporate efforts to strengthen the power grid and electrical infrastructure are driving increased replacement demand
		8 Water resource recycling and reuse

FORTUNE ELECTRIC Climate-Related Risk and Opportunity Analysis Results

Type	Subject	Impact Period	Description of Climate-Related Risks	Impact on the Operating Model	Impacts on the Value Chain	Impacts on Financial Position, Financial Performance and Cash Flows	Mitigation and Adaptation Actions
Acute Risk	4 Extreme Weather Delaying Construction Projects	Mainly short-term, with partial extension into the medium term	Typhoons may disrupt power transmission and distribution projects, as well as EV charger installations, potentially causing schedule delays, late penalties, and reduced credibility in project fulfillment.	Transmission and distribution projects, EV charging station installations, and project execution activities may be disrupted by typhoons and heavy rainfall. Such weather-related events can delay project schedules, requiring the Company to adjust implementation plans, strengthen contingency measures, and enhance construction coordination, thereby affecting on-time delivery performance and overall project management efficiency.	• Upstream operations may be impacted by contractors, logistics constraints, and material delivery delays. • The Company may be affected by construction scheduling and workforce allocation constraints. • Downstream customers may face risks of project delivery delays, postponed acceptance, and work stoppages.	• May increase contract assets and extend the collection period for accounts receivable. • May increase subcontractor mobilization costs, overtime expenses, project extension costs, and risk of contractual penalties. • May delay project-related collections, resulting in deferred operating cash inflows.	• Incorporate weather-related buffer time into construction schedules. • Schedule construction activities to avoid high-risk seasons. • Establish site-based weather early warning and abnormal condition reporting mechanisms. • Enhance subcontractor contingency arrangements and flexibility in alternative workforce deployment.
	5 Extreme Weather Damaging Operational Equipment	Mainly short-term	Power equipment and EV chargers may be damaged by storms, affecting customer electricity access and user experience, leading to higher emergency repair, maintenance, and replacement costs.	Delivered equipment, EV charging stations, and power systems may be damaged by heavy rainfall, strong winds, or flooding events. This may increase maintenance, spare parts, inspection, and emergency response requirements, thereby affecting after-sales service performance and customer satisfaction.	• Upstream suppliers are required to enhance the durability of weather-resistant components and the stability of spare parts supply. • The Company needs to strengthen maintenance, customer service, and emergency repair capabilities. • Downstream customers may face risks to operational continuity in the event of equipment downtime.	• May increase investment in spare parts and maintenance-related assets. • May lead to higher maintenance expenses, warranty costs, and depreciation pressure. • Short-term repair expenditures may increase, and inadequate service levels may adversely affect subsequent orders and payment collection.	• Enhance product weather-resistance specifications and testing rigor. • Establish post-typhoon inspection and rapid repair mechanisms. • Strengthen emergency power restoration and spare parts management. • Implement remote monitoring and early warning systems.
Risk of Policies and Regulation	1 Increasingly Stringent Regulations	Short-term and medium-term	In recent years, governments and international markets have imposed stricter regulations on carbon emissions, energy efficiency, and the development of green products. As a result, companies must allocate more resources to ensure compliance throughout the entire product development, manufacturing, and sales process. For FORTUNE ELECTRIC, this may lead to increased R&D expenses and higher costs associated with green design, particularly for high-energy-consuming equipment such as transformers and switchgear, as well as the potential for even stricter environmental standards and market demands in the future.	The Company needs to continuously adjust product design, certification, project installation, and manufacturing processes to comply with carbon emission, energy efficiency, safety, and green product requirements, thereby driving the standardization of regulatory compliance and R&D activities.	• Upstream suppliers are required to provide compliant materials, environmental information, and supporting documentation. • The Company needs to strengthen regulatory compliance, R&D, quality assurance, and project review processes. • Downstream customers are placing higher requirements on safety certifications and low-carbon performance.	• Certification, testing, equipment upgrades, and system implementation may increase capital expenditures and operating costs. • Gross profit margins may come under short-term pressure. • Failure to ensure timely compliance may result in penalties, work suspension, or project delays.	• Establish regulatory tracking and compliance review mechanisms. • Expand the development of high-efficiency transformers and low-carbon switchgear products. • Adopt higher design standards in advance.

Type	Subject	Impact Period	Description of Climate-Related Risks	Impact on the Operating Model	Impacts on the Value Chain	Impacts on Financial Position, Financial Performance and Cash Flows	Mitigation and Adaptation Actions
Technology Risk	4 Replacement of SF_6 Gas with Low-Carbon Alternatives	Short-term and medium-term	Currently, FORTUNE ELECTRIC uses SF_6 gas in gas-insulated switchgear (GIS), but global regulatory trends are moving toward restricting its use. This may render existing products noncompliant with future market demands, potentially affecting orders and business expansion. Moreover, low-carbon alternatives are still in the development stage, and transitioning may result in increased R&D and testing costs.	If gas-insulated switchgear fails to transition in a timely manner toward low-carbon alternative technologies, the competitiveness of existing products may decline. The transition process will also require significant investment in R&D, testing, and product certification.	• Upstream suppliers need to identify alternative gases, key components, and testing resources. • The Company faces challenges in R&D, manufacturing transition, and product validation. • Downstream customers focus on the safety and reliability of new products.	• Investments in R&D equipment, testing, and certification are expected to increase. • R&D expenses may increase in the short term; however, successful commercialization of new products may enhance the product mix and improve gross margin structure. • Upfront investments will increase cash outflows in the early stage.	• Develop and deploy dry air or other alternative gas technologies. • Accelerate product testing and validation, and conduct pilot projects in collaboration with standards organizations and customers. • Gradually adjust existing product designs.
Acute Risk	1 Extreme Weather (Typhoons, Heavy Rain) Causing Damage to Facilities and Equipment	Mainly short-term, with partial extension into the medium-term	Heavy rainfall or typhoons causing flooding at the Taichung and Taoyuan facilities may disrupt the production of transformers, switchgear, and EV charging stations, leading to delivery delays, increased risk of contractual penalties, and higher maintenance costs.	Flooding, strong winds, or power outages affecting manufacturing sites, warehouses, and critical equipment may result in production stoppages, reduced capacity, equipment repair requirements, and disruptions to delivery schedules.	• Upstream material supply may be disrupted. • The Company may face impacts on facility operations, equipment, warehousing, and occupational safety. • Downstream customers may adjust procurement or switch suppliers due to delivery delays.	• May increase repair, backup, and insurance-related expenditures, as well as potential asset impairment risks. • Production stoppages and reduced capacity utilization may compress gross profit. • Recovery costs are incurred in advance, while shipments and cash collections are deferred.	• Strengthen drainage systems, disaster prevention measures, and backup power supply at facilities. • Establish equipment protection and post-disaster recovery plans. • Decentralize the placement of critical equipment and materials. • Conduct regular Business Continuity Plan (BCP) drills.
Market	1 Growing demand for power equipment under global resilient grid initiatives and net-zero trends	Short-term and medium-term, with partial extension into the long-term	While demand for power equipment continues to grow steadily, creating sustained business opportunities, the supply chain is facing risks of material shortages and disruptions. In addition, global trade tensions are significantly increasing volatility in operating costs.	The Company can further transform from an equipment supplier into an integrated "equipment + systems + services" provider, expanding business opportunities in transformers, switchgear, energy storage, EV charging, and energy management solutions.	• The importance of upstream key raw materials and components is increasing. • The Company can enhance integration across R&D, manufacturing, engineering, and digital platforms. • Demand from downstream power utilities, corporate customers, and data centers is growing.	• Expand production capacity. • Improve equipment utilization rates. • Implement standardized design practices. • Strengthen order intake and project management. • Integrate information platforms and maintenance services to enhance added value.	• May increase investment in capacity expansion and system development. • Increasing the proportion of high-margin products and services may help improve the revenue structure. • Large-scale projects and long-term service contracts can enhance the stability of operating cash flows.

Type	Subject	Impact Period	Description of Climate-Related Risks	Impact on the Operating Model	Impacts on the Value Chain	Impacts on Financial Position, Financial Performance and Cash Flows	Mitigation and Adaptation Actions
Resilience	7 Government and corporate efforts to strengthen the power grid and electrical infrastructure are driving increased replacement demand	Short-term and medium-term	Drives demand for ultra-high voltage and high-efficiency power equipment, contributing to long-term operation and maintenance revenue.	The replacement of aging equipment and resilience enhancement projects can drive demand for ultra-high-voltage, high-efficiency, and weather-resistant equipment, thereby enhancing long-term order visibility and operation and maintenance revenue.	• Upstream suppliers are required to ensure stable supply of high-specification materials and modules. • The Company can expand its market presence by leveraging its manufacturing, engineering, after-sales service, and system integration capabilities. • customers can benefit from more reliable and resilient power infrastructure.	• Continuously optimize production lines. • Accelerate talent development. • Advance lightweight and standardized design. • Strengthen delivery schedule and quality management. • Develop long-term maintenance services.	• Requires investment in equipment, production lines, and human capital. • Can increase the proportion of high value-added products and operation and maintenance revenue. • Project-based revenue, combined with subsequent maintenance income, helps create more stable cash flows.

FORTUNE ELECTRIC's climate-related risks and opportunities primarily affect its financial performance in the following three areas:

Financial Position		Financial Performance		Cash Flows	
Risk Dimension	**Opportunity Dimension**	**Risk Dimension**	**Opportunity Dimension**	**Risk Dimension**	**Opportunity Dimension**
Compliance with environmental regulations, low-carbon equipment transition, pollution prevention, smart manufacturing, and the establishment of backup facilities may increase capital expenditures and equipment upgrade requirements.	Continued expansion of the low-carbon product portfolio, increased production capacity, and the development of integrated energy system services may lead to additional asset investments, project-related capital expenditures, and improved asset allocation efficiency.	Regulatory compliance, low-carbon materials, certification and testing, logistics adjustments, maintenance, and overtime costs may increase operating expenses and manufacturing costs, thereby exerting pressure on short-term gross profit margins.	High-margin power equipment, orders related to resilient grid infrastructure, low-carbon product premiums, and revenue from charging and maintenance services help improve revenue quality and enhance the profitability structure.	Delays in project schedules, equipment maintenance issues, or production stoppages caused by extreme weather events may defer cash inflows and result in additional cash outflows.	An increased proportion of high-margin products and recurring service revenues would help enhance the stability of operating cash flows and reduce the impact of economic cycle fluctuations on cash flow performance.

Based on the overall assessment results, the Company faces key climate-related risks in the short to medium term, with transition risks and acute physical risks carrying equal significance. On the transition side, increasingly stringent regulations, the development of SF_6 alternative technologies, and rising customer demand for high-efficiency and low-carbon products may lead to higher R&D expenditures, certification costs, low-carbon material costs, and supply chain management costs. On the physical side, extreme weather events may disrupt construction schedules, equipment operation and maintenance, plant facilities, and production planning, potentially resulting in project delays, contract performance risks, increased maintenance expenses, and additional labor costs.

On the other hand, the net-zero transition and the strengthening of power grid resilience also present significant growth opportunities for the Company. The assessment indicates that, under global grid resilience initiatives and the trend toward net-zero emissions, demand for power equipment is increasing. In particular, government and corporate investments in power grid reinforcement and infrastructure replacement, the development of low-carbon gas-insulated switchgear, and the rising demand for high-reliability power equipment represent the highest-priority opportunity areas. These developments are expected to drive order expansion, increase the proportion of high-margin products, and further strengthen the Company's competitive position in the green power equipment and system integration markets. From a time-horizon perspective, both risks and opportunities are mainly concentrated in the short to medium term, indicating that the Company must simultaneously respond to immediate regulatory and market changes while advancing medium-term initiatives in product transformation, capacity allocation, and supply chain resilience. In the long term, sustained investment in low-carbon technologies, energy-efficient manufacturing processes, smart management systems, and resource circularity will enable the Company to turn climate action from a cost center into a source of revenue growth and brand value.

3. Risk Management

FORTUNE ELECTRIC has established a risk management organization and framework in accordance with the ISO 31000 risk management guidelines. Based on the PDCA (Plan-Do-Check-Act) cycle, the Company has developed a structured risk management system that integrates all potential risks that may affect operations and profitability, including strategic, operational, financial, and hazard-related risks (including operational, environmental, and climate-related risk events). The objective is to provide comprehensive risk management support for stakeholders, shareholders, and other relevant parties.

FORTUNE ELECTRIC Climate Risk Identification and Assessment Process



For material climate-related risks and opportunities, relevant departments formulate mitigation and adaptation measures and continuously monitor their implementation. For instance, in response to risks such as facility damage, construction delays, and equipment maintenance disruptions caused by extreme weather events, the Company implements measures including site disaster preparedness, backup power systems, post-disaster recovery mechanisms, weather early warning systems, and flexible project scheduling. In response to risks arising from increasingly stringent regulations and the transition to low-carbon technologies, the Company adopts measures such as regulatory monitoring, compliance reviews, low-carbon product development, and the deployment of alternative technologies.

The Company has incorporated climate-related risks and opportunities into its overall risk management framework. The Sustainability Development Committee is responsible for oversight and management, regularly convening relevant departments to review climate risks and opportunities as well as their potential impacts, and to formulate response measures and monitor implementation based on assessment results. At the beginning of each year, the Sustainability Development Committee reports the previous year's risk management implementation status and climate-related management outcomes to the Board of Directors, ensuring that climate risk management is fully integrated into the Company's governance and decision-making mechanisms.

4. Metrics and Targets

To address the impacts and risks associated with climate change and support renewable energy and carbon reduction objectives, FORTUNE ELECTRIC has established a climate-related indicators and targets management framework in accordance with the TCFD framework. Through systematic management, performance tracking, and continuous improvement, the Company manages climate-related risks and opportunities. The Company has implemented an ISO 50001 energy management system, focusing on energy and environmental issues that matter to stakeholders. In addition, through its risk and opportunity identification process, the Company identifies potential impacts and develops corresponding mitigation measures.

By monitoring electricity, fuel, and water consumption, the Company promotes energy-saving and carbon-reduction initiatives and demonstrates corporate accountability and climate governance performance across energy management, water recycling, and waste resource recovery. In terms of environmental management, the Company has also implemented an ISO 14001 environmental management system. In accordance with industry characteristics, it carries out process waste management, waste reduction, and resource recovery practices to minimize the environmental impact of its operations. Regarding greenhouse gas management, Scope 1 emissions in 2025 amounted to 683.6196 tCO_2e, while Scope 2 emissions reached 9,948.5490 tCO_2e. For SF_6, a gas with high global warming potential, the Company has developed recovery equipment and established recovery mechanisms during manufacturing, testing, and maintenance processes to reduce fugitive emissions. In addition, certain transformer products use biodegradable plant-based insulating oil to enhance environmental performance. Furthermore, some suppliers within the supply chain also participate in recycling initiatives in coordination with the Company, jointly reducing overall environmental impacts.

Summary of FORTUNE ELECTRIC Climate-Related Indicators and Targets

Dimension	Management Indicators	Targets and Management Approach	Performance in 2025
Electricity Use Management	Total Electricity Consumption, Energy-Saving Project Performance, and Energy Management System Coverage	• The Company promotes company-wide energy conservation and carbon reduction through a structured energy management system, with an annual electricity-saving target of 1%. • Electricity consumption is continuously reduced through systematic equipment inventory, energy monitoring, anomaly detection and improvement, and the implementation of targeted energy efficiency projects.	• At Zhongli Plant, electricity savings per million output value reached below 1%. • At Guanyin Plant II, electricity savings per million output value reached 28.5%. • At Guanyin Plant III, electricity savings per million output value reached 6.7%. • At FORTUNE ELECTRIC EXTRA HIGH VOLTAGE electricity savings per million output value reached 38.3%.
Water Resource Management	Water Consumption, Water Recycling, and Water Efficiency Measures	• The Company reduces tap water consumption through recycling and reuse practices and water conservation awareness initiatives, thereby improving water resource circularity and enhancing operational resilience to water-related risks under climate change.	• The Company continuously promotes water conservation and implements rainwater harvesting systems and drinking water dispenser drainage recovery systems across its manufacturing sites. • In 2025, FORTUNE ELECTRIC recycled 0.31 million liters of rainwater.
Waste Management	Waste Generation, Resource Recovery Rate, and Waste Reduction Performance	• The Company continuously promotes waste reduction at source, waste segregation, and resource recovery practices to reduce final disposal volumes and environmental impacts, while improving raw material utilization efficiency. • Waste generation per million output value was reduced by 10% to 15%.	• The Company has implemented an ISO 14001 environmental management system and carries out process waste management, waste reduction, and resource recovery in accordance with its industry characteristics. • In 2025, waste was reduced by 2.5%.
Greenhouse Gas Emissions Management	Scope 1 and Scope 2 Emissions, SF_6 Recovery Management, and Low-Environmental-Impact Material Adoption	• The Company continuously conducts greenhouse gas inventories and emission hotspot analyses, progressively developing reduction measures, and reduces fugitive emission risks through SF_6 recovery equipment and recovery mechanisms.	• In 2025, Scope 1 emissions amounted to 683.6196 tCO_2e, while Scope 2 emissions amounted to 9,948.5490 tCO_2e.
Carbon Reduction in Products and Supply Chain	Alternative Material Adoption, Supply Chain Recycling Collaboration, and Low-Carbon Product Development	• The Company continuously enhances the environmental performance of its products and strengthens collaboration across the supply chain by promoting low-environmental-impact materials, recycling mechanisms, and circular management practices, thereby reducing the overall environmental footprint of the value chain.	• Certain transformer products adopt biodegradable plant-based insulating oil, and selected suppliers have implemented recycling mechanisms in coordination with the Company.

ENERGY MANAGEMENT

To improve energy efficiency and continuously enhance energy performance, FORTUNE ELECTRIC implements company-wide energy management in line with its energy policy. By integrating digital technologies with sustainability governance, the Company systematically implements energy-saving and carbon-reduction initiatives. In addition to complying with relevant regulations and prioritizing the procurement of energy-efficient equipment, the Company regularly reviews its energy targets and performance indicators to ensure effective resource allocation and strengthen overall energy management value.

As part of its digital transformation, FORTUNE ELECTRIC has fully implemented an Energy Management System (EMS) across four manufacturing sites, including Zhongli Plant, Guanyin Plant II, Guanyin Plant III, and Taichung Plant. In addition, smart metering systems have been deployed for major energy-consuming equipment to provide real-time and transparent energy consumption data. In collaboration with the Safety and Health Department and professional vendors, the Company has established factory-level energy maps to systematically identify high-energy-consuming equipment. Energy data from each site has been integrated into a visualized management platform, enabling management to monitor energy use across equipment and areas in real time. The platform provides real-time monitoring, anomaly alerts, and data analytics capabilities. It not only optimizes contracted capacity allocation and reduces peak demand risks but also enables the rapid identification of abnormal energy consumption and the immediate notification of relevant units for corrective action, significantly enhancing energy management efficiency and decision-making responsiveness.

The Company further establishes a visual energy management map through factory energy zoning and comprehensive equipment inventory (with Zhongli Plant serving as a pilot site and subsequently expanded across all facilities), enabling precise tracking of energy flows and efficiency across each area and production process, and driving the transformation from experience-based management to data-driven management. This initiative not only effectively reduces energy waste but also enhances cross-departmental collaboration and fosters a company-wide culture of energy conservation and carbon reduction with employee-wide engagement. Through the implementation of its energy management system, FORTUNE ELECTRIC has successfully integrated digital transformation with sustainable transformation, establishing a cross-facility, cross-system smart energy management architecture, thereby laying a critical foundation for low-carbon operations and high-efficiency manufacturing.



Energy Consumption within the Organization

FORTUNE ELECTRIC's non-renewable energy consumption is associated with both Scope 1 and Scope 2 emissions. Scope 1 includes gasoline, diesel, and liquefied petroleum gas (LPG), while Scope 2 primarily refers to the purchased electricity from Taiwan Power Company (Taipower). FORTUNE ELECTRIC uses the total production value of its four manufacturing sites as the denominator to calculate energy intensity, in order to monitor and evaluate changes in energy consumption over time.

Non-Renewable Energy Consumption and Energy Intensity of FORTUNE ELECTRIC

Unit: GJ

Energy Type		2023	2024	2025
Non-Renewable Energy	Gasoline	1296.18	2268.32	**2125.28**
	Diesel	530.39	616.85	**656.52**
	Liquefied Petroleum Gas (LPG)	36920.00	1013.93	**1410.34**
	Natural Gas	0.00	0.00	**0.00**
	Purchased Electricity	61,440.84	74,889.00	**75,558.60**
	Subtotal	54,350.77	78,788.10	**79,750.75**
Renewable Energy	Purchased Renewable Energy	0.00	0.00	**0.00**
	Solar Photovoltaic (Solar PV)	0.00	0.00	**1,399.031**
	Subtotal	0.00	0.00	**1,399.031**
Total of Energy Consumption		54,350.77	78,788.10	**81,149.78**
Total output value of all four plants: Zhongli Plant, Guanyin Plant II, Guanyin Plant III, and FORTUNE ELECTRIC EXTRA HIGH VOLTAGE (NT$ million)		15,096.945	22,308.586	**27,463.817**
Energy Intensity		3.600	3.532	**2.955**
Energy Intensity Year-over-Year Change		-21.05%	-1.89%	**-16.34%**

Notes: 1. The emission factors used to calculate the Company's internal emission sources are based on the greenhouse gas emission factors published by the Ministry of Environment on February 5, 2024.
2. The source of energy data in Scope 2 was purchased electricity. Formula for purchased electricity: 1 kWh = 3.6 MJ.
3. Formula for energy intensity: Energy consumption (GJ) / Total output value of all four plants (NT$ million).
4. Energy consumption is now reported by energy type; therefore, the table has been adjusted accordingly.

Energy Consumption Reduction

FORTUNE ELECTRIC is committed to improving energy efficiency and reducing equipment energy use through an energy management system that monitors real-time energy consumption across its facilities. The Company also leverages smart initiatives to optimize energy consumption and conserve resources. Electricity savings not only generate tangible benefits through reduced operating costs but also create intangible benefits such as improved operational processes and enhanced product quality. FORTUNE ELECTRIC presents its annual energy reduction initiatives in the table below, demonstrating the Company's ongoing commitment to environmental stewardship and pollution reduction through concrete action.

FORTUNE ELECTRIC Energy-saving Action Plans and Performance in 2025

No.	Factory	Description of Measures	Electricity Saved (Unit: kWh)	Energy Consumption Reduced (Unit: MJ)	Electricity Saving Rate (%)	Carbon Emissions Reduction (tCO_2e)
1	Zhongli Plant	Energy-Saving Improvement for Dormitory Electric Heaters	55,195	198,702	1.5	26.16
2	Zhongli Plant	Compressed Air Leakage Reduction and Energy Efficiency Improvement	6,316	22,738		2.99
3	Guanyin Plant II	LED Energy-Saving Lighting Replacement (86 units) in Manufacturing Section 1 Winding Area	30,134	108,482	1.1	14.28
4	Guanyin Plant II	Replacement of 3 Package Air Conditioners with Split-Type Air Conditioners in the Technical Department	54,455	196,038		25.81
5	Guanyin Plant III	Replacement of Aging Package Air Conditioners	7,682	27,655	No reporting requirement in 2025	3.64
6	Taichung Plant	Chiller System Upgrade: Compressor Replacement (2 Units) in Manufacturing Section 1	9,951	35,824	5.87	4.72
7	Taichung Plant	Non-Summer Capacity Control of Three Process Air Conditioning Units (205 RT × 2 and 100 RT × 1) in F Building, Manufacturing Section 1	153,872	553,939		72.94
Total			**317,605**	**1,143,378**		**150.54**

Notes: 1. Purchased electricity: 1kWh=3.6MJ
2. The electricity emission factors published by the Energy Administration, Ministry of Economic Affairs are 0.494 kg CO_2e/kWh for 2023 and 0.474 kg CO_2e/kWh for 2024. As the 2025 electricity emission factor has not yet been announced, the Company uses the 2024 factor of 0.474 kg CO_2e/kWh to calculate its 2025 electricity-related greenhouse gas emissions.



GREENHOUSE GAS EMISSIONS

To fulfill its responsibilities as a global corporate citizen, FORTUNE ELECTRIC actively discloses information on greenhouse gas emissions and calculates the total greenhouse gas emissions. The emission categories include Scope 1, Scope 2, and Scope 3. The carbon emissions generated from Scope 1 include gasoline, diesel, LPG (Liquefied Petroleum Gas), and SF_6 (sulfur hexafluoride). In contrast, the carbon emissions generated from Scope 2 primarily include electric power purchased from the Taiwan Power Company.

FORTUNE ELECTRIC continues to strengthen its greenhouse gas management system by progressively expanding its inventory boundaries and disclosure scope. In 2025, building on its existing Scope 1 and Scope 2 greenhouse gas inventory, the Company included Scope 3 "Purchased Goods and Services" in its disclosure boundary for the first time, further enhancing visibility over supply chain-related emissions. By proactively identifying carbon emissions associated with key raw materials and procurement activities, the Company is able to more comprehensively assess carbon sources across the product life cycle. This serves as an important foundation for future initiatives in low-carbon procurement, supply chain decarbonization, and product carbon management. This also supports alignment with international disclosure trends and enhances the transparency of the Company's climate governance and carbon management practices.

Additionally, the Company calculates greenhouse gas (GHG) emission intensity using "output value" as the denominator. In 2025, total GHG emissions amounted to 77,939.7185 tCO_2e, while the combined Scope 1 and Scope 2 GHG emission intensity was 0.3871 tCO_2e per NT$ million. To strengthen greenhouse gas management, FORTUNE ELECTRIC conducted a GHG inventory in accordance with the ISO 14064-1 standard in 2021, which was established as the base year. Moving forward, the Company will further formulate carbon reduction targets to strengthen its climate action efforts.

FORTUNE ELECTRIC Greenhouse Gas Emissions

Unit: tCO_2e

Factory	Type	2023	2024	2025
Zhongli Plant	Scope 1	123.0380	163.0890	**130.7124**
	Scope 2	1,573.1430	1,899.0810	**1,683.5058**
	Scope 3 (Purchased Goods and Services)	-	-	**11,617.5183**
Guanyin Plant II	Scope 1	21,498.0500	24,099.4070	**296.4967**
	Scope 2	3,248.1490	3,763.5600	**3,910.1208**
	Scope 3 (Purchased Goods and Services)	-	-	**30,392.2129**
Guanyin Plant III	Scope 1	185.3720	156.0370	**139.6276**
	Scope 2	429.4620	397.2120	**565.1976**
	Scope 3 (Purchased Goods and Services)	-	-	**839.5081**
FORTUNE ELECTRIC EXTRA HIGH VOLTAGE	Scope 1	25,253.4218	170.7670	**116.7829**
	Scope 2	3,176.2224	3,800.5320	**3,789.7248**
	Scope 3 (Purchased Goods and Services)	-	-	**24,458.3106**
Total		55,486.8582	34,449.6850	**77,939.7185**

Notes: 1. The emission factors used for calculating internal organizational emission sources are based on the greenhouse gas emission factors published by the Ministry of Environment on February 5, 2024.
2. The electricity emission factors announced by the Energy Administration, Ministry of Economic Affairs are 0.494 kg CO_2e/kWh for 2023 and 0.474 kg CO_2e/kWh for 2024. As the 2025 electricity emission factor has not yet been announced, the Company uses the 2024 factor of 0.474 kg CO_2e/kWh to calculate its 2025 electricity-related greenhouse gas emissions.
3. In 2025, the Company expanded its greenhouse gas inventory and disclosure scope to include Scope 3 emissions. As a result, total greenhouse gas emissions increased significantly compared with the previous two years.
4. In 2025, Guanyin Plant II reduced SF_6 consumption by 95% through the installation of a computerized monitoring system to control and effectively minimize fugitive emissions, resulting in a decrease in Scope 1 emissions.

FORTUNE ELECTRIC Greenhouse Gas Emissions Intensity

	2023	2024	2025
Total Greenhouse Gas Emissions (Scope 1 and 2) (tCO_2e)	55,486.8582	34,449.6850	**10,632.1686**
Total Production Value of Zhongli Plant I, Guanyin Plant II, Guanyin Plant III, and FORTUNE ELECTRIC EXTRA HIGH VOLTAGE (All Four Plants) (NT$ million)	15,096.945	22,308.586	**27,463.817**
Greenhouse Gas Emissions Intensity (Scope 1 + 2) (tCO_2e/NT$ million)	3.6753	1.5442	**0.3871**

Notes: 1. The greenhouse gas emissions intensity is calculated as follows: greenhouse gas emissions (tCO_2e) divided by the total production value of all four plants (NT$ million).
2. The Company's Scope 3 greenhouse gas emissions currently only cover the category of "Purchased Goods and Services." Other Scope 3 emissions categories have not yet been fully inventoried. Given the incomplete disclosure boundary, and to avoid affecting data representativeness and comparability, Scope 3 emissions intensity has not been calculated for the current year.

AIR POLLUTION PREVENTION AND CONTROL

FORTUNE ELECTRIC conducts semiannual measurements of carbon dioxide (CO_2) concentrations in indoor work environments across all its plants, with all results consistently meeting regulatory standards. In the coating processes at Guanyin Plant II, Guanyin Plant III, and the Taichung Factory of FORTUNE ELECTRIC EXTRA HIGH VOLTAGE the company manages fixed pollution sources by strictly following established operating procedures. Additionally, air pollution prevention and control equipment are regularly maintained, and emissions are monitored in accordance with legal requirements. This year's test results fully complied with all applicable regulations. Furthermore, Plant III has actively promoted air pollutant reduction in recent years by transitioning from liquid coating processes containing volatile organic compounds (VOCs) to powder coating processes, which generate significantly lower levels of pollution. This shift effectively reduces environmental and atmospheric contamination.

Air Pollutants and Ozone-Depleting Substances (ODS) Emissions

Unit: metric tons

Gas Type	2023	2024	2025	Increase or decrease compared with the previous year
Nitrogen oxides (NOx)	0.151	0.134	**0.126**	**-6.35%**
Sulfur oxides (SOx)	0.012	0.010	**0.010**	**-**
Persistent Organic Pollutants (POPs)	0	0	**0**	**-**
Volatile Organic Compounds (VOCs)	21.620	23.942	**25.447**	**5.91%**
Hazardous Air Pollutants (HAPs)	0	0	**0**	**-**
Particulate Matter (PM)	0.009	0.048	**0.049**	**2.04%**

Note: Values are rounded to three decimal places.

WATER RESOURCE MANAGEMENT

FORTUNE ELECTRIC is committed to sustainable development through proactive water recycling and environmental protection initiatives. The company has implemented rainwater harvesting projects across all its plants, with Guanyin Plant III achieving a 50% domestic wastewater recycling rate. All facilities are equipped with rainwater recovery systems. In 2025, FORTUNE ELECTRIC recycled approximately 0.31 million liters of rainwater, which was primarily used for toilet flushing. The Company also plans to further expand the application of reclaimed water to enhance overall water-use efficiency.

In terms of wastewater treatment, FORTUNE ELECTRIC strictly complies with the sewage discharge standards of the industrial zone. Zhongli Plant and Guanyin Plant II ensure that their discharged water meets regulatory requirements. Due to specific production needs, Guanyin Plant III has implemented specialized acid-base neutralization and sludge treatment processes, ensuring that water discharged into Guanyin Creek meets environmental standards and minimizes ecological impact.

Beyond managing internal water resources, FORTUNE ELECTRIC actively engages in ecological conservation and environmental cleanup efforts. The company has long participated in river restoration initiatives to maintain healthy waterways and is involved in the Taoyuan "Centennial Harmony" project by adopting Guanyin Creek. Through these efforts, FORTUNE ELECTRIC helps protect local biodiversity and preserve the creek's role as an ecological corridor. In response to global water scarcity challenges, FORTUNE ELECTRIC will continue to promote water-saving measures, enhance water recycling efficiency, and collaborate with the community to protect precious natural resources.

Environmental Impact Assessment of Effluent Discharge

FORTUNE ELECTRIC's Zhongli Plant and Guanyin Plant II do not generate processed wastewater. Domestic sewage from these facilities is discharged to the industrial park's sewage treatment plant for proper treatment. At Guanyin Plant III, all processed wastewater is treated through dedicated on-site facilities to ensure it meets regulatory discharge standards. To safeguard the water quality of Guanyin Creek, FORTUNE ELECTRIC conducts regular monitoring and promptly reports any abnormalities to the relevant environmental authorities. FORTUNE ELECTRIC EXTRA HIGH VOLTAGE does not produce processed wastewater. Since there is no sewage treatment facility at its location, the company conducts water quality testing twice a year and submits the results to the Port of Taichung, Taiwan International Ports Corporation, Ltd for compliance review and record-keeping.

FORTUNE ELECTRIC Total Water Withdrawal in All Regions across the Last Three Years

Unit: Million Liters

Factory	2023		2024		2025	
	Tap Water	Rainwater	Tap Water	Rainwater	Tap Water	Rainwater
Zhongli Plant	12.660	0.008	14.165	0.016	**13.808**	**0**
Guanyin Plant II	27.612	0.019	20.761	0	**18.268**	**0**
Guanyin Plant III	6.879	0.315	6.879	0.32	**9.809**	**0.31**
FORTUNE ELECTRIC EXTRA HIGH VOLTAGE	11.090	0	12.974	0	**13.658**	**0**
Total	58.241	0.342	54.779	0.336	**55.543**	**0.31**

Note: The Taichung Plant of FORTUNE ELECTRIC EXTRA HIGH VOLTAGE has not installed a rainwater harvesting system.

FORTUNE ELECTRIC's Water Discharge and Water Quality Monitoring Results for the Last Three Years

Unit: Million Liters

Factory	Local Sewer Connection Standard		2023	2024	2025	Discharge Destination
Zhongli Plant	Water discharge	Million Liters	12.660	11.433	**11.046**	Sewage treatment plant of the industrial park
	Rainwater	Million Liters	0.008	0.016	**0**	Sewage treatment plant of the industrial park
	Chemical oxygen demand (COD)	480mg/L	427	171	**264**	Sewage treatment plant of the industrial park
	Suspended Solids (SS)	320mg/L	78.5	30.8	**29.8**	Sewage treatment plant of the industrial park
Guanyin Plant II	Water discharge	Million Liters	21.746	17.368	**14.614**	Sewage treatment plant of the industrial park
	Rainwater	Million Liters	0.010	0	**0**	Partially connected to the sewer system
	Chemical oxygen demand (COD)	480mg/L	189	297	**353**	Sewage treatment plant of the industrial park
	Suspended Solids (SS)	320mg/L	26.5	52	**58**	Sewage treatment plant of the industrial park
Guanyin Plant III	Water discharge	Million Liters	3.972	4.64	**5.277**	Guanyin Creek
	Rainwater	Million Liters	-	-	**0.03**	Connected to the sewage treatment plant
	Chemical oxygen demand (COD)	100mg/L	10.4	12.7	**14.65**	Guanyin Creek
	Suspended Solids (SS)	30mg/L	7.85	6.6	**5.15**	Guanyin Creek
FORTUNE ELECTRIC EXTRA HIGH VOLTAGE	Water discharge	Million Liters	11.090	12.974	**10.926**	Port of Taichung
	Rainwater	Million Liters	0	0	**0**	Port of Taichung
	Chemical oxygen demand (COD)	100mg/L	24.3	80.2	**54.7**	Port of Taichung
	Suspended Solids (SS)	80mg/L	54	12.6	**4.2**	Port of Taichung
Total water discharge		Million Liters	49.486	46.431	**41.893**	

Notes: 1. The wastewater discharge of Zhongli Plant, Guanyin Plant II, and FORTUNE ELECTRIC EXTRA HIGH VOLTAGE is estimated as 80% of water withdrawal.
2. The wastewater discharge of Guanyin Plant III is calculated based on the measured effluent discharge volume.

FORTUNE ELECTRIC Total Water Consumption Across All Locations Over the Past Three Years

Unit: Million Liters

Year	2023	2024	2025
Annual water consumption	9.097	8.684	**13.960**

Note: Water consumption = water withdrawal − wastewater discharge

WASTE MANAGEMENT

FORTUNE ELECTRIC fully recognizes its corporate responsibility to protect the environment and is dedicated to fostering a circular economy through various initiatives aimed at reducing environmental impact and improving waste management efficiency. The company actively promotes sustainable materials management, focusing on lifecycle management of materials—from production to recycling—to reduce resource consumption. Recyclable materials are incorporated into product design to support the production of environmentally friendly products.

In terms of waste management, FORTUNE ELECTRIC implements source reduction and resource recycling, assigning dedicated personnel to oversee waste classification and ensure effective recycling of copper, iron, oil, paper, and other materials. Through refined management practices, the company has set a target to reduce waste intensity by 10%–15% per million NTD of production output, continuously optimizing resource utilization. General waste is treated through incineration in cooperation with local authorities to minimize volume and environmental impact, while recyclable materials are handled by licensed recycling firms to maximize recovery rates.

On the production side, the company enforces waste recycling and reuse, including recovering and reusing pallets to reduce single-use consumption. Some waste is converted into fuel through waste-to-energy processes. For instance, scrap silicon steel sheets are cut and supplied to motor manufacturers to produce small transformers, which are then resold to vendors—FORTUNE ELECTRIC EXTRA HIGH VOLTAGE recycled 64.443 metric tons of such materials in 2025. Waste copper is either sold back to original suppliers or recycled by qualified operators, maximizing resource efficiency and supporting the principles of a circular economy.

In response to climate change challenges, FORTUNE ELECTRIC will continue to enhance green supply chain management and collaborate closely with suppliers, customers, and government agencies to promote environmental technologies and work toward a "zero waste" goal—contributing to the sustainable development of our planet.

Total Waste Generation and Disposal Methods for the Past Two Years

Unit: metric tons

Year	Waste Composition	Total Waste Generated	Total Waste Diverted for Recycling	Total Waste Disposed (Incineration/Landfill)
2024	Hazardous Waste	0	0	0
	Non-hazardous Waste	954.047	692.588	261.459
	Total Waste	954.047	692.588	261.459
2025	Hazardous Waste	0	0	0
	Non-hazardous Waste	860.986	610.704	250.282
	Total Waste	**860.986**	**610.704**	**250.282**

Note: Non-hazardous waste includes general waste generated from business operations.

Management of Significant Waste-Related Impacts

FORTUNE ELECTRIC deeply understands that an enterprise is responsible for protecting the environment. Therefore, it integrates environmental and safety considerations into its corporate operations. The Company has introduced ISO 14001 Environmental Management and ISO 45001 Occupational Health and Safety management systems and integrated them into its production processes. The Company is committed to providing all employees with a favorable and safe work environment, reducing environmental and occupational safety risks, improving production efficiency, meeting green product standards, minimizing waste generation, increasing resource reutilization, reducing pollution emissions and resource waste, advancing towards green design, contributing to environmental protection, and achieving the goal of corporate sustainable development.

To minimize our environmental impact, we are dedicated to waste management. Employees in each unit are required to participate in daily waste sorting. At the same time, dedicated personnel are assigned to supervise the process, ensuring the effective implementation of resource recycling. The main waste generated in the factories primarily includes recyclable metals, plastics, and paper. General waste is handed over to the combined heat and power incineration plant for treatment. As for waste wood, approximately 15% is allocated to kindergartens for reuse in classroom decorations and the production of tables and chairs. The remaining portion is sent to a cogeneration plant for further reuse. The waste insulating oil generated in the transformer process and the waste powder generated from the coating processes of Guanyin Plant II and Guanyin Plant III are handed over to a reuse treatment contractor for processing. The sludge generated from the sewage treatment plant of Guanyin Plant III is transported to a specialized treatment plant and then reused in the brick-making process. To minimize waste generation in our processes, we have implemented measures such as waste reduction, recycling, and reuse.

Waste Diverted from Disposal to Recovery in 2025

Unit: metric tons

Operation Type		On-site	Off-site	Total
Hazardous Waste	Hazardous Waste for Reuse Preparation	0	0	0
	Recycling	0	0	0
	Other Recovery Methods	0	0	0
	Total	**0**	**0**	**0**
Non-Hazardous Waste	Hazardous Waste for Reuse Preparation	0	16.43	16.43
	Recycling	0	431.01	431.01
	Other Recovery Methods	0	163.264	163.264
	Total	**0**	**610.704**	**610.704**

Notes: 1. Hazardous Waste for Reuse Preparation: Operations such as inspection, cleaning, or repair to allow products or components that were considered waste to be reused for their original intended purpose.
2. Recycling: Reprocessing products or components considered waste into new materials.
3. On-site: Waste treated on-site.
4. Off-site: Waste treated off-site.

Waste Directly Disposed of in 2025

Unit: metric tons

Operation Type		On-site	Off-site	Total
Hazardous Waste	Incineration (with energy recovery)	0	0	0
	Incineration (without energy recovery)	0	0	0
	Landfilling	0	0	0
	Other Disposal Methods	0	0	0
	Total	**0**	**0**	**0**
Non-Hazardous Waste	Incineration (with energy recovery)	0	228.552	228.552
	Incineration (without energy recovery)	0	0	0
	Landfilling	0	13.87	13.87
	Other Disposal Methods	0	7.86	7.86
	Total	**0**	**250.282**	**250.282**

Notes: 1. Incineration: Controlled high-temperature combustion of waste.
2. Landfilling: Final disposal of solid waste in engineered underground or above-ground facilities.
3. On-site: Waste treated on-site.
4. Off-site: Waste treated off-site.

FORTUNE ELECTRIC requires all suppliers to comply with applicable environmental, health, and safety regulations. Suppliers are expected to uphold principles of corporate social responsibility and minimize the impact of their operations on ecosystems, local communities, and society. They are also encouraged to promote sustainable consumption practices. The following principles should guide their R&D, procurement, production, operations, and services:

- **Reduce the consumption of resources and energy in products and services.**
- **Minimize the discharge of pollutants, toxic substances, and waste, and ensure proper waste treatment.**
- **Enhance the recyclability and reusability of raw materials and products.**
- **Maximize the sustainable use of renewable resources.**
- **Extend product durability.**
- **Improve the performance of products and services.**
- **Use low-carbon gases in Gas-insulated switchgear.**



NATURAL ENVIRONMENT AND BIODIVERSITY

FORTUNE ELECTRIC recognizes that power equipment manufacturing operations are closely interconnected with the natural environment, and that healthy ecosystems form the foundation for stable energy supply, safe facility operations, and long-term corporate resilience. Accordingly, the Company is committed to "protecting local ecosystems, minimizing environmental impacts, and promoting nature-positive development" as its core principles, and continuously implements biodiversity conservation measures across plant operations, product manufacturing, and supply chain management. In alignment with the TNFD framework, FORTUNE ELECTRIC is progressively identifying its dependencies on natural capital and ecosystem services, and assessing nature-related risks and opportunities as a key basis for management and disclosure practices.

1. Nature-Related Dependencies

In operational practices, the Company is committed to carefully assessing land use and ecological sensitivity during plant construction, operations, and equipment replacement, to avoid adverse impacts on habitats, wetlands, or surrounding natural environments. For process activities that may affect the environment—such as oil-immersed transformer manufacturing, metal processing, and the use of chemical substances—the Company continuously strengthens noise control, pollution prevention, oil management, and soil and water conservation measures to minimize the negative impacts of its operations on nature. At the same time, the Company follows the Kunming-Montreal Global Biodiversity Framework (GBF), the TNFD recommendations, and relevant biodiversity conservation regulations in Taiwan, integrating both local and global biodiversity requirements into its daily operations management.

In the supply chain, FORTUNE ELECTRIC is committed to promoting responsible sourcing and green procurement. Key material suppliers, including those providing metals, copper, steel, and electronic components, are required to comply with environmental regulations, while the use of recycled metals and environmentally friendly packaging materials is encouraged to reduce the environmental pressure associated with global raw material extraction and processing. For high-risk materials, the Company is progressively establishing "deforestation-free" and responsible sourcing principles, extending nature conservation considerations from its own operations upstream into the supply chain. In addition, the copper, steel, metal materials, and electronic components required for product manufacturing depend on the stable supply of natural resources such as minerals and forests.

2. Nature-Related Risks

If extreme weather conditions intensify, water supply becomes unstable, environmental quality deteriorates, or ecosystems degrade, such developments may affect plant operations, equipment maintenance, and process stability, while increasing risks related to operational disruptions, pollution control, and regulatory compliance. Meanwhile, as biodiversity and nature-related issues receive increasing attention domestically and internationally, failure to timely respond to TNFD recommendations, regulatory requirements, or customer expectations regarding responsible sourcing and environmental management may also give rise to reputational, market, and supply chain risks. In addition, within the supply chain, if key raw material sourcing is associated with degradation of ecologically sensitive areas, resource depletion, or environmental controversies, it may further lead to supply volatility, increased costs, and risks to customer trust.

3. Nature-related Opportunities

FORTUNE ELECTRIC is committed to protecting marine ecosystems and biodiversity, with particular attention to marine sustainability issues closely linked to export transportation and the marine environment. Accordingly, nature restoration initiatives have been incorporated into the Company's sustainability strategy. Since 2023, the Company has formally entered into a partnership agreement with the National Museum of Marine Science and Technology, and has supported a coral restoration program as a concrete contribution to ecosystem conservation. The Company has also sponsored and supported the "Coral Reef Ecology Exhibition tank" within the museum, assisting in the conservation of diverse coral species, including indicator species such as plate corals, brain corals, cup corals, and leaf corals, demonstrating its commitment to marine biodiversity conservation. In addition, sustainability principles have been integrated into employee benefits, allowing employees to access exclusive discounts at the museum with their staff identification cards, promoting environmental education. These initiatives not only help address nature-related risks but also enhance corporate brand image, strengthen stakeholder trust, and create opportunities for nature-positive outcomes.



In response to the threat of coral reef extinction caused by global climate change, FORTUNE ELECTRIC actively supports biodiversity conservation initiatives.

In terrestrial habitat conservation, FORTUNE ELECTRIC collaborates with the Taiwan Forest Restoration Association to promote the "Nantou Submontane Vegetation Restoration Project." The initiative focuses on cultivating native tree seedlings to shorten the natural forest restoration cycle, while integrating community education and tree-planting activities to create a model that integrates urban development with ecological restoration. At the same time, the Company continues to support native species conservation by adopting the Formosan black bear and the Formosan pangolin at the Taipei Zoo. From deep-sea coral to foothill forests, FORTUNE ELECTRIC translates its commitment to biodiversity protection into concrete action, making a meaningful contribution to the preservation of natural habitats and a greener future.



FORTUNE ELECTRIC is also actively involved in terrestrial tree-planting initiatives to restore forests and increase carbon sequestration capacity. By involving employee volunteers and local communities, the Company promotes native tree-planting activities across various locations, strengthening habitat connectivity, improving soil and hydrological conditions, and promoting overall ecosystem health. These initiatives not only enhance the Company's contribution to biodiversity conservation but also foster employees' environmental engagement and alignment with sustainability values. Furthermore, through the promotion of green procurement, the use of recycled materials, ecological restoration, and transparent disclosure practices, FORTUNE ELECTRIC strengthens its sustainability competitiveness and captures opportunities in green supply chains and sustainability markets.



From restoring native species in foothill ecosystems to adopting indigenous wildlife, the Company puts its commitment into practice to safeguard Taiwan's biodiversity.



Led personally by Chairman Hsu, Bang-Fu, FORTUNE ELECTRIC volunteers participated in the tree-planting event organized by the Taoyuan City Government, jointly planting gardenias that symbolize everlasting love.

FORTUNE ELECTRIC also places strong emphasis on awareness raising and community engagement. The Company conducts annual environmental education programs for employees to strengthen their understanding of ecosystem services, habitat conservation, and the interconnections between climate change and the natural environment. At the same time, it collaborates with local communities to participate in activities such as tree planting, river conservation, invasive species removal, and beach cleanups, creating mutual support between business operations and sustainable community development. Looking ahead, FORTUNE ELECTRIC will continue to enhance its biodiversity monitoring and management mechanisms, including setting targets for site greening and resource circularity, conducting regular ecological surveys, and adopting the TNFD LEAP approach to assess nature-related risks and opportunities. The Company will also further improve information transparency by disclosing relevant strategies, management practices, and annual performance, and will continue using cross-functional collaboration and external expertise to steadily advance toward a Nature Positive pathway.

CHAPTER

5

PEOPLE-CENTERED AND HAPPY WORKPLACE

- Human Rights Prioritized in the Workplace
- Compensation and Benefits
- Employee-Management Relations
- Talent Development Pathways
- Occupational Health and Safety
- Employee Health Promotion
- Occupational Health and Safety Management for Contractors
- Creating a Safe Workplace



ANNUAL PERFORMANCE HIGHLIGHTS

- **TOP100** of the CommonWealth Talent Sustainability Award
- HR Asia **TECH EMPOWERMENT AWARD HR ASIA BEST COMPANIES TO WORK FOR IN ASIA AWARD**
- The participation rate for the employee opinion survey reached **99.67%**.
- A total of 532 employees participated in emergency response drills, accumulating **2,128** training hours.
- **Zero** penalties for violations of occupational health and safety regulations.
- The Training Center conducted 77 sessions across seven training programs, with a total of **2,102** participants.
- A total of 30 employees participated in the FORTUNE ENTERPRISE UNIVERSITY program, achieving a certification pass rate of **96%**.
- All four plants achieved **Zero** occupational injuries.
- The "Youth Digital Generation Development Program" won **3rd place** in the 2025 Annual YouTouLu Program.

VISION

We are committed to fostering a safe, healthy, diverse, and inclusive workplace that provides opportunities for growth, enabling employees to work with confidence, pursue continuous learning, and grow together as a vital force supporting sustainable development.

STRATEGY

Through talent development, career advancement, compensation and benefits, labor-management communication, occupational health and safety, and a supportive workplace system, we enhance employee engagement, retention, and organizational cohesion, thereby strengthening our employer brand value.

TARGETS

We continuously enhance our talent recruitment and development systems, strengthen occupational health and safety management and risk prevention, and improve employee engagement and organizational cohesion, thereby building a workplace that combines competitiveness with employee well-being.

Material Topics	**Workplace Equality and Diversity**	**GRI Indicator**	GRI 405-1, GRI 405-2

Commitments and Policies

FORTUNE ELECTRIC is dedicated to its corporate mission of "Secure Employees," "Secure Customers," "Secure Shareholders," and "Secure Society," and strives to create a happy and inclusive workplace. We uphold the universal value of gender equality, promote diversity within the Board of Directors and the workforce, and ensure a safe, harassment-free work environment for all employees and job applicants. We are committed to fostering a fair and respectful corporate culture.

Complaint and Communication Channels

- Open communication channels for employees: FE Family Suggestion Box.
- Regular employee interviews to gain deeper insights into working conditions.
- Prompt handling of employee feedback.

Metrics and Targets

Short-term goals (1~2 years):

- At least 15 individuals per year are employed, including middle-aged and senior employees (including internal employees aged 65 and above with deferred retirement), persons with disabilities, or indigenous peoples.
- The Sustainability Task Force maintains a budget utilization rate of over 90%, allocating 0.3% of pre-tax profit to advance the Sustainable Development Goals (SDGs), and supporting at least four cultural performances per year.
- We support the employment of middle-aged and senior workers, hiring at least 15 individuals per year, including employees who continue working without retirement and those rehired after retirement.
- Actively employ at least 10 recent graduates every year.
- We prioritize providing employment opportunities for persons with disabilities and indigenous peoples, maintaining their representation at over 1% of the total workforce each year.
- An Outstanding Foreign Employee program is held annually, with the number of awardees allocated based on the proportion of foreign employees in each plant, ensuring at least 10% recognition (one outstanding representative selected for every ten employees).
- We continuously review and enhance inclusive workplace practices and equal employment measures, and strengthen support mechanisms for workforce diversity.

Mid-Long-term goals (2~5 years):

- At least 20 hires per year from middle-aged and senior workers (including employees aged 65 and above with deferred retirement), persons with disabilities, or indigenous peoples.
- We maintain a sustainability task force budget utilization rate of 90%, and continuously support the same cultural organizations for at least three consecutive years, providing at least five performances per year.
- Building on short-term diversified employment practices, we continuously enhance the inclusion of middle-aged and senior workers, recent graduates, persons with disabilities, and indigenous peoples, maintaining their combined representation at over 1.5% of the total workforce each year.
- We progressively enhance communication, care, benefits, and labor rights protection mechanisms for diverse groups, thereby strengthening workplace inclusiveness and support.
- We continue to deepen industry–academia collaboration and talent development, strengthening the talent pipeline and cultivating local heavy electrical engineering professionals.
- We continue to develop an equitable, inclusive, and work-life-balanced workplace, and implement management systems that uphold diversity, equality, and occupational safety.

Effectiveness Tracking Mechanism

- Workplace sexual harassment prevention and control measures adopted by FORTUNE ELECTRIC CO., LTD.
- Regulations governing appeal and punishment.
- We conduct annual monitoring of the headcount, representation, retention, and turnover of middle-aged and senior employees, recent graduates, persons with disabilities, and indigenous peoples.
- We assess the effectiveness of programs including outstanding foreign employee selection, employee grievance and feedback mechanisms, training participation, and inclusive workplace measures, using the results as a basis for continuous improvement.

Actions and Measures

- Awarded the 2025 HR Asia Best Companies to Work for in Asia Award and the HR Asia Tech Empowerment Award.
- Awarded Top 100 in the 2025 Commonwealth Talent Sustainability Award.
- Fully implemented the Gender Equality in Employment Act and sexual harassment prevention measures, with no reported incidents of workplace harassment in 2025.
- We continued to promote support for employment of middle-aged and senior workers, with 15 middle-aged and senior employees hired in 2025.
- Maintained workplace diversity by employing 1 person with disabilities and 3 indigenous employees, representing 0.27% of the total workforce.
- We continued to advance the development and retention of foreign employees, with 4 foreign production workers promoted to mid-level technical positions in 2025.

Material Topics	**Talent Development and Recruitment**	**GRI Indicator**	GRI 401-1, GRI 404-1, GRI 404-2, GRI 404-3

Commitments and Policies

The Company integrates resources across the Group to continuously enhance employees' quality, skills, and technical capabilities. A comprehensive education and training quality management system has been established, encompassing onboarding programs, pre-employment training, and on-the-job training. These initiatives aim to strengthen functional development and address competency gaps. The training framework is closely linked with the promotion system, providing diverse career development opportunities to encourage talent retention. Through these efforts, the Company is building a stable talent pipeline to ensure long-term, sustainable growth and competitiveness.

Complaint and Communication Channels

- Employee Suggestion Box
- Regular employee interviews and ad hoc meetings between supervisors and employees
- Annual performance review
- Senior Management / HR Executive Mailbox

Metrics and Targets

Short-term goals (1~2 years):

- Through campus recruitment and industry–academia collaboration, we actively recruit recent graduates and prioritize the employment of persons with disabilities or indigenous peoples, ensuring at least 15 hires per year.
- A total of over 1,300 employee training participations were recorded.
- We engage in external human resources competitions and continuously enhance our human resource management systems.
- A minimum of 10 campus recruitment, industry–academia collaboration, or talent acquisition events are held each year.
- The completion rate of onboarding training for new employees reached 100%.
- The average annual employee training hours continue to increase.

Mid-Long-term goals (2~5 years):

- We continuously enhance campus recruitment and industry–academia collaboration mechanisms to ensure a stable pipeline of recent graduate talent.
- Employee training programs reached over 1,500 instances of participation.
- At least 80% of managerial vacancies are filled through internal promotion.
- We continuously enhance talent recruitment, development, retention, and succession planning mechanisms.
- We continue to improve onboarding training, professional capability development, and succession planning systems.
- We continue to develop a talent pipeline aligned with business needs, strengthening organizational competitiveness and sustainability capabilities.

Effectiveness Tracking Mechanism

- We adopt the Talent Quality Management System (TTQS) and the PDDRO framework to systematically manage and monitor the planning, design, implementation, review, and outcomes of training programs.
- We continuously enhance talent management systems by incorporating insights from employee feedback, supervisory interviews, employee opinion surveys, and performance review results.

Actions and Measures

- The Training Center coordinated a total of 77 training sessions throughout the year, with 2,102 total instances of participation in its programs.
- Annual Training Plan Execution: In 2025, the total training expenditure for all full-time employees amounted to NT$ 7.943 million (including both internal and external training programs and excluding subsidiaries.)
- In 2025, we participated in five campus recruitment events and continuously advanced industry–academia cooperative programs and campus talent collaboration initiatives.
- As of December 3, 2025, we hired 25 recent graduates and 3 indigenous employees, totaling 28 hires, thereby achieving the annual target of at least 15 hires.
- We continued to strengthen competency management and completed evaluations for Fortune Electric University and the Level 7 managerial competency training program. In addition, we participated in the "Taoyuan City 'YouTouLu' 2025 Cultivating the Digital New Generation Program," where an intern from the Smart Development Center was awarded third place.

Material Topics	**Occupational Health and Safety (OHS)**	**GRI Indicator**	GRI 403

Commitments and Policies

We are dedicated to fostering a safe, healthy, and supportive workplace for all our employees. Fully compliant with occupational health and safety regulations, we proactively implement robust management systems and response strategies. By employing systematic prevention and control measures, we significantly minimize the risk of workplace hazards, thus ensuring the safety and well-being of employees, contractors, and all individuals involved in our operations.

Complaint and Communication Channels

- Monthly occupational safety improvement meetings are conducted.
- Each unit submits occupational safety self-improvement initiatives.
- Occupational health and safety communication is conducted through training and improvement actions.

Metrics and Targets

Short-term goals (1~2 years):

- Strict compliance with all relevant occupational health and safety regulations.
- Protect workers' safety rights by conducting regular safety inspections to reduce the risk of occupational accidents.
- Continue to conduct various types of occupational safety training each year to prevent future workplace accidents.

Mid-Long-term goals (2~5 years):

- Conduct regular environmental monitoring and maintain equipment. Create an EHS information platform to support and improve the Occupational Health and Safety Management System.

Effectiveness Tracking Mechanism

- Monthly workplace safety improvement meetings.
- Each unit reports autonomous safety improvement actions.
- The Health and Safety Department conducts quarterly performance evaluations for each department.

Actions and Measures

- The Company did not receive any penalties for violations of occupational health and safety regulations.
- A total of four health promotion seminars were conducted, attracting 87 participants, with a 100% satisfaction rate achieved.
- Ongoing department-specific training sessions to raise employee awareness of occupational health and safety risks:
  - The Power Division conducted ISO 14064 training and internal auditor training for environmental and energy management systems.
  - The Power Division delivered a 3-hour occupational health and safety training for migrant workers, with 42 Indonesian and 31 Thai participants (73 participants in total).
- In alignment with ISO 14001 and ISO 45001 standards, internal and external audits and certification activities were completed.
- The FORTUNE ELECTRIC Health and Safety Family was established, and collaboration with suppliers was strengthened through participation in government subsidy programs that support carbon inventory initiatives for large enterprises assisting small enterprises.
- Insurance coverage is provided for all employees and primary/secondary contractors.

HUMAN RIGHTS PRIORITIZED IN THE WORKPLACE

FORTUNE ELECTRIC implements its human resources policy by integrating group resources to strengthen corporate competitiveness. By developing core competencies and technical capabilities, the Company continues to cultivate A-level and high-performing talent, promote clear accountability and employee engagement, and build a strong foundation for sustainable operations. Guided by its mission of "Secure Employees, Secure Customers, Secure Shareholders, and Secure Society," the Company prioritizes employee development and well-being and is committed to building a safe, respectful, and inclusive workplace.

The Company recognizes and adheres to international human rights principles, including the *Universal Declaration of Human Rights (UDHR)*, the *United Nations Global Compact (UNGC)*, and the core labor standards of the *International Labour Organization (ILO)*. In accordance with applicable laws and regulations in the regions where it operates, the Company has established the "FORTUNE ELECTRIC CO., LTD. Human Rights Policy and Statement" to safeguard employees' fundamental rights in areas such as labor rights, gender equality, the right to work, and non-discrimination. The Company ensures that all employees work and develop in an environment of fairness and respect.

FORTUNE ELECTRIC's Human Rights Policy is based on the core principles of "espect for life and freedom, compliance with laws and regulations, and protection of human rights." The policy applies to the Company and all entities within the Group. The Company also expects suppliers and business partners to follow the same standards, share responsibility for protecting human rights, and foster a culture of respect and inclusion across the supply chain. In addition, the FORTUNE ELECTRIC Group continues to promote human rights protection and talent development measures, including board diversity, comprehensive compensation and benefits systems, career development and training opportunities, and a safe and healthy workplace. Integrate internationally recognized human rights principles into business operations and management, the Company demonstrates its commitment to corporate social responsibility and supports long-term sustainable development. Each year, the Company uses human rights due diligence in its business relationships with stakeholders to identify potential impacts and implement corresponding responses, with key annual performance as follows:

Human Rights Risk and Impact Due Diligence

Stakeholder	Issue of Concern	Human Rights Issues and Impact	Monitoring and Management	Responsible Unit	Outcome
Employees	Labor-management Relationship	Labor-Management negotiation and appeal	• Regularly hold labor-management meetings, discuss employees' workplace rights and benefits every quarter, and keep meeting minutes to continually track and resolve issues. • Provide multiple channels, such as a grievance hotline, grievance box, and grievance email, so employees can express their opinions.	HR Dept.	No violations of the Labor Standards Act.
		Regulatory-compliant compensation	FORTUNE Group strictly complies with labor laws and regulations at each operating site, and prohibits any form of discrimination against employees based on gender, race, nationality, age, religion, or political affiliation. The Company is dedicated to creating a fair and equitable work environment where employees can enjoy fair compensation and benefits. The Company has also established a systematic performance evaluation system to assess various factors including employees' performance, market compensation levels, and future development potential to make corresponding salary adjustments, thereby motivating employees and retaining outstanding talent. The Company additionally promotes innovative development to improve corporate competitiveness.	HR Dept.	Biannual performance evaluations; a comprehensive salary adjustment was implemented in July 2025. The overall employee engagement score in the 2025 year-end survey reached 84.53%.
	Diversity and Equal Rights	Anti-discrimination	We uphold the principle of equal opportunity and ensure that no discriminatory practices occur during the recruitment, employment, promotion, or management of employees. We are committed to fostering an open, diverse, and inclusive workplace that empowers our people to reach their full potential. To prevent employees from being subjected to unlawful harm while performing their duties, we provide comprehensive training and robust response measures.	HR Dept.	In 2025, company-wide awareness sessions on "unlawful workplace conduct (workplace bullying)" were conducted during the Character Strengthening Month. In 2025, the Company continued to provide supervisors with training on the "Guidelines for Preventing Unlawful Workplace Conduct, Bullying, and Sexual Harassment," with 23 participants in total. In 2025, one related grievance was received. It was investigated by an independent third party, and the findings were communicated to the parties involved. The case has been closed.
		Gender Equality	FORTUNE Group places great importance on the value of female employees in the workplace. In addition to complying with applicable labor laws and regulations, the Group adjusts workplace services and facilities to accommodate the needs of female employees. It has implemented a comprehensive Maternal Health Protection Program, which covers female employees who are pregnant, within one year after childbirth, or breastfeeding. The program provides necessary support to safeguard their health and well-being. By fostering a supportive and inclusive work environment, the Group aims to enhance employee productivity and morale while attracting more outstanding female talent. The Group is committed to building a corporate culture that genuinely promotes gender equality and equal opportunities.	Safety & Health Dept.	100% parental leave retention rate.

Stakeholder	Issue of Concern	Human Rights Issues and Impact	Monitoring and Management	Responsible Unit	Outcome
Employees	Safe Work Environment	Safe work environment and training	• Through regular inspections of workplaces, vehicles, equipment, facilities, and fire safety systems, we implement protective measures to ensure a safe working environment. Safety audits are conducted, including documentation of occupational health and safety training, pre-use, mid-use, and post-use inspections of machinery and equipment, operations involving organic solvents, checks of ionizing radiation dosage, and infrared inspections. • To enhance employees' awareness of occupational Health and Safety and ensure compliance with relevant regulations, we also provide basic training on general Health and Safety, as well as the use of hazardous substances and materials. Additionally, specialized training is provided for employees operating hazardous machinery or engaging in high-risk or specialized operations.	Safety & Health Dept.	No violations of occupational health and safety regulations.
		Employee healthcare	• To provide all employees with a comfortable and healthy work environment, the Company is committed to supporting employee health, promoting club activities, and holding health-related seminars, so that employees can maintain their physical and mental well-being and achieve work-life balance. • Through the Employee Assistance Program (EAP), the Company provides professional counseling and life support resources to support employees' physical and mental well-being, strengthen self-esteem, and enhance job satisfaction.	HR Dept.	In 2025, employees formed four clubs. Two-thirds of the club expenses are subsidized by the Employee Benefits Committee. In Q4 2025, the Employee Assistance Program (EAP) was implemented, recording 49 online service utilizations in total.
		Prohibition of forced labor	FORTUNE Group strictly prohibits any form of forced labor and guarantees that employees have the freedom to terminate their employment contract.	HR Dept.	No incidents of forced labor at any operating site.
		Prohibition of underage or illegal labor	The Company strictly prohibits all operating sites and global suppliers from employing child labor or illegal workers in violation of the law. Each operating site is required to comply with local labor regulations and verify the age of employees when hiring. Additionally, we ensure that students participating in industry-academia collaboration programs meet all relevant legal requirements, thereby safeguarding their labor rights.	HR Dept.	All employees are legally hired and above 15 years old.
		Freedom of association	FORTUNE Group respects employees' rights to freedom of association and is dedicated to providing an environment where opinions can be freely expressed. Employees are encouraged to share their views through various labor-management communication and grievance mechanisms, including labor-management meetings, the FE Family suggestion platform, employee opinion surveys, and FORTUNE ELECTRIC's external reporting channels.	HR Dept.	The employee opinion survey is conducted twice a year (first and second half). In 2025, the participation rate reached 99.67%. Through open and accessible communication channels, the Company gains a deeper understanding of employees' views and needs, enabling management to comprehensively optimize systems and improvement measures to better meet employee expectations.
		Accessible facilities	FORTUNE Group has installed accessibility facilities in buildings, including elevators and ramps to ensure a friendly work environment for those with physical and mental disabilities.	Safety & Health Dept.	Comprehensive inspections and compliance checks completed.
Suppliers / Contractors	Integrity Clause	Suppliers are required to maintain the Health and Safety of their employees and must not engage in any improper conduct.	• Suppliers shall comply with laws and principles of fairness in the execution of contracts, treat construction personnel fairly, provide a safe and healthy working environment, and protect environmental quality. Under no circumstances shall suppliers obtain benefits through improper means, as such illegal actions may expose both companies and their employees to criminal or civil liability. • Suppliers hereby commit and agree to: 1. Refrain from any improper business conduct. 2. Not engage in bribery involving employees of our company. 3. Avoid any illegal activities that could cause harm or loss to the company or its employees in terms of personal safety, assets, or reputation. 4. In the event of any illegal conduct, the company reserves the right to seek compensation and pursue legal action.	Procurement Div.	All suppliers must sign the integrity clause to join the supply chain.

Stakeholder	Issue of Concern	Human Rights Issues and Impact	Monitoring and Management	Responsible Unit	Outcome
Corporate Information Security	Personal Data Protection and Privacy	Information Security Measures	In accordance with the ISO 27001 framework, we have established an "Information Security Management Committee" to maximize the effectiveness of our current information security management system. The committee meets at least once a year to ensure the system's applicability, appropriateness, and effectiveness while assessing opportunities to improve related policies and objectives, as well as identifying any other necessary changes. In the event of significant policy changes, we conduct immediate reviews, retain the corresponding review documentation and records for future reference, and notify relevant departments and partners as necessary to ensure the integrity and effectiveness of our policies.	IT Center	The company strictly adheres to personal data protection laws and has not experienced any incidents of personal data or information leakage.

During the reporting period, the Company met its labor and human rights protection objectives, including:

- One related complaint was received. It was investigated by an independent third party, and the findings were communicated to the parties involved. The case has been closed.
- No employment of child labor
- No major labor disputes
- No violations of freedom of association or collective bargaining rights
- No forced or compulsory labor incidents
- No unresolved employee grievances or delayed responses

Supporting "2025 TALENT, in Taiwan" – Building a Sustainable Talent Workplace

FORTUNE ELECTRIC participated in the "2025 TALENT, in Taiwan – Taiwan Talent Sustainability Action Alliance," and was also recognized as a Top 100 company in the 2025 Commonwealth Talent Sustainability Award, demonstrating its strong commitment to building a diverse, equitable, and inclusive (DEI) workplace. Through engagement with the alliance platform and industry leaders, the Company continues to enhance its internal development mechanisms to ensure that every employee can realize their potential in an environment of respect and inclusion, translating this shared vision into concrete workplace practices.

Since 2010, FORTUNE ELECTRIC has promoted the "Fortune Enterprise University" digital learning platform, providing diverse learning approaches and embedding corporate values through annual training programs and the "Character Strengthening Month." Guided by the principles of DEI (Diversity, Equity, and Inclusion), the Company actively recruits international talent and implements a fair and transparent compensation and promotion system, where evaluations are based solely on professional competence and job performance, regardless of seniority or gender. In addition, the Company has established an Employee Assistance Program (EAP) that provides psychological counseling and health checkups exceeding regulatory requirements. It also offers comprehensive support for employees' family needs through a range of benefits, including infertility treatment subsidies, maternity-friendly leave, child growth grants for employees' children, and birthday leave.

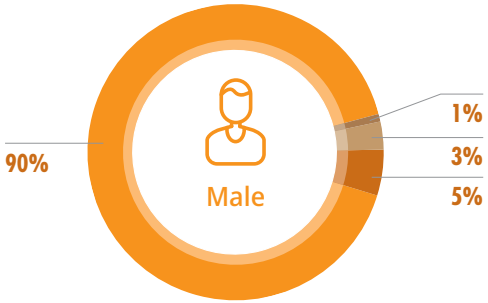
To further enhance workplace well-being, FORTUNE ELECTRIC strengthens its internal HR service channels and diversified communication platforms, actively listening to employee feedback and continuously improving the employee experience, thereby helping every team member realize a sense of value and belonging at work. The Company will continue to invest resources to ensure that every employee can find their own stage at FORTUNE ELECTRIC, and to jointly move toward a more inclusive and competitive sustainable future.

Diverse Job Opportunities

At FORTUNE ELECTRIC, we recognize that our employees are our greatest asset. We are committed to creating a friendly and supportive workplace that promotes employee well-being, encourages personal and professional growth, and helps employees maintain passion and balance in their work and personal lives. We firmly believe that employee development and satisfaction are critical to the company's long-term success. In the past year, the total headcount at FORTUNE ELECTRIC reached 1,509, an increase of 215 employees compared to the previous year. This growth was driven by business expansion and the inclusion of FORTUNE ELECTRIC Power. The workforce comprised 1,184 male employees (78%) and 325 female employees (22%).

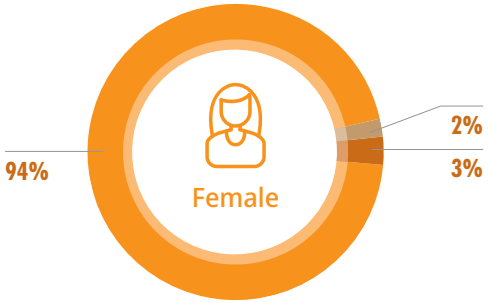
The Company categorizes positions into senior management, middle management, first-line supervisors, and general employees based on organizational responsibilities to support workforce management and talent development. Overall, female employees are primarily concentrated at the general employee level; however, their representation at the middle management and first-line supervisory levels has been gradually increasing, reflecting the Company's ongoing efforts to foster a diverse and inclusive talent development environment. FORTUNE ELECTRIC values workforce diversity and equal development opportunities. Through fair recruitment and promotion systems, the Company provides equal career development opportunities and continues to optimize its talent development and management mechanisms to build a professional and culturally diverse workforce.

FORTUNE ELECTRIC Employee Gender Distribution in 2025



	Number
Senior management	14
Middle management	39
First-line supervisors	65
General employees	1,066

Notes:
1. Senior management refers to Director-level positions (including Deputy Directors) and above.
2. Middle management refers to Managers and Deputy Managers.
3. First-line supervisors refer to Section Chiefs and Supervisors.
4. The calculation formula is: number of employees in each category / total number of employees in that category.



	Number
Senior management	0
Middle management	8
First-line supervisors	11
General employees	306

The total number of non-employee workers is 128. Of these, 125 are assigned to Zhongli Plant , Guanyin Plant II, Guanyin Plant III, and FORTUNE ELECTRIC EXTRA HIGH VOLTAGE, where their work and workplaces are controlled by the organization. Typical roles include painting, packaging, basic wiring, environmental cleaning, catering services, and security. One outsourced cleaning staff member is assigned to the Kaohsiung Office, and two outsourced cleaning staff members are assigned to the Taipei Office. The Company converts the actual working hours of part-time or non-full-time workers into full-time equivalents (FTE) based on standard full-time working hours (e.g., 8 hours per day or 40 hours per week) to reflect the actual labor input. The number of non-employee workers is estimated based on attendance records for contractors and outsourced personnel at each site. Because some roles involve flexible hours or short-term assignments, the FTE conversion may result in minor differences from the actual headcount.

In 2025, 145 employees referred qualified candidates of whom 98 were successfully hired. This reflects employees' strong identification with the Company's culture and values, with each referral helping to sustain and strengthen the corporate culture. At the same time, FORTUNE ELECTRIC is committed to fostering an inclusive workplace by providing equal employment opportunities for persons with disabilities. In 2025, the Company employed 16 persons with disabilities, bringing the total to 17 and meeting statutory employment requirements. Through employee referral programs and inclusive hiring policies, the Company continues to attract outstanding talent and build a more dynamic, inclusive, and professional workforce.

Employees Hired by FORTUNE ELECTRIC in Each Region in 2025

Unit: persons

Employee Classification			Zhongli Plant		Guanyin Plant II		Guanyin Plant III		FORTUNE ELECTRIC EXTRA HIGH VOLTAGE		Taipei Office		Nangang Office		Kaohsiung Office		FORTUNE ELECTRIC VALUE		Total		
			M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	Number
Per contract	Permanent employees (permanent contract)	Number	272	122	236	49	114	25	129	35	37	33	36	11	8	8	58	33	890	316	1206
		Percentage	58%	26%	53%	11%	76%	17%	61%	17%	50%	45%	75%	23%	50%	50%	64%	36%	59%	21%	80%
	Contracted employees (fixed-term contract)	Number	74	4	160	1	10	1	46	2	4	0	0	1	0	0	0	0	294	9	303
		Percentage	16%	1%	36%	0%	7%	1%	22%	1%	5%	0%	0%	2%	0%	0%	0%	0%	19%	1%	20%
Per working hours	Full-time employees	Number	342	126	395	50	123	26	175	36	41	33	36	12	8	8	58	33	1,178	324	1,502
		Percentage	72%	27%	89%	11%	82%	17%	83%	17%	55%	45%	75%	25%	50%	50%	64%	36%	78%	21%	100%
	Part-time employees	Number	4	0	1	0	1	0	0	1	0	0	0	0	0	0	0	0	6	1	7
		Percentage	1%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
By Age	< 29	Number	98	38	145	9	27	8	47	8	10	4	11	5	1	1	6	4	345	77	422
		Percentage	21%	8%	33%	2%	18%	5%	22%	4%	14%	5%	23%	10%	6%	6%	7%	4%	23%	5%	28%
	30–49	Number	190	59	194	24	55	13	122	29	19	17	24	6	6	6	39	25	649	179	828
		Percentage	40%	13%	43%	5%	37%	9%	58%	14%	26%	23%	50%	13%	38%	38%	43%	27%	43%	12%	55%
	> 50	Number	58	29	57	17	42	5	6	0	12	12	1	1	1	1	13	4	190	69	259
		Percentage	12%	6%	13%	4%	28%	3%	3%	0%	16%	16%	2%	2%	6%	6%	14%	4%	13%	5%	17%
Per nationality	Taiwan	Number	283	125	240	49	118	25	129	37	40	33	34	11	8	8	58	33	910	321	1,231
		Percentage	60%	26%	54%	11%	79%	17%	61%	17%	54%	45%	71%	23%	50%	50%	64%	36%	60%	21%	82%
	Foreign employees	Number	63	1	156	1	6	1	46	0	1	0	2	1	0	0	0	0	274	4	278
		Percentage	13%	0.2%	35%	0.2%	4%	0.7%	22%	0%	1%	0%	4%	2.1%	0%	0%	0%	0%	18%	0.3%	18%
Total			472		446		150		212		74		48		16		91		1,509		

Notes: 1. Full-time employees: Refers to regular full-time employees who are paid on a monthly salary basis, as defined by the Labor Standards Act.
2. Part-time employees: Refers to non-regular employees with salaries calculated using daily or hourly rates.
3. The percentage for each category is calculated as the number of employees in that category divided by the total headcount of that category. The overall percentage is calculated based on the Company's total headcount. All figures are rounded to the nearest whole number, with values rounded at one decimal place.

Workplace Equality and Diversity

In 2025, the Company recorded a new hire rate of approximately 13%, primarily with most new employees in the 30-49 age group. The employee turnover rate was approximately 8%, the same as the previous year, reflecting FORTUNE ELECTRIC's early progress in improving employee retention. To further strengthen workforce stability and competitiveness, FORTUNE ELECTRIC continues to improve internal communication, refine compensation and benefits programs, and cultivate a positive, supportive work environment. These ongoing initiatives are designed to create a more attractive workplace with strong development opportunities for all employees.

Statistics of New Hires by Age Group and Gender (Total Number and Percentage) over the Past Three Years

Unit: persons; %

Year	Age	Male		Female		Age Subtotal	
		Number	Percentage	Number	Percentage	Number	Percentage
2023	< 29	78	33%	29	12%	107	46%
	30–49	98	42%	23	10%	121	51%
	> 50	7	3%	0	0%	7	3%
	Subtotal of new employees	**183**	**17%**	**52**	**5%**	**235**	**22%**
2024	< 29	90	37%	24	10%	114	46%
	30–49	104	42%	21	9%	125	51%
	> 50	7	3%	0	0%	7	3%
	Subtotal of new employees	**201**	**16%**	**45**	**3%**	**246**	**19%**
2025	< 29	66	33%	23	11%	89	44%
	30–49	85	42%	23	11%	108	53%
	> 50	2	1%	3	1%	5	2%
	Subtotal of new employees	**153**	**10%**	**49**	**3%**	**202**	**13%**

Notes: 1. Percentage of new employees of each category = Number of new employees of each category/Total number of new employees at the end of the period ×100%, calculated to the nearest integer, rounded off to the first decimal point.
2. New employment rate = Number of new employees/Total number of employees at the end of the period *100%, calculated to the nearest integer, rounded off to the first decimal point.
3. In 2025, a total of one newly hired employee(excluding short-term contract workers and interns) was under the age of 20and was male.
4. The employee age groups were previously categorized as 21–30, 31–40, 41–50, and 51 years and above. In the current year, the age group classification for new employees was revised; accordingly, the information has been restated.
5. FORTUNE ELECTRIC EVALUE has been included effective from 2025.

Statistics of Separated Employees (Including Retirement) by Age Group and Gender (Total Number and Percentage) over the Past Three Years

Unit: persons; %

Year	Age	Male		Female		Age Subtotal	
		Number	Percentage	Number	Percentage	Number	Percentage
2023	< 29	28	21%	5	4%	33	25%
	30–49	74	55%	18	13%	92	69%
	> 50	9	7%	0	0%	9	7%
	Subtotal of resigned employees	**111**	**10%**	**23**	**2%**	**134**	**12%**
2024	< 29	25	23%	6	6%	31	29%
	30–49	54	50%	10	9%	64	60%
	> 50	10	9%	2	2%	12	11%
	Subtotal of resigned employees	**89**	**7%**	**18**	**1%**	**107**	**8%**
2025	< 29	25	21%	9	8%	44	38%
	30–49	48	41%	18	15%	56	48%
	> 50	16	14%	1	1%	17	15%
	Subtotal of resigned employees	**89**	**6%**	**28**	**2%**	**117**	**8%**

Notes: 1. Percentage of resigned employees of each category/Total number of separated employees at the end of the period ×100%, calculated to integers, rounded off to the first decimal point.
2. Resignation rate = Number of separated employees/Total number of employees at the end of the period *100%, calculated to the nearest integer, rounded off to the first decimal point.
3. The employee age groups were previously categorized as 21–30, 31–40, 41–50, and 51 years and above. In the current year, the age group classification for new employees was revised; accordingly, the information has been restated.
4. FORTUNE ELECTRIC EVALUE has been included effective from 2025.

COMPENSATION AND BENEFITS

FORTUNE ELECTRIC is committed to maintaining a fair and transparent compensation system by providing market-competitive salaries and incentives to attract and retain top talent. We actively pursue equal pay for equal work, ensuring that all employees—regardless of gender or background—receive fair and reasonable compensation. To support this commitment, the company has developed the Salary Management Guidelines and Performance Bonus Guidelines, which are communicated to all employees through onboarding training and internal announcements to ensure a clear understanding of the compensation system. For managerial-level personnel and above, compensation is reviewed by the Remuneration Committee and the Board of Directors to strengthen corporate governance and promote transparency and fairness in salary policies.

Our salary structure combines fixed and variable components to balance stability and incentives. Fixed salaries are paid monthly and periodically adjusted based on industry benchmarks, labor market trends, job attributes, and labor supply and demand, to ensure competitiveness. Variable compensation includes year-end bonuses, employee profit-sharing, and performance bonuses, all of which reflect individual performance while aligning with the company's overall operating results. This approach encourages shared growth between employees and the organization. Our compensation framework ensures that employees are fairly rewarded and supports a motivating work environment that promotes long-term development for both the organization and its talent. In 2025, the ratio of the annual total compensation of the highest-paid individual to the median annual total compensation of all employees (excluding the highest-paid individual) was 4.3:1. Compared with the previous year, the ratio of the percentage increase in annual total compensation of the highest-paid individual to the median percentage increase in annual total compensation of all other employees was 2.7:1.

Average and Median Annual Pay of FORTUNE ELECTRIC's Full-time Non-Supervisory Employees the Past Three Years

Unit: NT$10,000

Year	Average Salary	Changes from The Previous Year (%)	Median Salary	Changes from The Previous Year (%)
2023	154.5	52%	111.2	36.3%
2024	172.7	11.8%	115.9	4%
2025	176.2	2.0%	117.7	1.6%

Notes: 1. The salaries listed in this table refer to annual pay.
2. Supervisory position: Managers are defined per the scope of "managers" stipulated in Letter Tai-Tsai-Cheng-San-Tzu No. 920001301 issued by the competent authority on March 27, 2003, consistent with the scope of managers disclosed in the Company's annual report.

Entry-Level Salary Standards at FORTUNE ELECTRIC's Significant Operating Sites over the Past Three Years

Unit: NT$

Year	Average Standard Salary of Basic-level Personnel		Average Standard Salary/Local Minimum Wage of Basic-level Personnel	
	Male	Female	Male	Female
2023	40,660	38,100	1.54:1	1.44:1
2024	40,219	39,461	1.46:1	1.44:1
2025	41,393	41,013	1.45:1	1.43:1

Notes: 1. The Company's "Important operating sites" are defined as sites located in Taiwan.
2. The Company determines the wages of employees and other workers with reference to the minimum wage announced annually by the Ministry of Labor, ensuring that wages are not lower than the statutory minimum wage.
3. Entry-level personnel: Include employees holding the positions of Technician/Administrator, Assistant Engineer/Assistant Administrator, and Engineer/Administrator.
4. Standard salary: Refers to regular compensation, including base salary, position allowance, and other recurring compensation.
5. The local minimum wage was NT$26,400, NT$27,470, and NT$28,590 in 2023, 2024, and 2025 respectively.

Percentages of Basic Salary and Compensation of FORTUNE ELECTRIC's Female Employees Compared to Male Employees in 2025

Unit: %

Operating Site	Zhongli Plant		Guanyin Plant II		Guanyin Plant III		FORTUNE ELECTRIC EXTRA HIGH VOLTAGE	
Category of Employee	Male	Female	Male	Female	Male	Female	Male	Female
Indirect personnel	1	0.75	1	0.86	1	0.66	1	0.85
Direct personnel	1	1.15	1	1.18	1	0.91	1	1.2

Notes: 1. The salaries used for the calculations in this table represent the average monthly salaries of personnel as of December 2025.
2. The average monthly salary of male employees in each employee category (direct or indirect personnel) is used as the denominator, with the value for male employees set at 1, to calculate the ratio of female employees' salaries to male employees' salaries, rounded to two decimal places.
3. Among indirect personnel in supervisory positions, the number of male employees exceeds that of female employees, resulting in higher average salaries for male employees. Among direct personnel, although female employees are fewer in number at Zhongli Plant and Guanyin Plant II, most of them are senior employees; therefore, their average salaries are higher than those of their male counterparts.

Benefits System

To safeguard employees' occupational health and safety rights and strengthen organizational cohesion, the Company provides each employee with employer's liability insurance, group personal accident insurance, group medical insurance, and comprehensive infectious disease coverage. In addition, an Employee Welfare Committee has been established to implement various benefit programs, ensuring that employees receive both financial and practical support. The Company's benefit programs include scholarships for employees and their children, birthday gifts, employee travel subsidies, illness and injury (care allowances,), and subsidies for marriage, bereavement, and other life events. Family-friendly benefits are also provided, including childbirth subsidies, assisted reproductive treatment subsidies, fertility treatment leave, child development grants, and parental accompaniment leave, offering comprehensive support for employees in child-rearing. In 2025, FORTUNE ELECTRIC introduced and enhanced multiple benefit measures, continuing to listen to employee feedback and improve its benefits system to provide a high-quality working environment and employment framework. The detailed employee benefits are as follows:

Employee Benefits Provided by the Company

Benefit		Description of Benefit and Performance
Leave	General leave	The Company complies with the *Labor Standards Act* and offers flexible working hours. Employees may also apply to work from home to support family needs (without affecting their salary).
	Special annual leave	Starting from 2025, the Company has enhanced its annual leave benefits by granting employees with less than three years of service one additional day of annual leave beyond the statutory requirement. New employees are also entitled to use annual leave in advance upon joining, providing leave benefits that exceed legal requirements.
	School accompaniment leave	Employees are provided with one additional day off when their children start kindergarten or first grade within seven days of the enrollment date.
	Family care leave	Employees are entitled to seven days of family care leave per year. In 2025, 57 employees utilized this leave, totaling 166 days.
	Fertility treatment leave	Employees or their spouses undergoing infertility treatment, including artificial insemination or in vitro fertilization (IVF), are entitled to five days of fertility treatment leave.
	Flexible working hours	To support a work-life balance, a flexible working hours system has been established for employees, such as R&D personnel, those with long commutes, or those with temporary family circumstances. In addition, employees are allowed to leave work one hour earlier on the days before the Lantern Festival and the Zhongyuan (Ghost) Festival. In 2025, an additional early off-work arrangement on December 31 was introduced. These measures help reduce traffic congestion during festive periods and further enhance employees' workplace well-being.
	Birthday leave	Employees are granted half a day of birthday leave in their birth month.
Rewards And benefits	Business travel allowance and insurance	In addition to allowances and health checkup subsidies, employees on business trips will be provided with war risk subsidies, travel insurance, and overseas medical accident insurance when traveling to high-risk countries.
	Year-end bonus and employee reward	The year-end bonus is paid in accordance with the 2004 Operating Procedure for Year-end Bonuses and Salary Adjustments outlined in the Management Handbook. The employee reward is paid in accordance with the 5016 Operating Procedure for the Distribution and Payment of Employee Rewards, also outlined in the Management Handbook.
	Various performance bonuses and department performance bonuses	Each unit handles performance bonus payments in accordance with the relevant standard operating procedure.
	Bonuses for developing new technologies/products	Bonuses are paid in accordance with the 1W1714 Operating Standard for Payments of New Product Development Bonuses.
	Rewards for top talent	Rewards are administered and distributed to top talent in accordance with the 2015 Operating Procedures for Talent Evaluation and the 2045 Operating Procedures for Talent Management and Incentives outlined in the Management Handbook.
	Outstanding Employee Award	A medal and a bonus of NT$ 12,000 are provided for outstanding employees, as outlined in the 2042 Operating Procedure for Selecting Model Employees in the Management Handbook. Representatives of outstanding employees from each division who do not receive the reward are given a meal coupon worth NT$ 5,000.
	Reward for outstanding newcomers	According to the "Management Manual 2040 Operating Procedures for Selecting Outstanding Newcomers", employees of FORTUNE ELECTRIC will receive medals and bonuses of NT$10,000 from the parent company. They will be given an honorary leave of 2 days, with the leave of absence being limited to one year from the month following the announcement date.
	Special expense allowance for supervisors	Handled according to the 2066 Payment Standards of In-Kind Benefits and Special Expense Allowances for Managers in the Management Handbook. The number of supervisors entitled to this benefit reached 113 in 2025.

Benefit		Description of Benefit and Performance
Rewards And benefits	Employee proposal bonus	This bonus is paid according to the 6007 Procedure for the Implementation of the Proposal Improvement System in the Management Handbook.
	Promotion of the expert evaluation and license reward system	Experts are verified in accordance with the 2043 Operating Procedure for Expert Evaluations outlined in the Management Handbook. Professional skills are verified in accordance with the standard operating procedure outlined in the 1W1649 Standards for the Verification of Professional Skills and Recognition of Qualifications. Rewards are provided to qualified personnel.
	Provision of summer and winter uniforms and Innerwear	Three sets of summer and winter uniforms are provided to new employees upon their start date at the Company. Old uniforms are replaced with new ones as needed.
	Monetary gifts (coupons) for Labor Day and three festivals	Holiday cash allowances are provided as follows: NT$5,000 per employee for the Mid-Autumn Festival, NT$3,000 per employee for the Year-End Party, and NT$5,000 in shopping vouchers for the Dragon Boat Festival. In addition, the Company provides NT$2,000 in gift vouchers per employee for Labor Day.
	Birthday cash gift and birthday cake	Employees celebrating birthdays in the relevant month receive a birthday cash gift of NT$1,200 and a birthday cake from the Employee Welfare Committee.
	Marriage cash gift	A cash gift of NT$ 15,000 is provided for each employee who gets married. The total amount of cash gift provided to a couple who are both employees of the Company are NT$ 30,000.
	Maternity subsidy	NT$ 3,600 is subsidized per birth. Employees may apply for NT$ 7,200 for twins and NT$ 10,800 for triplets.
	Growth fund for "Little Fortunes"	Each child of employees can receive a subsidy of NT$ 2,000 each year from their first to their fifth birthday.
	Scholarships and education grants for employees and their children	Employees who engage in continuing education at university level or higher can receive scholarships of NT$ 4,000 ~ NT$ 12,000. Employees' children who attend schools from junior high to doctoral programs can receive a subsidy of NT$ 1,500~NT$ 7,000 each semester.
	Gifts for Mother's Day and Father's Day	Practical items are given as gifts to enhance a warm and caring atmosphere.
	Internal referral system	Employees are encouraged to refer friends and family members to join the Company, fostering mutual care and growth while truly embodying the spirit of the "FORTUNE ELECTRIC family." Additionally, group medical insurance coverage extends to employees' dependents, further demonstrating the Company's commitment to employee well-being.
	Annual dinner party and lucky draw on a workday	The annual year-end dinner party is held on a Friday at noon. Employees may leave work early if the event concludes before the end of the workday. In 2025, the lucky draw prize-winning rate reached over 75%, and consolation prizes of NT$2,000 were also provided to employees who did not win.
	Flexible self-service benefits fund	This benefit was increased in 2025. Each employee may receive an annual subsidy of NT$ 5,000 for family travel, group travel, and health checkups.
	Fertility treatment subsidies	In response to declining birth rates, the Company provides subsidies for employees undergoing fertility treatment to help reduce their financial burden. A subsidy of NT$ 10,000 is provided for the first round of treatment. Employees requiring further rounds of treatment may apply for NT$ per 6,000 each round up to a maximum of five rounds including the first application.
Giving back to employees	Commemorative gold coin for senior employees	Gold coins are awarded to employees who have served in the Company for 10 years and 20 years, respectively, upon the Company's anniversary celebrations.
	Rewards for employees who have served in the company for 5, 15, and over 30 years	1. A new "High-5 Fun Day and 1ow-5 Glory Day" reward scheme has been established for employees who have worked for 5 and 15 years respectively at the Company, specifically offering benefits like dinner vouchers and air travel coupons for employees' families, to foster a sense of belonging for both Fortune people and their family members. 2. The Company continues to implement long-service recognition measures for employees with over 30 years of service, providing one “Craftsmanship Honor Co-prosperity Voucher” valued at NT$10,000 annually, with rewards increasing according to years of service.
Health promotion	Health and safety promotion activities include smoking cessation, weight loss, etc.	The Company holds health and safety promotion activities, and encourages employees to participate by providing them with competition bonuses.
	Various club activities	An annual budget of up to NT$ 40,000 is subsidized for each club's annual activities.
	Annual employee health checkups	The Company arranges for new employees to participate in health checkups, and provides employees with health checkups once every year.
	Senior Health Care Program	We provide annual healthcare benefits for employees aged 50 and above, offering up to NT$ 3,000 per year to use for health checkups and wellness supplements.

Benefit		Description of Benefit and Performance
Complete Facilities	Free employee cafeterias are set up at factories, and meal subsidies are provided at each operating site.	The company has established employee cafeterias at each factory. During the pandemic, these cafeterias transitioned to providing bento-style boxed meals instead. The company occasionally provides snacks such as savory or sweet soups and fresh fruit. To celebrate the Winter Solstice, cafeterias also serve festive savory and sweet glutinous rice balls.
	Free employee dormitories	Dormitories with two to three persons per room are provided and include services such as Wi-Fi.
	Shuttle buses for employees working at Guanyin Plant II and Guanyin Plant III	A free shuttle bus service is provided for employees when commuting.
	Employee parking spaces	In 2025, to address employee concerns regarding insufficient parking spaces at Zhongli Plant , the Company leased a nearby parking lot and provided shuttle services to and from the plant. In addition, coordination was made with relevant authorities to add motorcycle parking spaces along surrounding sidewalks, with the aim of improving commuting convenience and optimizing the overall traffic and parking environment for employees.
	Guanyin Plant II and Guanyin Plant III are equipped with fitness centers, and Guanyin Plant III also provides a karaoke room for employees.	Rest and recreation areas are provided to help employees relieve physical and mental stress, and are available during breaks and after work hours.
Retirement system	Legacy pension system	FORTUNE ELECTRIC has established a comprehensive retirement system. For employees covered under the old pension scheme, the Company not only gradually increases the contribution rate each year but also makes monthly contributions to an "Employee Retirement Reserve Fund," which is deposited with the Bank of Taiwan for interest-bearing management. Contributions are made in accordance with actuarial assessments and regulatory requirements to ensure sufficient funding for retirement benefit obligations.
	New pension system	To protect employees' rights, for those covered under the new pension scheme, the Company contributes 6% of each employee's insured salary to their individual retirement accounts on a monthly basis in accordance with the Labor Standards Act and relevant regulations, with no additional pension obligations after contribution. The Company also facilitates voluntary employee contributions to retirement funds to help employees accumulate retirement savings.
	Deferred retirement mechanism	The Company provides additional supplementary retirement plans. Employees aged 65 and above may, in accordance with Company regulations, initiate the retirement deferral process to extend their working tenure and continue the accumulation of retirement benefits.
	Retired Employees as Internal Consultants	We invite retired employees to serve as internal consultants, utilizing their extensive experience and expertise to continue adding value to the company. Their insights enhance decision-making and training initiatives while ensuring the transfer and continuity of institutional knowledge.
	Employee Stock Ownership Trust Plan	The program supports employees in accumulating long-term wealth and provides stable financial planning, ensuring financial security upon retirement or resignation. It also strengthens the employee benefits framework and enhances employees' identification with and sense of belonging to the Company's long-term development, in alignment with the Company's sustainability philosophy.
Benefits for foreign employees	Talent Recruitment	The company covers round-trip airfare for mid-level technical personnel traveling to and from Taiwan.
	Meal and Accommodation Subsidies	High-breathability mattresses are provided, together with a daily meal allowance, to improve employees' quality of life.
	Planning employee travel activities	The Company organizes an annual one-day outing for all foreign employees, providing each employee with a subsidy of NT$2,500.
	Establishment of a bonus system for outstanding foreign employees	The Company recognizes outstanding performance by foreign employees each year and awards them an outstanding employee bonus. In 2025, a total of 20 foreign employees received a bonus of NT$ 2,000 each, totaling NT$40,000 in disbursements.
	Promotion of high-performing foreign employees	In 2025, four foreign employees applied for a promotion to mid-level technical positions.
	Festive gifts	Each March, festive gifts are provided to Indonesian and Thai employees in celebration of Ramadan (Indonesia) and the Songkran Festival (Thailand).

Note: The Compensation and benefits systems differ among subsidiaries depending on their respective operational conditions.

Maternal Health Protection Program

FORTUNE ELECTRIC upholds a family-friendly policy by fostering an inclusive and supportive work environment to help employees achieve a healthy work–life balance between their careers and family life. In accordance with the Act of Gender Equality in Employment, the Company implements relevant measures to support employees in balancing work and family responsibilities and ensures equal parental leave rights for all employees. The Company encourages both male and female employees to make use of parental leave arrangements and share family responsibilities, thereby promoting a gender-equal workplace culture. Employees with at least six months of service are eligible to apply for unpaid parental leave of up to two years before their child reaches the age of three. During this period, employees may continue their participation in statutory social insurance. The Company also provides lactation rooms in accordance with regulations and offers contracted childcare center benefits. In 2025, 11 employees applied for parental leave, an increase of four compared to the previous year, with a return-to-work rate of 92%, demonstrating the Company's commitment to supporting employees in both family and career development.

Statistics of the Number of FORTUNE ELECTRIC's Employees on Unpaid Parental Leave in 2025

Unit: person

	Male	Female	Total
(a) Number of employees who are eligible to apply for parental leave in 2025	67	30	**97**
(b) Number of employees who applied for parental leave in 2025	4	7	**11**
Application rate of parental leave b/a	**6%**	**23%**	**11%**
(c) Number of employees on parental leave expected to be returned to work in 2025	4	8	**12**
(d) Number of employees on parental leave who returned to work in 2025	3	8	**11**
Return-to-work rate of employees on parental leave d/c	**75%**	**100%**	**92%**
(e) Number of employees who applied for parental leave and returned to work in 2024	2	7	**9**
(f) Number of employees who applied for parental leave and worked continuously for one year after reinstatement in 2024	2	7	**9**
Parental leave retention rate f/e	**100%**	**100%**	**100%**

Notes: (a) Estimated based on the number of employees who applied for maternity leave or paternity leave during the past three years (2023–2025).
(b) Employees whose actual parental leave period occurred in 2025; the two female employees in 2025 applied for flexible parental leave for children under three years of age.
(c) Expected date of reinstatement in 2025.
(d) Number of employees whose expected date of reinstatement was in 2025 and who were actually returned to work.
(e) Actual date of reinstatement in 2024.
(f) Employees whose actual date of reinstatement was in 2024 and who remained employed for one year after reinstatement.

EMPLOYEE-MANAGEMENT RELATIONS

The Company has not established a trade union, however, it regularly holds labor-management meetings in accordance with Article 83 of the Labor Standards Act. Interim meetings may be convened as necessary to promote labor-management cooperation, coordinate labor-management relations, improve working conditions, and conduct two-way communication and negotiation on employee benefit matters. Labor-management meetings comprise an equal number of employee representatives and management representatives. Labor-management meeting representatives serve four-year terms. Employee representatives may be reelected and reappointed. If a factory has more than 100 employees, there must be at least five employee representatives and five management representatives; if a factory has fewer than 100 employees, there must be at least two employee representatives and two management representatives.

To safeguard employees' employment rights and working conditions in the event of major operational changes, FORTUNE ELECTRIC strictly complies with Article 16 of the *Labor Standards Act*, fully adhering to the legally mandated minimum notice period for terminating employment contracts. These measures aim to minimize potential impacts on employees. No major operational changes occurred during the reporting period.

Open Communication Channels

To promote the harmonious and sustainable development of labor relations and effective communication between staff and management, the company has established a transparent, open, and efficient multi-directional communication channel to gather the valuable opinions of all employees. By organizing climate surveys every six months, we will conduct at least one labor-management meeting every three months (March, June, September, and December each year) and convene temporary meetings when necessary. Additionally, we will establish FE Family suggestion box and install safe and confidential reporting channels.

FE Family Suggestion Box

- Official website: https://www.fortune.com.tw/tw/contact_whistle.html
- Email: fe1969@reportnow.com.tw
- Fax: +886-2-2964-3919
- hysical mailbox: Taipei Post Mailbox 112-113

Plant meetings and an improvement suggestion system

FORTUNE ELECTRIC emphasizes employee participation and continuous improvement. Plant meetings are held every two months to facilitate communication among new employees and actively encourage improvement suggestions. In occupational safety management, on-site units at each plant are encouraged to submit monthly self-initiated proposals, such as installing fixed pedestrian signage and route maps to improve the clarity and safety of internal traffic flows. To date, more than 120 occupational safety improvement cases have been implemented, effectively reducing operational risks and supporting a safe workplace environment.

In addition, the Company actively promotes a rationalization suggestion system to encourage employees to apply innovative thinking. Employees who submit improvement proposals are rewarded with gift vouchers or gifts. For production-related proposals, the production units are responsible for initiation and review, while the production management department selects key proposals for further implementation. For internal departmental improvements, each department independently evaluates feasibility and converts time savings into measurable benefits, with each proposal receiving a minimum reward of NT$200. For proposals involving cross-departmental collaboration, further reporting to management is required to ensure optimal implementation outcomes.

Through these initiatives, FORTUNE ELECTRIC not only strengthens its internal culture of innovation but also enables employees to become key participants in the Company's planning and development process, fostering cross-functional knowledge sharing. Looking ahead, the Company will continue to promote and optimize its innovation suggestion mechanism, while integrating key trends such as digital transformation and green sustainability. Employees are encouraged to identify improvement opportunities in their daily work and work together to build a more competitive and forward-looking FORTUNE ELECTRIC.



TALENT DEVELOPMENT PATHWAYS

Based on the company's business strategy and employees' development needs the FORTUNE ELECTRIC Training Center has designed seven key training areas to strengthen employees' professional skills and overall competencies. In 2025, a total of 426 training hours were provided, with 2,102 instances of participation recorded. The training programs achieved a satisfaction rate of 93%, reflecting FORTUNE ELECTRIC's strong commitment to talent development and the effectiveness of its training initiatives. In 2025, the average training hours per employee were 8.37 hours. Male employees received an average of 8.48 training hours, while female employees received an average of 7.93 hours.

In addition to centralized coordination by the Training Center, each department flexibly plans diverse training channels based on annual training and talent development plans, ensuring that employees receive the most appropriate learning resources. These include:

- **New Employee Orientation and Pre-Job Training:** Assisting new hires in quickly adapting to the corporate culture and workplace environment.
- **On-the-Job and Off-the-Job Training:** Enhancing professional knowledge and practical skills.
- **Job Rotation and Multi-Skill Development:** Promoting cross-functional growth to improve employee adaptability and competitiveness.
- **Training Center Coordination and Fortune Enterprise University:** Systematic learning programs to cultivate the company's professional and managerial talent.
- **Overseas Training:** Expanding international perspectives and acquiring the latest global technologies and management experiences.
- **Management and Professional Competency Training:** Strengthening leadership and professional expertise to nurture core corporate talent.
- **Self-Directed Learning:** Encouraging autonomous study to foster a culture of lifelong learning.

FORTUNE ELECTRIC continues to strengthen its learning system by integrating digital transformation with individual development needs, ensuring that employees can grow in a rapidly changing environment, create greater value for the company, and move together toward long-term excellence.

Average Training Hours per FORTUNE ELECTRIC Employee by Gender and Position Type in 2025

Category of Employee	Calculation Method	Male	Female	Total
Indirect personnel	(a1) Actual number of employees trained in the reporting period	504	257	761
	(b1) Training duration in the reporting period	4,715	1,836	6,551
	(b1/a1) Average training duration in the reporting period	9.36	7.14	8.61
Direct personnel	(a2) Actual number of employees trained in the reporting period	621	35	656
	(b2) Training duration in the reporting period	4,822	481	5,303
	(b2/a2) Average training duration in the reporting period	7.76	13.74	8.08
Total	(Q) Training hours	**9,537**	**2,317**	**11,854**
Total number of employees at the end of the reporting period	(R) Number of employees	**1,125**	**292**	**1,417**
Average training duration of each employee	(Q/R) Training hours	**8.48**	**7.93**	**8.37**

Percentage of FORTUNE ELECTRIC Employees Receiving Performance and Career Development Reviews in 2025

Category of Employee	Calculation Method	Male	Female	Total
Indirect personnel	(A1) Total number of employees at the end of the reporting period	504	257	761
	(B1) Number of employees regularly accepting performance and career development review	482	248	730
	(B1/A1) Percentage	96%	96%	96%
Direct personnel	(A2) Total number of employees at the end of the reporting period	621	35	656
	(B2) Number of employees regularly accepting performance and career development review	601	34	635
	(B2/A2) Percentage	97%	97%	97%
Total	(A1+A2) Total number of employees at the end of the reporting period	**1,125**	**292**	**1,417**
	(B1+B2) Total number of employees regularly accepting performance and career development review	**1,084**	**282**	**1,366**
	(B1+B2) /(A1+A2) Percentage	**96%**	**97%**	**96%**

Notes: 1. The total number of employees at the end of the reporting period was calculated as the number of individuals receiving salaries from the Company in December 2025.
2. Excluding newly hired employees with less than two months of service, all employees completed performance and career development reviews, resulting in a coverage rate of 100%.
3. Talent training data does not include data from the subsidiary FORTUNE ELECTRIC EVALUE.

Mentorship system

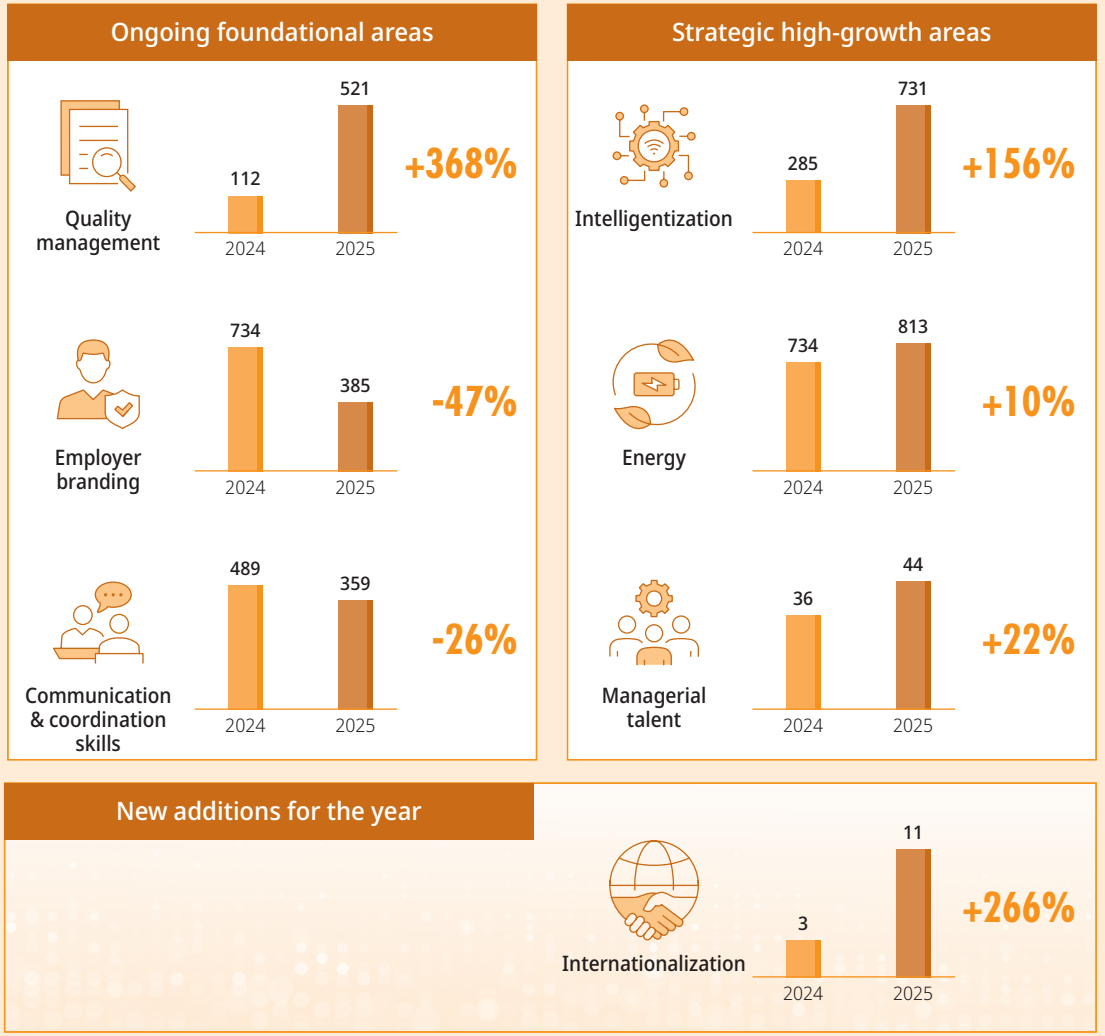
The Company has established a mentorship system to help new employees integrate into the corporate culture and adapt to the work environment. A mentor is assigned to each new employee before they join the Company. During the first six months of employment, mentors provide guidance during onboarding and pre-employment training. New employees are not permitted to work independently in operational areas during the first six months and must be accompanied by their assigned mentor. In 2025, mentor training totaled 12 hours, with 15 participant attendances. Since 2023, the Training Center has offered mentor training and certification programs, and as of the end of 2025, a cumulative total of 46 employees had completed the training and obtained certification.

Talent Development Center

FORTUNE ELECTRIC established the Training Center in 2005 to create a comprehensive talent development system. Through a three-pronged approach focusing on core values (ethics), professional expertise (annual training), and management (talent development training programs), the company enhances employees' technical skills and experience while cultivating future managerial talent. The Talent Development Training Program aims to develop internal management succession channels, with tiered training based on job levels. Department heads provide succession charts and formulate development plans for potential successors, alongside performance evaluations to ensure training effectiveness. The Training Center integrates annual plans and optimizes resource allocation. In 2025, it adopted TTQS (Talent Quality Management System) to align training with the company's mission, vision, strategy, competency gaps, and operational needs. A total of 77 training sessions were held, with 2,102 employees participating.

Among the training programs, "Quality Management" and "Intelligentization" courses showed significant growth, with participant numbers increasing by 368% and 156% respectively compared with the previous year. In addition, to accelerate global expansion, the Company increased the number of "Internationalization" courses to 11 sessions in 2025. Through talent development initiatives, FORTUNE ELECTRIC continues to strengthen product quality and technical assurance, not only reinforcing its core competitiveness and demonstrating its ability to align with leading international standards as it moves toward becoming a global brand leader.

Results of the 2025 FORTUNE ELECTRIC Strategic Transformation Training Program



Fortune Enterprise University

Since its establishment in 2010, the Fortune Enterprise University has upheld the philosophy of "Building Nests to Attract Phoenixes," encouraging employees to pursue interdisciplinary in-service learning. It comprises the College of Management and the College of Electromechanical Engineering, integrating technical expertise, management practice, and corporate culture to ensure the application of learning outcomes while cultivating outstanding talent. The program adopts a credit-based academic system, requiring at least 24 credits over two years for completion. Evaluation includes both conduct and academic performance. Courses are jointly designed with domestic universities and industry experts. As of 2026, a total of 104 participants have successfully completed the program.

The curriculum of the College of Electromechanical Engineering covers advanced technologies such as power systems, renewable energy, energy storage, smart grids, the Internet of Things, and cybersecurity, enhancing expertise in green energy engineering and energy management capabilities. The College of Management focuses on strategic planning, leadership, marketing management, financial decision-making, lean management, and smart factory applications, strengthening decision-making capabilities, organizational collaboration, and digital transformation competencies.

On the morning of November 7, 2025, the Fortune Enterprise University held its 4th Annual Project Presentation, focusing on green energy transformation and smart manufacturing, showcasing participants' phased learning outcomes.



Group Photo of the Fortune Enterprise University Project Presentation

Cross-Functional Collaboration × Practical Application

The presentation was structured around two main themes. Through cross-departmental collaboration, participants integrated theory with practice and delivered project outcomes with strategic insight and problem-solving capabilities.

- College of Engineering and Technology: Projects explored green energy system integration, technology adoption, and innovative applications.
- College of Management: Projects focused on smart manufacturing and process optimization, with an emphasis on data analysis and improving outcomes.

The event invited Chairman and President Hsu Bang-Fu to lead senior executives and business unit directors in attending and providing guidance. In addition, Deputy Director Liang Pei-Fang from the Industrial Technology Research Institute (ITRI) and Associate Professor Lu Chun-Te from National Central University were invited as advisors to provide professional evaluation. The project topics demonstrated strong application potential. Moving forward, the Training Center will continue to promote the implementation of these initiatives, transforming knowledge into tangible operational value.

Results and Outlook

This project presentation not only served as a summary of participants' learning journey but also marked an important milestone in FORTUNE ELECTRIC's internal knowledge transformation and innovation practices, enabling learning to generate tangible operational benefits for the Company.

The 4th cohort of the Fortune Enterprise University comprised 40 participants, of whom 39 qualified for graduation. The graduation ceremony was held on April 17, 2026. In addition to senior internal executives and participants' supervisors, several academic and industry leaders were invited to attend and offer encouragement, jointly witnessing the outcomes of talent development.



Fortune Enterprise University Graduation Ceremony

Talent Evaluation and Reward Mechanism

FORTUNE ELECTRIC recognizes that talent is essential for sustainable corporate growth. To support this, we have established a comprehensive talent evaluation and reward system that encourages professional development through clear standards and incentives. Our objective is to implement a systematic evaluation process that not only recognizes the contributions of outstanding employees but also provides a clear development pathway for high-potential talent. This strategy strengthens the company's overall competitiveness while cultivating an engaging and attractive workplace.

Evaluation System	Description	Reward Method	2023	2024	2025
A-Level / Outstanding Talent Evaluation System	Evaluation based on position, contribution, and potential. Individuals meeting the criteria are awarded A-Level or Outstanding Talent status.	Additional incentive rewards	64	A-Level Talent: 69 persons Outstanding Talent: 88 persons	**A-Level Talent: 81 persons** **Outstanding Talent: 128 persons**
Outstanding Newcomer Award	For employees with less than one year of service who pass the core competency evaluation and demonstrate excellent performance.	Medal, NT$10,000 bonus, and 2 days of honorary leave	7	10	**14**

Fortune Innovation Factory

To foster a culture of innovation and unlock employee potential, FORTUNE ELECTRIC launched a company-wide innovation initiative, "Ideas for Self-Wellbeing, Creativity for FORTUNE – FORTUNE Innovation Factory." The event aimed to inspire creativity, showcase technical expertise, and foster cross-departmental collaboration, all supporting the company's continued development. The initiative received an enthusiastic response, with 24 innovative proposals submitted, including —15 team proposals and 9 individual proposals. These entries reflected employees' strong commitment to innovation and continuous improvement in operational efficiency.

To ensure that the proposals deliver real value to the company, a panel of judges composed of senior leaders from various business units was assembled. Proposals were evaluated based on technical feasibility, business value, and implementation potential. The panel also considered whether certain proposals could be integrated into the company's Balanced Scorecard (BSC) framework as references for future strategic direction. This initiative not only provided a platform for employees to present their innovative ideas but also created a pathway for outstanding concepts to align with corporate goals and become tangible competitive advantages.



AI Results Presentation

INDUSTRY–ACADEMIA COOPERATION

Talent Development Program: Strengthening Sustainable Capacity in Academic Institutions

FORTUNE ELECTRIC has long been committed to cultivating talent in the power industry, recognizing that talent development is a core driver of corporate sustainability and industrial innovation. Through a series of talent development programs, the Company actively promotes industry–academia collaboration, closely integrating academic research with industry needs. The Company has established partnerships with multiple academic institutions, including National Taiwan University, National Central University, Chung Yuan Christian University, Yuan Ze University, and Chien Hsin University of Science and Technology, to promote student internship programs. These programs enable students to gain hands-on experience and training in real industrial environments, effectively bridging the gap between academic learning and practical application, while introducing new technologies and innovative thinking into the Company to support technology transfer and industrial upgrading. In addition, to overcome time and location constraints in education, the Company has introduced digital learning platforms, using micro-courses and online education to improve learning efficiency, bring innovation into the power sector, and build a solid and resilient talent foundation. The Company also supports the Taoyuan City Government's 2025 Youth Career Exploration Program.

In April 2025, FORTUNE ELECTRIC actively participated in the "Green Energy Technology Forum" organized by the Industrial Technology Research Institute (ITRI). A manager from the Technology Department visited universities to share trends in ultra-high-voltage and smart substation equipment, helping students bridge academic theory with industry practice and broaden their understanding of power grid development.

In September 2025, FORTUNE ELECTRIC was invited to attend the "Power Grid Talent Development Alliance Scholarship Award Ceremony and Industry Career Seminar," jointly organized by the Industrial Technology Research Institute (ITRI) and the Taiwan Power and Energy Engineering Association. General Manager Hsu Yi-Te represented the Company at the event, joining distinguished guests from government, industry, and academia to witness the emergence of future talents in the power industry. During the event, he also shared industry trends and career insights with students, encouraging the younger generation to pursue their aspirations and dedicate their passion to smart grids and energy development. The event also integrated a career seminar and recruitment briefing session, where FORTUNE ELECTRIC welcomed the new generation to join and work together in building a more resilient foundation for the power industry.

The Company also focuses on the practical application of energy transition and related power system technologies to promote diversified industry development and external collaboration. Starting in 2025, FORTUNE ELECTRIC initiated an industry-–academia collaboration with National Taiwan University of Science and Technology. The main analytical areas include steady-state, transient, and dynamic simulations of power systems, system partial discharge, electromagnetic transients, and magnetic field measurements. Through analytical result reports and participation in industry-oriented master's programs offered by the university, the Company has conducted ongoing academic exchanges with the Department of Electrical Engineering at National Taiwan University of Science and Technology. As a result, four outstanding graduates were recruited, two of whom applied for the Company's R&D alternative military service program in 2025, continuing to contribute their expertise to society.

Highlights of Industry–Academia Collaboration Projects in 2025



1 Summer Internship Combined with Youth Workplace Internship Program: In 2025, out of three interns, one was shortlisted for the achievement presentation competition, representing a 33% selection rate, and one intern received an award for their internship project presentation.



2 Semester/Academic-Year Internship Program: After completing the program, one intern was retained and converted to a full-time position, achieving a seamless transition from campus to workplace upon graduation.



3 Top University Internship Program (NTU Mentorship Program): One intern participated in the program in 2025.

FORTUNE ELECTRIC Talent Initiative "2025 Digital New Generation Development Program (You-Tou-Lu Program)" Wins Third Place

FORTUNE ELECTRIC supports the Smart Taoyuan Digital New Generation Development Program by integrating AI-related courses with practical training. Through a "learning by doing and doing by learning" approach, the Company helps young students prepare for the workplace in advance and develop professional capabilities in digital transformation.

In this year's project achievement competition, interns from the General Manager's Office of FORTUNE ELECTRIC demonstrated outstanding talent and digital innovation capabilities, standing out among numerous competitors and winning third place in the competition. At the presentation event, through in-depth exchanges with representatives from the City Government Employment and Vocational Training Service Center, enterprises, and academic guests, the interns shared their forward-looking perspectives on digital trends and learning experiences, showcasing the workplace competitiveness of the new generation.

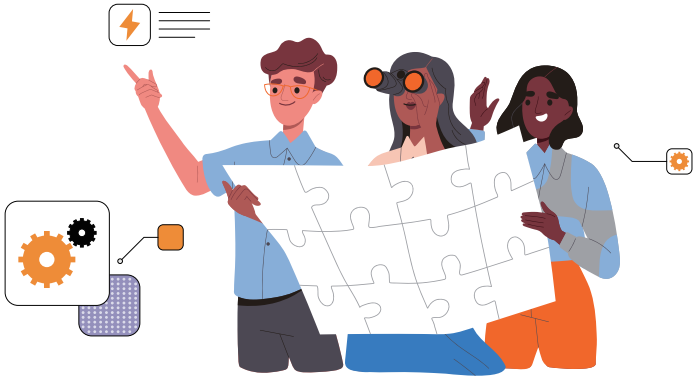


Industry–Academia Technical Collaboration for New Opportunities

Since2024, FORTUNE ELECTRIC has focused on optimizing power systems and improving energy efficiency, while establishing industry–academia collaborations with universities to promote sustainable industrial development. The Company partnered with Chung Yuan Christian University on the "Power Line Workforce Allocation Research Project," which applies scientific analysis to evaluate the impact of manpower allocation on power line construction and maintenance. The project ensures efficient deployment of human resources, improves construction efficiency and safety, and provides a more precise management model for future power infrastructure development. In addition, in the area of factory energy conservation, the Company collaborated with Chung Yuan Christian University on the "Drying Process Optimization Project," which enhances energy efficiency through equipment and process improvements.

The Company also collaborated with Tamkang University to conduct data verification of energy-saving outcomes, confirming that the improved equipment can save approximately 1,200 kWh of electricity per day, demonstrating significant energy efficiency improvements. Through validation by a third-party academic institution, the reliability of the energy-saving data is ensured, while also providing concrete references for future energy-saving measures in factories and implementing best practices in energy management.

Through collaboration with academic institutions, the Company not only enhances internal operational efficiency but also applies technological innovation to the power industry, providing scientific support for sustainable energy development and ensuring steady progress in smart power and low-carbon transformation. Looking ahead, FORTUNE ELECTRIC will continue to deepen the scope and capacity of industry–academia collaboration, promote more efficient power management and energy-saving technologies, and create greater sustainable value for the power industry.



OCCUPATIONAL HEALTH AND SAFETY

To ensure employee safety and reduce occupational hazard risks, the Company actively implements a range of occupational health and safety management measures, including regular environmental monitoring and equipment maintenance, and has established an EHS (Environment, Health, and Safety) information platform for integrated information management and safety control. The Company has implemented ISO 45001, ISO 14001, and ISO 50001 management systems. All plants have obtained ISO 45001 certification and undergo annual internal audits and external verification to ensure effective system operation and continued certification validity, with the aim of creating a healthy and safe working environment.

In addition, the Company holds monthly occupational safety meetings to encourage each unit to proactively propose safety improvement initiatives, thereby strengthening the safety culture. A performance evaluation system for occupational health and safety is also implemented, combining incentives with requirements to enhance safety awareness across all units and promote proactive safety management. Beyond maintaining a safe working environment, the Company also places strong emphasis on employees' physical and mental well-being. A dedicated budget has been allocated to establish fitness centers, and various health promotion programs have been implemented, including smoking cessation and weight management initiatives. These are complemented by on-site medical services and professional health guidance to support employees' overall well-being. In 2025, the Company received no penalties for violations of relevant regulations.

Number of Penalties for Violations of Occupational Health and Safety Regulations in 2023~2025

Year	2023	2024	2025
Zhongli Plant	0	0	0
Guanyin Plant II	0	0	0
Guanyin Plant III	0	0	0
FORTUNE ELECTRIC EXTRA HIGH VOLTAGE	0	0	0
Total	0	0	0

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

FORTUNE ELECTRIC is dedicated to establishing a comprehensive Occupational Health and Safety Management System to ensure that all employees work in a safe and secure environment. Each year, we schedule two four-hour emergency response drills—one in the first half and one in the second half of the year—covering scenarios such as fires, hazardous materials, and chemical spills. These drills are conducted under the guidance of local fire departments or professional training institutions, strengthening employees' practical skills in operating firefighting equipment, executing evacuation procedures, and performing CPR and AED emergency response. In addition, we implement annual hazardous operations training plans to strengthen each department's ability to identify risks and respond effectively. These efforts help ensure that employees remain calm and act appropriately in emergency situations, further reducing occupational safety risks and improving workplace safety.

Workers Covered by the Occupational Health and Safety Management System

Workplace	Employees		Workers Who Are Not Employees	
	Number	Percentage	Number	Percentage
Zhongli Plant	400	93%	29	7%
Guanyin Plant II	414	92%	36	8%
Guanyin Plant III	138	82%	30	18%
FORTUNE ELECTRIC EXTRA HIGH VOLTAGE	210	88%	30	13%
Total	1,162	90%	125	10%

Notes: 1. "Workers who are not employees" refer to individuals whose work and/or workplace is controlled by the organization. Common types include workers involved in coating, packaging, basic wiring, facility cleaning, food services, and security.
2. The headcount is based on the number of personnel as of December 31, 2025.
3. Since the Taipei Office and Kaohsiung Office are primarily administrative and sales units, and their employees are involved in low-risk work that does not include high-voltage electrical operations, heavy machinery, or production processes, they are excluded from the occupational health and safety management personnel statistics.

On-Site Services – Number of Occupational Physician Health Education Cases

Year	2023		2024		2025	
Average number of employees	909		1,040		1,155	
Number and ratio of health education cases of physicians and nurse practitioners	503	55.33%	451	43.36%	575	49.78%

Occupational Health and Safety Committee

To protect employees' rights and interests, the Company has established an Occupational Health and Safety Committee in accordance with the Occupational Health and Safety Management Regulations, and the committee meets quarterly.

The Occupational Health and Safety Committee comprises labor representatives elected from each department, medical personnel, engineering and technical staff, and supervisory managers. Labor representatives account for more than one-third of the committee members to ensure effective employee participation.

The Occupational Health and Safety Committee is responsible for planning, implementing, evaluating, and improving the occupational health and safety environment to enhance management standards and achieve safety goals. Occupational safety meetings are held regularly each month and year. Key discussion topics include hazard identification and elimination, risk assessment, accident investigation and auditing, and the establishment of audit standards for contractors and suppliers.



EMPLOYEE HEALTH PROMOTION

FORTUNE ELECTRIC places strong emphasis on employees' physical and mental well-being, striving to create an environment that supports both work efficiency and work-life balance. We have established fitness centers and launched health promotion programs such as smoking cessation and weight management initiatives. These programs are integrated with on-site medical services, which provide four core health guidelines along with personalized health counseling. Stress management seminars are held at all three plants, where professional nurses assist employees in managing stress and maintaining mental wellness. In addition, a variety of health promotion activities are organized to enhance overall employee health. The company also actively implements a smoke-free workplace policy and has developed a self-management system to systematically carry out health initiatives. These efforts not only protect employees' health but also contribute to improved work performance.

FORTUNE ELECTRIC's Employee Health Promotion Initiatives

Items	Description	Outcome
Smoking Cessation / Weight Management	Company-wide programs to promote smoking cessation and weight control, guided by professional nurses who provide health counseling and support. These efforts are complemented by a blood pressure monitoring and care interview system to enhance self-management motivation.	Helps employees improve unhealthy habits, raises health awareness, and fosters a healthier workplace environment.
Employee Fitness Centers	Fitness centers are established at various plant and office locations, equipped with facilities such as sports courts, fitness equipment, massage chairs, and gaming consoles to create a relaxing and social space. For example, each plant and office building has its own dedicated fitness area, available during breaks and after work.	Enhances physical and mental well-being, promotes team cohesion, and creates a more energetic work environment.
Health promotion activities	Essential oil stress relief seminar	A total of 20 participants attended, with a 100% satisfaction rate.
	Hearing conservation seminar	A total of 21 participants attended, with a 100% satisfaction rate.
	Metabolic Syndrome and Chronic Disease Prevention Seminar	A total of 22 participants attended, with a 100% satisfaction rate.
	Healthy Eating Plate Seminar	A total of 24 participants attended, with a 100% satisfaction rate.









Occupational Health Services

To protect employees' physical and mental well-being, FORTUNE ELECTRIC classifies workplaces into general and high-risk work areas. Through contracted on-site physician and nursing services conducted twice a month, the Company provides health education and employee interviews for health management.

Both Zhongli Plant and Guanyin Plant II have full-time occupational nurses. They provide health management services, emergency medical care, and occupational health consultations, and also support health promotion programs to ensure workplace safety and employees' physical and mental well-being. For occupational hazards commonly present in FORTUNE ELECTRIC's plants, including noise, dust, and organic solvents, the Company not only arranges pre-employment health examinations for new employees but also goes beyond regulatory requirements by conducting annual health checkups every July for all employees who have completed one year of service. These examinations are carried out by on-site occupational physicians and nurses. Health examination results are classified into four levels. For Level 2 and above, health education is provided by medical staff; Level 3 cases are advised to seek medical follow-up; and Level 4 cases are assessed by physicians to determine whether job adjustments are required to prevent long-term occupational health risks.

In addition to regular health examinations, FORTUNE ELECTRIC also provides on-site medical services. Physicians conduct health seminars focusing on the top ten abnormal findings identified in the annual health checkups, and perform body composition analyses for employees, including body fat percentage and biological age assessments. Employees are reminded that exercise is a key part of maintaining health and are encouraged to improve their health proactively through aerobic exercise, resistance training, and 10,000 steps of brisk walking per day.

FORTUNE ELECTRIC's Health Management Classification in the Last Three Years

Year	2023	2024	2025
Number of examined employees	618	731	**1,009**
Those requiring level-1 health management	59	94	**108**
Those requiring level-2 health management	304	439	**599**
Those requiring level-3 health management	194	157	**219**
Those requiring level-4 health management	61	41	**83**

Notes: 1. The number of employees is calculated for each plant (including both local and foreign employees).
For FORTUNE ELECTRIC EXTRA HIGH VOLTAGE in 2023 and 2024, the number of employees undergoing health examinations excludes foreign employees.
2. The number of employees examined is equal to the total number of employees classified under Levels 1 to 4.
3. The headcount statistics for 2023 and 2024 excluded foreign employees. In addition, due to increased production volume and workforce allocation adjustments in 2025, the basis of calculation differed across periods.
To enhance data consistency and comparability, foreign employees have been included in the total number of employees undergoing health examinations starting from 2025, and the relevant information has been restated accordingly.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT FOR CONTRACTORS

FORTUNE ELECTRIC places strong emphasis on occupational health and safety management for contractors. In accordance with the "1P2036 Contractor Health and Safety Management Procedures," the Company has established clear regulations to ensure the safety of construction and on-site operations. All contractors entering the plant are required to complete a three- hours of general occupational health and safety training and obtain a work permit. In addition, contractors participate in the coordination meeting held every December to continuously enhance safety awareness. During construction, the Company conducts daily inspections and supervision to ensure compliance with occupational safety standards. A demerit-point and differentiated management system is applied to non-compliant contractors. Contractors with accumulated violations may be subject to operational restrictions of up to three months, while those with strong safety performance are given priority for guidance and support.

The Company also implements safety education and guidance mechanisms, requiring contractors to identify potential operational risks and adopt appropriate preventive measures to reduce the likelihood of accidents and environmental impacts. Contractors are required to comply with the Company's occupational health and safety management system, and compliance is incorporated as a key criterion in supplier evaluation to ensure that business partners jointly maintain high workplace safety standards.

In addition, environmental, health, and safety requirements are clearly stipulated in contracts with contractors, and the implementation of green production and sustainable operations is encouraged. Through these measures, FORTUNE ELECTRIC works together with its partners to build a supply chain with low environmental impact and high sustainable value, while continuously enhancing corporate social responsibility and occupational health and safety performance.

Number of Contractor Guidance Cases

Year	Operational Sites	2023	2024	2025
Number of contractors trained in the annual consultative organization meeting	Zhongli Plant	19	23	25
	Guanyin Plant II	24	22	25
	Guanyin Plant III	20	21	15
	FORTUNE ELECTRIC EXTRA HIGH VOLTAGE	9	14	13
	Total	**72**	**80**	**78**
Number of people participating in contractor training annually	Zhongli Plant	113	107	89
	Guanyin Plant II	120	132	112
	Guanyin Plant III	65	63	30
	FORTUNE ELECTRIC EXTRA HIGH VOLTAGE	25	32	16
	Total	**323**	**334**	**247**

Contractor Education Training

In 2025, FORTUNE ELECTRIC established a Safety and Health Family and joined the Taoyuan City Safety and Health Family network. The Company leads contractors in forming safety teams and provides guidance to jointly advance the development of a safety culture. Annual contractor coordination meetings and discussion sessions are held to enhance communication channels and ensure effective dissemination of safety-related information. In 2025, a total of 78 partner companies and 247 participants took part. In addition, the Company organized training sessions on lifting operations and work-at-height safety, inviting professional instructors to deliver the courses and strengthen safety awareness.



CREATING A SAFE WORKPLACE

FORTUNE ELECTRIC has implemented the ISO 45001 Occupational Health and Safety Management System. Through environmental monitoring, equipment maintenance, and standardized operating procedures, the Company integrates occupational health and safety principles into all aspects of its operations. Relevant occupational health and environmental policies are available on the Company's official website. To effectively manage occupational health and safety risks, each plant conducts hazard identification and risk assessment every November, followed by a risk classification meeting in December. Risks are categorized into A, B, C, and D levels. For high-risk A and B items, dedicated occupational health and safety management plans are developed. In addition, a significant environmental aspects control list has been established to ensure that major risks are properly managed and controlled.

In addition, the Company regularly provides occupational health and safety training for all employees and contractors to strengthen risk awareness and protective skills, enhancing safety competence and self-management capabilities. These efforts ensure that the work environment meets high occupational health and safety standards while continuously reducing the incidence of occupational accidents.

High Risks (Risk Level A) after Hazard Identification and Number of Management Programs

Year	2023	2024	2025
Number of assessment cases	3,644	3,616	3,653
Risk level A	30	18	18
Proportion (%)	0.82%	0.49%	0.49%
Number of programs	21	18	15
Completion rate (%)	100%	100%	100%

To ensure comprehensive employee protection, the Company provides personal protective equipment, including safety suits and face shields, and conducts various safety inspections. Regular safety awareness campaigns and training programs are also held to reduce the risk of occupational injuries and to safeguard employees' physical and mental well-being.

- **Annual Infrared Inspections in Plant Areas:** In July and August, vendors visit each factory to conduct infrared measurements of distribution boards across all units in the plant area to ensure electrical safety.
- **Annual Building Safety Inspections in Plant Areas:** In July and August, architects visit each factory to conduct annual building safety inspections and reporting procedures. The inspection results for each factory must comply with building regulations and standards.
- **Respirator Fit Testing:** To ensure proper use of respiratory protection, the Company collaborates with nursing staff to conduct respirator fit testing. This enhances employees' understanding of correct usage and helps protect their respiratory health.

Fostering a Culture of Occupational Safety

FORTUNE ELECTRIC upholds a "Safety First, Continuous Improvement" occupational health and safety culture, and regards occupational health and safety as a core element of its sustainable operations. The Company continues to enhance its management system by strengthening digital monitoring systems, implementing regular fire safety inspections, and improving ergonomic and barrier-free design to enhance plant-wide safety protection and workplace comfort. The Company is committed to fostering a safer, more employee-friendly occupational safety culture aligned with international standards, fulfilling its commitment to every employee by ensuring a secure working environment in which employees can focus on performance and growth, thereby achieving sustainable development together with the Company.

Specific Measures to Enhance Occupational Safety Culture

Items	Description	Effectiveness & Impact
Enhanced Surveillance System	• Integrated surveillance system; security personnel focus on key areas • Repositioned cameras in work zones based on risk • Supervisors (section level and above) can monitor key areas in real time via the mobile app	• Improved monitoring efficiency and reduced blind spots • Enhanced operational safety and emergency response capability
Upgraded Fire Protection	• Inspected fire safety equipment in external and aging warehouses • Reinforced fire extinguishers, alarms, and emergency response equipment	• Reduced fire risks and enhanced emergency preparedness
Improved Working Environment	• Renovated the cafeteria to improve ventilation and eliminate odors • Installed barrier-free ramps, elevators, and accessible restrooms	• Enhanced employee comfort and workplace inclusiveness
"Point and Call" Safety Program	• Conducted various "Point and Call" safety training sessions (e.g., proactive point and call practice, aerial work platforms, forklifts, lifting and rigging operations, testing activities)	• Improved employees' safety awareness and compliance with operational protocols • Reduced operational risks and occupational accident rates • Strengthened corporate safety culture and promoted a safer, more inclusive workplace
On-site Occupational Health Services	• Installed 3 AEDs in plant areas to improve emergency accessibility • QR codes posted for employees to easily check AED pad expiration dates • Provided AED operation training	• Ensured AEDs remain in optimal condition and improved the success rate of emergency response • Increased employee familiarity and confidence in AED use • Shortened emergency response time and strengthened plant-wide safety management
Chemical Cloud Digital System	• Real-time data integration and consolidation • Improved emergency response optimization	• Establish a transparent chemical inventory to ensure the safety of employees and emergency responders
Digital Contractor Management System	• Operational site access control	• Standardize internal and external occupational health and safety standards and promote collaboration with contractors to jointly build a safety culture with FORTUNE ELECTRIC

Improvement Measures

To ensure the health and safety of employees and business partners, FORTUNE ELECTRIC continues to optimize equipment and working environments. Through equipment improvements and enhanced management mechanisms, the Company implements occupational safety objectives and promotes operational sustainability, thereby building a safe and efficient workplace. In 2025, improvement initiatives were implemented in areas such as production operations, traffic management, and personnel protection to enhance workplace safety. The following are the occupational safety improvement proposals for the year:

1. Installed early-warning disaster prevention devices at intersections to enhance hazard alerts and reminders.
2. Implemented overhead crane anti-collision systems to automatically stop operations in the event of human error or equipment abnormality.
3. Promoted comprehensive "point-and-call" verification procedures to strengthen safety awareness and reduce operational risks.
4. Equipped forklifts with cornering alarm systems, voice alerts, and speed limit warning devices.

Emergency Response Plan

FORTUNE ELECTRIC is dedicated to fostering a strong occupational safety culture and continuously enhancing the Health and Safety management of its facilities. Through regular inspections and improvement initiatives, we ensure that our working environment meets the highest standards. By implementing comprehensive fire safety and emergency response plans, we consistently conduct fire drills to bolster employees' emergency response skills, ensuring the health and safety of all personnel.

In 2025, emergency response drills were conducted with 532 participants and a total of 2,128 training hours. Through fire suppression and rescue exercises, key processes such as fire reporting, evacuation guidance, equipment operation, and emergency medical response were comprehensively reviewed. By simulating real-life scenarios, all response teams were required to strictly execute the emergency response plan. The drills aimed to enhance employees' familiarity with operational procedures while validating the reliability of on-site firefighting facilities, ensuring that the emergency response mechanism can function effectively at critical moments.

Drill Outcome: The Company's fire emergency response system operated smoothly, with employees able to respond quickly and effectively execute the emergency procedures. Moving forward, we will further strengthen the inspection and maintenance of firefighting equipment, enhance the efficiency of collaboration among emergency response teams, and expand employee training in fire safety knowledge and practical skills to boost overall emergency preparedness.

Occupational Safety Audits

FORTUNE ELECTRIC is dedicated to improving workplace safety and hygiene by conducting regular inspections and implementing improvement plans to protect the health and safety of all employees. In 2025, the audits focused on workplace hygiene and cleanliness, operational safety, traffic and parking management, labor rights and management, and fire safety and emergency response. These audits effectively addressed and corrected identified deficiencies.

We will continue to prioritize safety and hygiene management across all facilities and promote routine inspections and optimization measures to ensure a healthy and safe work environment for employees. We regularly monitor the hygiene of public facilities, maintain high standards of restroom cleanliness, and replenish sanitation supplies to improve convenience and hygiene for users. We are also strengthening workplace improvement initiatives, particularly by maintaining and upgrading lighting equipment to ensure sufficient illumination, reduce visual fatigue, and improve operational efficiency.

The Company also conducts regular audits of contracted catering suppliers to ensure environmental hygiene and food quality, safeguarding employees' dietary safety. For high-risk lifting operation areas, environmental monitoring is strengthened, and safety equipment such as warning lights and buzzers is regularly inspected to ensure proper functionality and mitigate operational risks. In terms of fire safety, the Company strictly implements regular inspection and replacement of fire extinguishers to maintain optimal equipment condition and enhance emergency response capability. Through these continuous improvement initiatives and monitoring measures, the Company ensures that plant environments meet the highest safety standards and provides a healthier, more comfortable, and reliable workplace for employees.

Occupational Safety Guidance for Foreign Workers

FORTUNE ELECTRIC is dedicated to creating a safe and inclusive work environment, with a particular emphasis on the occupational safety and training needs of foreign workers. We understand the importance of ensuring that these employees fully understand workplace safety regulations, reduce potential risks, and adapt smoothly to their work environment. Recognizing that language and cultural differences can create barriers to safety education, we provide multilingual safety instructions, visual learning materials, and hands-on drills to help foreign workers understand key safety concepts and strengthen their emergency response skills during daily operations.

In addition, an "Onboarding Guide for Foreign Blue-Collar Employees" has been established to provide foreign employees with essential information regarding work, food, clothing, housing, and transportation. Monthly meetings are also held as a key platform for information dissemination and interaction, ensuring the effective communication and implementation of safety and management-related matters. In addition, the company has established a dedicated Safety Guidance Program for foreign workers, led by a specialized team that conducts regular training sessions and provides personalized guidance. The program covers basic safety protocols, machinery operation, preventive measures for high-risk tasks, and emergency response procedures. Through case-based instruction and simulation drills, participants acquire practical skills to respond effectively to potential hazards. We also encourage feedback from migrant workers through open communication channels, enabling them to report safety concerns and allowing management to promptly adjust guidance strategies, thereby enhancing the overall effectiveness of safety management.

Through these safety guidance initiatives, FORTUNE ELECTRIC not only strengthens workplace safety awareness among foreign workers but also fosters a diverse and inclusive safety culture, ensuring that all employees can perform their duties in an equitable and secure environment. This shared commitment supports the long-term sustainability and success of both the company and its workforce.

Occupational Health and Safety Education Training

FORTUNE ELECTRIC places a strong emphasis on maintaining a healthy and safe work environment. All new employees undergo three hours of introductory safety training upon onboarding. For existing employees, regular safety training is provided based on the nature of their job functions. Emergency response drills are conducted for different departments, focusing on key processes and high-risk areas to effectively mitigate and prevent potential occupational health and safety risks.

Items	Description	Outcomes
Heat Hazard Prevention Training	• On-site medical service teams provide targeted training for employees with cardiovascular conditions and those working in high-temperature environments (e.g., Manufacturing Section III, Quality Assurance Department). The training covers heat hazard prevention, symptom recognition, and emergency response, reducing employees' risks of prolonged exposure to high-temperature environments.	• Enhanced employee awareness and preparedness for heat-related hazards, ensuring health and safety in high temperature work environments.
Emergency Response, CPR & AED Training	• Employees are taught how to perform CPR, including rescue breathing and chest compressions, and operate Automated External Defibrillators (AEDs), along with risk assessment and prevention strategies, to ensure calm and effective action in emergencies.	• Improved emergency response capabilities, enabling timely intervention during cardiopulmonary incidents and reducing workplace safety risks. In 2025, 400 employees participated in the training, and 311 completed it, resulting in a completion rate of 77%.
First Aid and Laceration Management Training	• Covers basic first aid principles, wound treatment, and emergency response procedures to ensure employees possess the necessary knowledge for immediate care.	• Strengthened basic first aid skills among employees, reducing the severity of injuries and enhancing overall workplace safety.





Employee Occupational Health and Safety Training of FORTUNE ELECTRIC in 2025

Training Received by Workers	Training Courses in 2025	Number of Trainees	Total Training Time
General training (New employees)	Zhongli Plant	56	168
	Guanyin Plant II	68	204
	Guanyin Plant III	110	330
	FORTUNE ELECTRIC EXTRA HIGH VOLTAGE	86	258
Specific training	Retraining for forklift operators	44	132
	Retraining for fixed crane operators	99	297
	On-the-job retraining for first-aid personnel	12	36
	Retraining for health and safety business supervisors	6	36
	Retraining for fire management personnel	8	48
	Retraining for occupational health and safety administrators	11	132
	Health and safety training (retraining) for operators of acetylene welding equipment	4	12
	On-the-job health and safety training (retraining) for supervisors of hazardous operations (supervisors of organic solvent, dust, special chemical, and oxygen-deficient operations)	5	30
	Retraining for fire security supervision personnel	2	12
	Emergency response drills	532	2,128
	Level-A Certified Air Pollution Prevention and Control Specialist – Onboarding Training	1	6
	Basic Training for Forklift Operators	9	162
	First Training for Fixed Crane Operators	30	1,140
	General Occupational Health and Safety – On-the-Job Training	58	348
	Occupational Health and Safety Training (Basic) for Thai Nationals Operating Fixed Cranes (Overhead Type – Ground Control) with Lifting Capacity Over 3 Tons	4	12
	Internal Auditor Training for ISO 14001, ISO 45001, and ISO 50001 Systems	145	870
	Advanced Cardiac Life Support (ACLS) Training Program	1	16

Occupational Injuries

The primary Occupational hazards faced by FORTUNE ELECTRIC include caught-in and pinch-point hazards, noise, dust, and operations involving organic solvents. Caught-in and pinch-point hazards can lead to serious occupational injuries if they are not strictly controlled. When an occupational injury occurs in a plant the machinery is stopped immediately and necessary emergency response measures are taken. We also emphasize that all operators must closely monitor machinery conditions to minimize risk. The statistics in the table below apply to all workers.

FORTUNE ELECTRIC's Accident Investigation Process

Incident Occurrence

- After a major occupational accident occurs, it shall be immediately reported to the Health and Safety Division and the immediate supervisor, and the local labor inspection agency shall be notified within eight hours.
- The relevant contractor shall notify the construction supervision unit by telephone within 30 minutes and request support from the fire protection and medical units according to the relevant provisions.

Incident Cause Investigation

- The Health and Safety Division shall establish an Occupational Accident Investigation and Treatment Group following a major occupational accident. The supervisors of each unit or designated personnel shall act as conveners and collaborate with supervisors of relevant departments to conduct a site survey and verification. After the Accident Prevention Report is submitted in writing to the General Manager by letter, a review meeting for the major occupational accident investigation report shall be convened within three days. The occupational health and safety business supervisor serves as the convener and invites supervisors and labor representatives of each unit to the meeting. The Health and Safety Division shall explain the process and subsequent handling of the major occupational accident.

Incident Review and Improvement

- In accordance with the improvement items identified in the incident investigation and analysis report submitted by the Occupational Accident Investigation and Treatment Group, each unit must track and control corrective actions until completion, and conduct a comprehensive review to prevent similar incidents from recurring.
- Photos shall be taken at the site of the major occupational accident as evidence to be submitted to the Health and Safety Division with the investigation report. They will also be used as training materials to prevent the recurrence of similar incidents.

Recordable and Serious Occupational Injuries of FORTUNE ELECTRIC's Employees and Non-Employee Workers over the Last Three Years

Year	Category	Total Hours Worked	Number of Minor Occupational Injuries	Rate of Minor Occupational Injuries	Number of Serious Occupational Injuries	Disabling Frequency Rate (FR)	Number of Fatalities	Fatality Rate	Number of Recordable Occupational Injuries	Total Recordable Injury Frequency Rate, (TRIFR)
2023	Employees	1,739,790	7	4.02	0	0	0	0	7	4.02
	Workers who are not employees	181,264	0	0	0	0	0	0	0	0
2024	Employees	2,196,901	10	4.55	0	0	0	0	10	4.55
	Workers who are not employees	0	0	0	0	0	0	0	0	0
2025	Employees	2,379,891	0	0	0	0	0	0	0	0
	Workers who are not employees	0	0	0	0	0	0	0	0	0

Notes: 1. The occupational accident statistics do not include "commuting accidents" during commuting hours.
2. Total hours worked: Total annual working hours of all workers calculated; total working hours and overtime of employees calculated; for those who are not employees (contractors), the annual data is estimated per 8 hours a day on average × (Number of personnel entering the site each month × Number of working days per month).
3. The minor occupational injury rate refers to the number of minor occupational injuries per 1,000,000 working hours. Calculation formula: Number of minor occupational injuries × 1,000,000/Total working hours. The data is calculated to two decimal places without rounding.
4. Disabling Frequency Rate (FR): Refers to the number of times serious occupational injuries (not including death) took place every 1,000,000 working hours; calculation formula: Number of serious occupational injuries × 1,000,000/ Total working hours; a serious occupational injury refers to an injury causing disability or resulting in the victim's inability to return to his/her pre-injury state of health.
5. Total Recordable Injury Frequency Rate (TRIFR) refers to the number of times recordable occupational injuries took place every 1,000,000 working hours. Calculation formula: Number of recordable occupational injuries (including number of minor occupational injuries, number of serious occupational injuries, and death toll) × 1,000,000/Total working hours. The data is calculated to 2 decimal places without rounding.
6. The rate per 1,000,000 working hours refers to the number of occupational injuries per 500 full-time workers in one year, based on the assumption that each full-time worker works 2,000 hours annually. This calculation method is applicable to organizations with more than 500 workers.

Disabling Injury Frequency and Severity Statistics of FORTUNE ELECTRIC's Employees and Non-Employee Workers over the Last Three Years

Year	Category	Number of Working Days Lost Due to Disabling Injury	Disabling Frequency Rate (FR)	Disabling Severity Rate (SR)	Frequency-Severity Indicator (FSI)	Category of Injury
2023	Employees	15	4.02	8.62	0.19	Ankle sprain from crossing conveyor line; Leg bruise from falling suspended object; Wrist contusion due to slope slip; Finger crushed while handling objects; Finger injury during aerial lift operation.
	Workers who are not employees	0	0	0	0	N/A
2024	Employees	19	4.55	8.64	0.20	Ankle sprain from crossing conveyor line; Crush injury from falling object; Finger injury during equipment maintenance; Electric shock; Fall from height; Collision injury from swinging suspended load; Traffic accident during business trip; Fall from elevated work platform.
	Workers who are not employees	0	0	0	0	N/A
2025	Employees	3	1.35	4	0.01	A traffic accident occurred involving a non-plant employee while traveling to a project site.
	Workers who are not employees	0	0	0	0	N/A

Notes: 1. Number of working days lost: The number of days of absence from work (including rest days); the calculation benchmark includes work-related injury leave due to occupational incidents but excludes sick leave and menstrual leave.
2. Disabling Frequency Rate (FR) = Number of person-times with disabling injury × 1,000,000/Total hours worked (calculated to 2 decimal points without rounding).
3. Disabling Severity Rate (SR) = (Number of days lost due to disabling injury ×1,000,000)/Total hours worked (without rounding).
4. Frequency-Severity Indicator (FSI) = √[(FR × SR) ÷ 1,000] (calculated to 2 decimal points and rounded off to 3 decimal points).
5. Rate per 1,000,000 working hours refers to the number of occupational injuries per 500 full-time workers in one a year, assuming 2,000 working hours per a full-time worker in one year, and is suitable for an organization with more than 500 workers.

Occupational Diseases

In FORTUNE ELECTRIC's operations, which involve the manufacturing and maintenance of heavy electrical equipment, certain processes—such as welding, painting, coating, machining, assembly, and high-voltage testing—are classified as medium to high-risk activities. Without appropriate preventive measures, these operations may expose employees to occupational diseases over the long term, including chronic respiratory conditions, musculoskeletal disorders related to ergonomic factors, noise-induced hearing loss, skin allergies, and visual fatigue.

To prevent occupational diseases, FORTUNE ELECTRIC has implemented a robust occupational health and safety management system, thanks to the efforts of the Health and Safety Department. Effective measures include regular health checkups, distribution of personal protective equipment, ergonomic improvements at workstations, early-warning and notification systems for high-risk operations, and specialized training for workers in hazardous job roles.

In 2025, FORTUNE ELECTRIC reported no occupational disease cases, resulting in an occupational disease incidence rate of zero. In addition, there were no physician-diagnosed work-related musculoskeletal injury cases, demonstrating the effectiveness of the Company's occupational health prevention and management measures. Looking ahead, FORTUNE ELECTRIC will continue to strengthen risk identification and preventive mechanisms, and further enhance workplace safety and health through health promotion initiatives, workplace improvements, and ergonomic design, with the aim of creating a safer, healthier, and more resilient working environment.

Occupational Disease Type	Employees			Workers Who Are Not Employees (Contractors)		
	Number of Cases	Number of Fatalities	Fatality Rate	Number of Cases	Number of Fatalities	Fatality Rate
Respiratory diseases / Musculoskeletal disorders / Hearing loss / Visual fatigue and skin contact risks	0	0	0	0	0	0

Note: The total number of employees is calculated based on the total number of employees as of December 31, 2025.



CHAPTER

6

DEEPENING LOCAL ROOTS AND ADVANCING SOCIAL INCLUSION

- Achieving Personal Growth Through Service
- Beautify Communities with Passion
- Serving People with Patience and Care
- Supporting Communities Through Dedicated Service



ANNUAL PERFORMANCE HIGHLIGHTS

- More than **400** instances of participation in charitable activities.
  437 instances of participation in handicraft workshops and charity bazaars.
- More than **1,154** instances of employee and volunteer participation were recorded in social impact activities.
- Scholarships were awarded to **2** students, bringing the cumulative number of beneficiaries to 98 students.
- Total charitable contributions amounted to **NT$10.459** million.
- Cleaned **1,580** traffic mirrors to enhance road safety.
- **NT$2,441,667** invested in education and child support initiatives.
- Circular Economy Initiatives: Successfully collected and recycled **285** pairs of used shoes and **367** pieces of used clothing, reducing resource waste.

VISION

By leveraging its core competencies to respond to societal needs, the company deepens local engagement and expands social participation, serving as a sustainable partner that promotes shared prosperity for communities, industry, and society.

STRATEGY

By integrating corporate resources, employee engagement, and local needs, the company promotes initiatives in charitable giving, community care, educational support, and social participation, establishing a long-term, sustainable, and impactful model of social value creation.

TARGETS

The company continues to strengthen collaboration with local communities, schools, and non-profit organizations, expanding both the breadth and depth of social engagement, and progressively building thematic, trackable, and impact-oriented outcomes for social inclusion.

Material Topics	Social Welfare	**GRI Indicator**	GRI 203-1

Commitments and Policies

The Company is committed to supporting disadvantaged social groups. It has taken practical actions to assist those in need, leveraging corporate resources and contributing to a sustainable future within society through the Taipei H. L. Hsu Social Welfare Foundation and by establishing a Volunteer Committee.

Complaint and Communication Channels

- FORTUNE ELECTRIC's Volunteer Committee
- H. L. Hsu Social Welfare Foundation (Secretariat)

Metrics and Targets

Short-term goal (1~2 years):

- Continue the operation of the Foundation's Volunteer Committee and the Sustainability Development Committee, with a target of increasing the utilization rate by 20% compared with the previous year.
- Conduct at least two clean-up activities annually for nearby communities and rivers surrounding plant sites, and donate equipment to youth baseball teams in rural areas.
- Continue organizing charity family days and employee outing activities, incorporating charitable elements by inviting social organizations to co-organize, co-host, or support the purchase of social welfare products.
- Each employee must participate in at least one charitable activity held annually by the Volunteer Committee.
- Fulfill corporate social responsibility by increasing in-kind and cash donations for charitable services by 10% compared to the previous year.
- Conduct at least five clean-up activities annually in nearby communities, rivers, and beaches surrounding plant sites.

Medium-term goal (2~5 years):

- Invested in environmental education (energy conservation and environmental protection) for nearby schools and communities, and maintained continuous donations of equipment to rural youth baseball teams for three consecutive years.
- Allocate at least NT$1 million annually to charitable activities, while steadily expanding service reach year by year.
- Continue organizing charity family days and employee one-day volunteer activities for more than three consecutive years.

Long-term goal (over 5 years):

- Continue to invest in, develop, and implement long-term nationwide charitable programs.
- Continue organizing charity family days and employee volunteer day activities for more than five consecutive years.
- Continue increasing the scale of charitable contributions and participation, while maintaining annual charitable activities, in-kind donations, and support for disadvantaged groups.
- Continue implementing the social welfare plans of the Taipei H. L. Hsu Social Welfare Foundation and contribute to society through the Volunteer Committee's charitable activities.

Effectiveness Tracking Mechanism

- H. L. Hsu Social Welfare Foundation
- Volunteer Committee

Actions and Measures

- A total of 1,154 volunteers dedicated 2,541 hours to charitable activities in 2025.
- Total charitable donations reached NT$10.459 million in 2025.
- Reforestation Efforts: Over 100 plants
- Beach Cleanup: A beach cleanup was conducted at Guanyin Coast, effectively reducing plastic waste and its ecological impact.
- Community Environmental Improvement: Completed street-cleaning activities in Zhongli and Guanyin districts, and cleaned 1,580 traffic mirrors in the Taichung area.
- Circular Economy Initiatives: Successfully collected and recycled 285 pairs of used shoes and 367 pieces of used clothing, reducing resource waste.
- Conservation Education: Collaborated with environmental education institutions to enhance employees' and their families' awareness of nature conservation.

FORTUNE ELECTRIC is dedicated to its mission to **Achieving personal growth through service, Beautify Communities with Passion, Serving people with patience and care, and Supporting communities through dedicated service.** In alignment with this philosophy, the company formed the FORTUNE ELECTRIC Volunteer Committee to support disadvantaged groups, primarily in the Taoyuan area. Each year, the committee convenes at the end of the year to plan activities and projects for the upcoming year. The Taipei H. L. Hsu Social Welfare Foundation evaluates and provides funding, and at times, the company collaborates with suppliers to engage in charitable events together. To ensure optimal use of resources, the committee conducts interviews and needs assessments prior to implementation, allowing for thorough planning. These initiatives embody the company's commitment to enhancing its contributions to public welfare and fulfilling its corporate social responsibility.



ACHIEVING PERSONAL GROWTH THROUGH SERVICE

In 2025, the FORTUNE ELECTRIC Volunteer Committee conducted a series of environmental initiatives, including tree planting, beach cleanups, street sweeping, and second-hand goods recycling. Environmental indicators were established to track performance and assess outcomes. The company also put in place community engagement and management mechanisms to reduce operational impact on surrounding areas. Through ongoing charitable and community welfare efforts, FORTUNE ELECTRIC continues to uphold its corporate social responsibility, promoting community well-being and sustainable development. In 2025, a total of 1,154 participants contributed 2,541 volunteer hours, FORTUNE ELECTRIC leveraged resource investment and employee participation to transform corporate resources into tangible social value, continuously expanding its positive impact on society and the environment.

Employee Engagement and Social Connection

Investment in 2025

- Employee and volunteer participation: **1,154** instances
- Charitable activity participation: **400+** instance
- Participation in handicraft workshops and charity bazaars: **437** instances

Outcomes in 2025

- **1,167** receipts collected for fundraising purposes.

Effectiveness

- Establish an internal corporate sustainability culture.
- Strengthen trust between the company and society.

BEAUTIFY COMMUNITIES WITH PASSION

Educational Equity

Investment in 2025

- **NT$2,441,667** invested in education and youth support initiatives.

Outcomes in 2025

- Early intervention services in rural areas: **5,510** beneficiaries
- Education and development support for over **400** children
- Sponsorship of **4** children through child welfare programs

Effectiveness

- Expand learning opportunities for children in rural and disadvantaged communities.
- Support the development of children with special needs.

Health and Well-being

Investment in 2025

- **NT$150,000** invested in health-related programs.

Outcomes in 2025

- **232** blood donations collected
- Medical assistance provided to **50** patients
- Support extended to **16** families with sick children

Effectiveness

- Strengthen support for the healthcare system and patient care.
- Improve health conditions for disadvantaged groups.

Chunghwa Telecom 5G "Plastic-Free Digital Recycling Train" Initiative

FORTUNE ELECTRIC firmly believes that education is a fundamental force for transforming the future. Since 2022, the company has been the first corporate partner of Chunghwa Telecom's "5G Plastic-Free Digital Recycling Train" charitable initiative. In 2025, the Volunteer Committee once again supported the program by donating 17 refurbished computer units, transforming corporate resources into digital learning opportunities for children in rural areas. This initiative not only gives new life to retired equipment but also embodies the principles of the circular economy. By reducing electronic waste while effectively bridging the urban–rural digital divide, it advances both environmental sustainability and educational equity.

This long-term initiative reflects FORTUNE ELECTRIC's commitment to its vision of "Shared ESG value" Philanthropy is not a one-off act of goodwill, but a journey that requires sustained partnership. Through the donation of refurbished computers, children in rural areas are given equal access to technological resources, helping to open future learning pathways. Looking ahead, FORTUNE ELECTRIC will continue to place sustainability at its core, working hand in hand with partners across sectors to drive positive action, maximize resource utilization, and deliver meaningful support to society.



Taiwan Fund for Children and Families (TFCF) – Dedicated to Advancing Child and Youth Welfare

In 2025, FORTUNE ELECTRIC's Volunteer Committee continued to strengthen its long-term partnership with the Taiwan Fund for Children and Families (TFCF), implementing a dual-track support program together with frontline initiatives to build a strong safety net for vulnerable and abused children.

Shelter Placement and Emergency Assistance: Creating a Safe Haven for Children and Youth

In response to the urgent social need to protect abused children and youth, the Volunteer Committee in May 2025 to support the Taiwan Fund for Children and Families' (TFCF) "Shelter Placement Service Program for Abused Children and Adolescents" under its long-term sponsorship initiative. This contribution helps sustain the stable operation of TFCF's Hope Learning Centers, foster care services, and transitional homes. The program provides essential daily care, professional trauma recovery services, and educational and skills development training, enabling abused children and youth to rebuild psychological resilience in a safe environment and prepare for independent living in the future. In addition, we continue our long-standing emergency relief sponsorship program, providing consistent resource support to support the long-term development of disadvantaged children.

Taoyuan TFCF Charity Family Fair: Corporate Volunteers in Action and Impact

Beyond financial support, FORTUNE ELECTRIC employees actively engage in the community through hands-on service. In November 2025, the Volunteer Committee mobilized 19 employees to take part in the "Taoyuan TFCF Parent-Child Charity Fair," supporting the charity sale. In collaboration with the Hsu Hsien-Liang Social Welfare Foundation to support TFCF's social care services. On the day of the event, volunteers worked in coordinated teams throughout the event, handling booth setup, replenishing supplies, and promoting charity sale items to the public. All proceeds from the charity sale, totaling NT$17,220, were fully donated to the Taoyuan branch of TFCF to support local disadvantaged families and children.

For FORTUNE ELECTRIC volunteers, participating in the charity fair is not only a contribution of time and effort, but also a practical way to build empathy through service. Through this engagement from within the organization, the company believes that employee participation can be translated into steady support for the community. FORTUNE ELECTRIC remains committed to supporting TFCF and other charitable organizations, helping extend practical support to communities and creating a better future for the next generation.

Supporting Local Education and Disaster Resilience



FORTUNE ELECTRIC has long been committed to youth education and climate resilience in the Hualien region, actively supporting local baseball programs and families affected by disasters through practical action. The company donates baseball uniforms, gloves, and training equipment to the Hualien Xincheng Elementary School baseball team twice a year. This support helps reduce the financial burden on families by covering essential sports equipment, enabling children to focus on daily training and competitions, and to represent Hualien in the Ministry of Education's hardball league.

The donation activities also take climate and regional vulnerability into account. In 2024, FORTUNE ELECTRIC provided donated supplies to families affected by earthquakes to help alleviate disaster-related pressure on daily life. In 2025, resources were directed to disaster relief efforts in the Matai'an River area, supporting vulnerable groups impacted by climate-related events.

In addition, FORTUNE ELECTRIC's investment in energy storage projects in Hualien is complemented by its support for local education and community development. The company is committed to providing long-term assistance in the form of materials, technology, and resources to help create a safe, stable, and resilient local environment. This enables educational and sports activities to develop under favorable conditions, while fostering children's professional skills, teamwork, and resilience in facing challenges.

Sunshine Social Welfare Foundation – Burn and Facial Difference Children's Service Program



FORTUNE ELECTRIC recognizes that social sustainability is built upon inclusion and mutual support. In 2025, for the second consecutive year, the company donated to the Sunshine Social Welfare Foundation to support burn survivor physical and psychological rehabilitation services and the "Face Equality Hope Project." Burn survivors not only face long-term physical recovery challenges but also significant psychological stress caused by changes in appearance. The purpose of the "Face Equality Hope Project" is to eliminate societal bias, discrimination, and misunderstanding regarding appearance, and to help burn survivors and people with facial differences rebuild confidence through social adaptation training and psychological rehabilitation, enabling them to participate in society with dignity and confidence.

This funding is directed not only toward physical recovery but more importantly, toward access to professional psychological counseling resources. Through psychological support and emotional care, we help patients rebuild their self-confidence and psychological resilience, enabling them to overcome social anxiety caused by changes in appearance and re-engage in social life. Accordingly, FORTUNE ELECTRIC hopes that through continuous support and donations, it can foster greater public awareness, respect, and inclusion toward diverse appearances, and jointly create an inclusive, resilient society free from discrimination.

SERVING PEOPLE WITH PATIENCE AND CARE

Social Resilience and Support for Vulnerable Groups

Investment in 2025

- Materials and services support: **1,000** meal boxes,
- **170** assistive devices
- **19** equipment sets
- Total contribution: **NT$4,312,800** (including matching donations, disaster relief, and social welfare support)

Outcomes in 2025

- Elder care and support: **208** instances of service
- Support for disadvantaged families: **68** households
- Assistance for families affected by substance addiction: **58** individuals

Effectiveness

- Provide immediate relief and long-term care support.
- Improve the basic living conditions of vulnerable groups.

Taiwan Blind Union Foundation – Visual Impairment Life Rehabilitation Service Program

In 2025, the Volunteer Committee once again donated to support the Life Rehabilitation Service Program for People with Visual Impairments organized by the Blindness Foundation of Taiwan. This program provides one-on-one guidance from professional instructors, offering tailored orientation and mobility training, daily living skills, and assistive device instruction for individuals with visual impairments. This contribution not only helps visually impaired individuals regain autonomy and confidence in their daily lives, but also supports them in overcoming barriers and rebuilding meaningful connections with society.

When individuals with visual impairments are able to move freely and live independently, public spaces also become more accessible and inclusive. The value of this service extends beyond the rebuilding of personal independence; it further promotes community understanding of people with visual impairments, making respect and support the foundation of an inclusive society. For FORTUNE ELECTRIC, engaging in charitable work is not merely the sharing of resources, but a commitment to social responsibility. The company aspires, through continuous efforts, to use its positive corporate influence, encourage greater public awareness of diverse social needs, and support progress toward an accessible and equitable society for all.

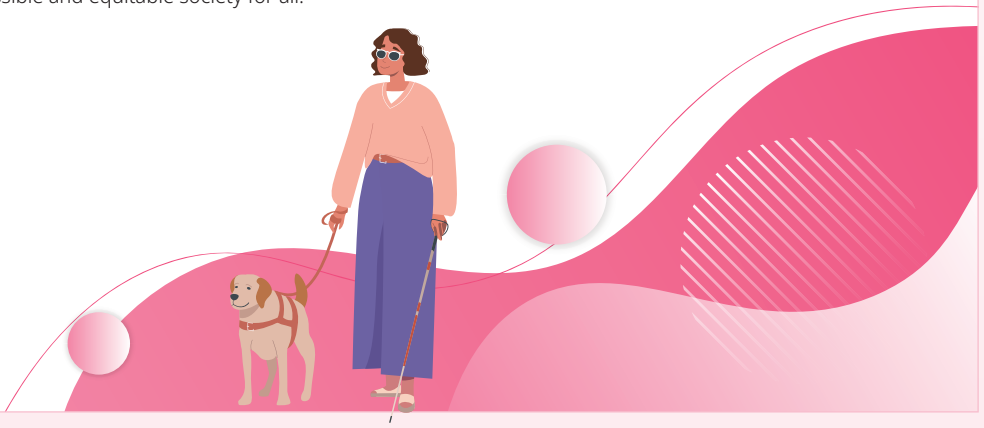

感謝狀

感謝 華城電機股份有限公司 熱心捐輸本會款項壹拾伍萬元，熱心公益不遺餘力，特頒此狀以申謝忱。

財團法人愛盲基金會

董事長 黃克綸

中華民國一一四年五月十三日



SUPPORTING COMMUNITIES THROUGH DEDICATED SERVICE

Environment and Ecology

Investment in 2025

- **429** instances of participation
- **NT$3,704,633** donated

Outcomes in 2025

- **30** kg of waste removed
- **100** trees planted

Effectiveness

- Raise environmental awareness and encourage active participation.
- Support biodiversity and ecological restoration.

Partnering with the Taoyuan City Government to Launch the First Nature-based Carbon Sink Project

In December 2025, FORTUNE ELECTRIC, together with the Taoyuan City Government and four other sustainability-focused enterprises, signed a memorandum of understanding for the "Fuxing District Bamboo Forest Regeneration Demonstration Project." As a key moso bamboo production area in Taiwan, Fuxing District has recently faced challenges such as forest aging, declining productivity, and potential risks to soil and water conservation due to population outflow and industrial decline. This project covers a 12-hectare bamboo forest and implements a five-year systematic program of thinning, maintenance, and regeneration, aiming to restore ecological health and productivity while reducing environmental risks. The initiative represents a major milestone for FORTUNE ELECTRIC in advancing nature-based solutions (NBS), as well as a concrete example of local industrial transformation and environmental stewardship. Through a structured planting and management framework under a public–private partnership model, the project is expected to generate approximately 700 metric tons of carbon dioxide equivalent (tCO_2e) in natural carbon sequestration. During implementation, FORTUNE ELECTRIC will strictly follow the Ministry of Environment's "Bamboo Forest Management Carbon Sink Project Methodology" for voluntary emission reduction credits, with third-party verification ensuring transparency and credibility. The resulting carbon credits will be allocated based on each company's level of participation, establishing a shared-value model for sustainable outcomes.



This initiative not only strengthens FORTUNE ELECTRIC's decarbonization pathway, but also further drives the development of the bamboo industry and related cultural craftsmanship chains in Fuxing District. By enhancing the economic value of bamboo forests, it helps attract talent back to the region, achieving a win-win outcome for environmental governance and local economic revitalization. Looking ahead, FORTUNE ELECTRIC will continue to deepen collaboration with local governments and extend the experience gained from this pilot project to broader areas of natural capital management. The company aims to translate its corporate influence into tangible social value, advancing steadily toward its long-term goal of net-zero transformation.

Environmental Protection and Local Community Service

FORTUNE ELECTRIC is committed to sustainable development and actively promotes environmental protection through practical actions such as river cleanups, beach cleanups, and street sweeping activities. These initiatives enhance environmental quality, strengthen environmental awareness among employees and local communities, and demonstrate the company's active commitment to sustainability, continuously contributing to environmental protection and social development.

Taohai beach cleanup and Laojie River cleanup activities

The Volunteer Committee participated in the "Corporate Collaboration to Protect Taohai" beach cleanup initiative, led by the Directors of the Domestic Sales Department and the Switchgear Department, mobilizing 161 volunteers to clean up plastic waste, fishing nets, and other debris along the Taoyuan coastline, demonstrating its commitment to marine sustainability. Subsequently, in April 2025, the company held its first "Laojie River Cleanup Activity," where more than 150 employees and their families joined local river patrol teams to conduct water quality testing, visit the gravel-bed filtration facility, and carry out river cleanup work. Through hands-on inspections and cleanup activities, employees actively engaged in water environment protection and gained a deeper understanding of water quality and the importance of safeguarding water resources.

Fuyuan Mountain clean-up and neighborhood street sweeping activities

In July, the Volunteer Committee initiated a Fuyuan Mountain clean-up activity, removing waste along mountain trails and repairing steps on historical paths to improve safety for hikers. For surrounding plant areas, street sweeping activities were organized in Zhongli and Guanyin in May and October. In Zhongli, 37 volunteers cleaned a 4.7-kilometer stretch in the Neili commercial district. In Guanyin, participants departed from the Guanyin Phase III plant and conducted two-route cleanups around the town center. Through on-site environmental maintenance and street cleaning, FORTUNE ELECTRIC improved local cleanliness through practical action and strengthened relationships with residents through closer community engagement.

Brightening community corners and safeguarding road safety

Beyond environmental cleanups, FORTUNE ELECTRIC has also extended its efforts to road safety. In response to issues in the coastal areas of Taichung—where windblown sand can obscure roadside convex mirrors and reduce visibility—employees from the FORTUNE ELECTRIC EXTRA HIGH VOLTAGE Division partnered with the Longjing Junior Chamber International in October to visit 19 villages across Longjing and Wuqi. Within just three hours, the volunteer team carefully cleaned 1,580 traffic mirrors, restoring clarity to these "silent guardians" and enhancing road safety. This initiative reflects the company's tangible commitment to community well-being and its dedication to improving local safety through practical action.











Environmental Education Advocacy – Sponsorship of the Chi Po-lin Foundation

In 2025, the Volunteer Committee, on behalf of the company, donated to support the Chi Po-LinFoundation, which is dedicated to environmental documentary work and educational outreach. This contribution supports the Foundation's long-term Environmental Education Base Camp Program, helping advance its environmental awareness and education efforts.

This funding is specifically used to subsidize visits for 200 students to the "Chi Po-Lin Space." Through guided tours, immersive visual exhibitions, and environmental education programs, children are given the opportunity to rediscover Taiwan from an aerial perspective. As an environmental education hub, the Chi Po-Lin Space has guided more than 10,000 students over the past five years to "see Taiwan," helping them understand both the beauty and environmental vulnerability of the land. In addition, the Foundation has reached all 22 counties and cities in Taiwan, bringing valuable aerial imagery into schools, ensuring that environmental education goes beyond textbooks and is grounded in real-world examples that leave a lasting impression on students. FORTUNE ELECTRIC hopes that by fostering environmental awareness from an early age, it can help protect Taiwan's natural landscapes, ensuring that future generations can continue to enjoy rich and sustainable natural resources.



Fortune Charity Spotlight: Taipei H. L. Hsu Social Welfare Foundation

FORTUNE ELECTRIC embodies the spirit of social responsibility instilled by its founder, Mr. Hsu Hsian-Liang, upholding the principle of "giving back to society from what we have received." The company is dedicated to providing high-quality products while actively contributing to society. In 1997, Ms. Hsu Yin-Pi established the Taipei H. L. Hsu Social Welfare Foundation to continue FORTUNE's mission. Focused on supporting the underprivileged and offering emergency assistance, the Foundation works alongside the internal Volunteer Committee and external charitable organizations to promote charitable initiatives.

The Foundation has long been committed to supporting a variety of causes, such as scholarships for financially disadvantaged students, child sponsorships, and Care Garden Parties through the Taiwan Fund for Children and Families, Taoyuan City Government's tree planting program, Chinese New Year meal sponsorships with the Huashan Social Welfare Foundation, care events for children with osteogenesis imperfecta, and charity calendar purchases from the Sunshine Social Welfare Foundation. It also provides ongoing funding to support volunteer-led charity activities promoted by the Volunteer Committee, broadening its impact across the community. Each year, the Foundation allocates approximately NT$400,000 to NT$500,000 to support charitable programs. Through these efforts, FORTUNE ELECTRIC not only fulfills its corporate social responsibility but also enhances its corporate value, actively promoting shared prosperity and sustainable development.

- **Long-term sponsorship of children through the Taiwan Fund for Children and Families.**
- **Long-term purchase of the Sunshine Social Welfare Foundation's charity desk calendar for distribution to key customers. The 2025 edition, themed "The Genie Is Listening," features 12 artworks created by children with burn and facial differences, offering a glimpse into their rich inner worlds.**
- **Scholarships: 2 students received awards this year, bringing the total number of beneficiaries to 98 students to date.**
- **In collaboration with the Volunteer Committee, the Foundation participated in the annual Parent-Child Charity Fair organized by the Taiwan Fund for Children and Families (TFCF), contributing NT$130,000 in donations. The event raised a total of NT$17,220 on the day.**
- **Annual collaboration with the Volunteer Committee in the Taoyuan City Government's tree planting campaign.**
- **Long-term support for the Taiwan Osteogenesis Imperfecta Association, including sponsoring recreational experiences for OI patients and families such as the "Step Out of the Shadows and Into the Sun".**
- **Participated in the Garden of Hope Foundation's "Walk a Little Further Together" initiative.**
- **Sponsored the Eden Social Welfare Foundation's "A Little Sweetness, A Little Love" donation program, delivering gift packages to children living in rural areas.**
- **Donated NT$30,000 to the Children's Hearing Foundation for the purchase of hearing assistive devices and audiometric testing equipment.**
- **Long-term support for the Huashan Social Welfare Foundation's Lunar New Year meal program for elderly people living alone, with volunteers personally delivering 50 specially prepared festive meal sets to seniors in need.**



















Appendix

GRI Standard Index

Use Statement	FORTUNE ELECTRIC CO., LTD. has reported on the period from January 1 to December 31, 2025, in accordance with the GRI Standards.
Use of GRI 1	GRI 1: Foundation 2021
Applicable GRI Industry Code	None

General Disclosure

GRI No.	Disclosure Item	Referenced Chapter	Page
GRI 2: 2021 General Disclosure			
GRI 2-1	Organizational details	About the Report About FORTUNE ELECTRIC	P.19 P.32
GRI 2-2	Entities included in the organization's sustainability reporting	About the Report	P.19
GRI 2-3	Reporting period, frequency and contact	About the Report	P.19
GRI 2-4	Restatements of information	Economic Performance Energy Consumption Within the Organization Workplace Equality and Diversity Occupational Health Services	P.50 P.91 P.112 P.131
GRI 2-5	External guarantee / Confirmation	About the Report	P.19
GRI 2-6	Activities, value chain and other business relationships	Sustainable Supply Chain	P. 75
GRI 2-7	Employee	Human Rights Prioritized in the Workplace	P.107
GRI 2-8	Non-employee's workers	Human Rights Prioritized in the Workplace	P.107
GRI 2-9	Governance structure and composition	Corporate Governance Policy and Guidelines	P.57
GRI 2-10	Nomination and selection of the highest governance unit	Corporate Governance Policy and Guidelines	P.57

GRI No.	Disclosure Item	Referenced Chapter	Page
GRI 2: 2021 General Disclosure			
GRI 2-11	Chair of the highest governance unit	Corporate Governance Policy and Guidelines	P.57
GRI 2-12	Role of the highest governance unit in overseeing the management of impacts	Risk Management	P.63
GRI 2-13	Delegation of responsibility for managing impact	Risk Management	P.63
GRI 2-14	Role of the highest governance unit in sustainability reporting	About the Report	P.19
GRI 2-15	Conflicts of interest	Corporate Governance Policy and Guidelines	P.57
GRI 2-16	Communication of material concerns	Risk Management	P.63
GRI 2-17	Collective knowledge of the highest governance unit	Corporate Governance Policy and Guidelines	P.57
GRI 2-18	Evaluation of the performance of the highest governance unit	Corporate Governance Policy and Guidelines	P.57
GRI 2-19	Remuneration policies	Corporate Governance Policy and Guidelines	P.57
GRI 2-20	Process to determine remuneration	Functional Committee	P.61
GRI 2-21	Annual total compensation ratio	Compensation and Benefits	P.114
GRI 2-22	Statement on the sustainable development strategy	About FORTUNE ELECTRIC	P.32
GRI 2-23	Policy commitments	Human Rights Prioritized in the Workplace	P.108
GRI 2-24	Embedding policy commitments	Ethical Corporate Management	P.66
GRI 2-25	Processes to remediate negative impacts	Ethical Corporate Management	P.66
GRI 2-26	Mechanisms for seeking advice and raising concerns	Employee-Management Relations	P.119
GRI 2-27	Regulatory compliance	Ethical Corporate Management	P.66
GRI 2-28	Membership to associations	Participation in External Organizations	P.53
GRI 2-29	Approach to stakeholder engagement	Stakeholder Engagement and Materiality Analysis	P.21
GRI 2-30	Collective bargaining agreements	The Company currently has no labor union and has not entered into any collective bargaining agreements with employees; therefore, this disclosure is not applicable.	

Material Topic Disclosure

GRI No.	Disclosure Item	Referenced Chapter	Page
GRI 3: Material Topics 2021			
GRI 3-1	Procedure to determine material topics	Stakeholder Engagement and Materiality Analysis	P.21
GRI 3-2	Material topic list	Stakeholder Engagement and Materiality Analysis	P.21
GRI 3-3	Material topic management	Stakeholder Engagement and Materiality Analysis	P.21

Operational Performance			
Disclosure Item No.	Disclosure Item Topics	Referenced Chapter	Page
GRI 3-3	Material topic management	Chapter 1: Becoming a Global Leading Heavy Electrical Equipment Brand	P.28
GRI 201-1	Direct economic value generated and distributed by the organization	Economic Performance	P.50
GRI 201-3	Defined benefit plan obligations and other retirement plans	Benefits System	P.115
GRI 201-4	Financial assistance received from government	Economic Performance	P.50

Product Quality and Safety			
Disclosure Item No.	Disclosure Item Topics	Referenced Chapter	Page
GRI 3-3	Material topic management	Chapter 1: Becoming a Global Leading Heavy Electrical Equipment Brand	P.28
Customized Topics	-	Product Quality and Safety	P.42

Ethical Corporate Management			
Disclosure Item No.	Disclosure Item Topics	Referenced Chapter	Page
GRI 3-3	Material topic management	Chapter 2: Robust Governance and Sustainable Operations	P.54
GRI 205-1	Operations assessed for risks related to corruption	Ethical Corporate Management	P.66
GRI 205-2	Communication and training about anti-corruption policies and procedures	Ethical Corporate Management	P.66
GRI 205-3	Confirmed incidents of corruption and actions taken	Ethical Corporate Management	P.66
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethical Corporate Management	P.66

Customer Services			
Disclosure Item No.	Disclosure Item Topics	Referenced Chapter	Page
GRI 3-3	Material topic management	Chapter 3: Co-Creating Value in Supply Chain Management	P.72
Customized Topics	-	Services Satisfying Customers	P.80

Talent Development and Recruitment			
Disclosure Item No.	Disclosure Item Topics	Referenced Chapter	Page
GRI 3-3	Material topic management	Chapter 5: People-Centered and Happy Workplace	P.102
GRI 401-1	New employee hires and employee turnover	Human Rights Prioritized in the Workplace	P.108
GRI 404-1	Average hours of training per year employee	Talent Development Pathways	P.120
GRI 404-2	Programs for upgrading employee skills and transition assistance program	Talent Development Pathways	P.120
GRI 404-3	Percentage of employees receiving regular performances and career development reviews	Talent Development Pathways	P.120

Occupational Health and Safety			
Disclosure Item No.	Disclosure Item Topics	Referenced Chapter	Page
GRI 3-3	Material topic management	Chapter 5: People-Centered and Happy Workplace	P.102
GRI 403-1	Occupational health and safety management system	Occupational Health and Safety	P.128
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Employee Health Promotion	P.130
GRI 403-3	Occupational health services	Employee Health Promotion	P.130
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	P.128
GRI 403-5	Worker training on occupational health and safety	Creating a Safe Workplace	P.133
GRI 403-6	Employee Health Promotion	Employee Health Promotion	P.130
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety Management for Contractors	P.132
GRI 403-8	Worker covered by an occupational health and safety management system	Occupational Health and Safety	P.128
GRI 403-9	Work-related injuries	Creating a Safe Workplace	P.133
GRI 403-10	Work-related ill health	Creating a Safe Workplace	P.133

Workplace Equality and Diversity			
Disclosure Item No.	Disclosure Item Topics	Referenced Chapter	Page
GRI 3-3	Material topic management	Chapter 5: People-Centered and Happy Workplace	P.102
GRI 405-1	Diversity of governance bodies and employees	Corporate Governance Policy and Guidelines Human Rights Prioritized in the Workplace	P.57 P.108
GRI 405-2	Ratio of basic salary and remuneration of women to men	Compensation and Benefits	P.114

Social Welfare			
Disclosure Item No.	Disclosure Item Topics	Referenced Chapter	Page
GRI 3-3	Material topic management	Chapter 6: Deepening Local Roots and Advancing Social Inclusion	P.140
GRI 203-1	Infrastructure investments and services supported	Chapter 6: Deepening Local Roots and Advancing Social Inclusion	P.140

General Topic Disclosure

GRI No.	Disclosure Item	Referenced Chapter	Page
GRI 201: Economic Performance 2016			
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Risks and Opportunities of Climate Change	P.84
GRI 202: Market Presence 2016			
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Compensation and Benefits	P.114
GRI 204: Procurement Practices 2016			
GRI 204-1	Proportion of spending on local suppliers	Sustainable Supply Chain	P.75
GRI 207: Tax 2019			
GRI 207-1	Approach to tax	Economic Performance	P.50
GRI 207-2	Tax governance, control, and risk management	Economic Performance	P.50
GRI 207-3	Stakeholder engagement and management of concerns related to tax	Economic Performance	P.50
GRI 302: Energy 2016			
GRI 302-1	Energy consumption within the organization	Energy Management	P.90
GRI 302-3	Energy intensity	Energy Management	P.90
GRI 302-4	Reduction of energy consumption	Energy Management	P.90
GRI 302-5	Reductions in energy requirements of products and services	Energy Management	P.90
GRI 303: Water and Effluents 2018			
GRI 303-1	Interactions with water as a shared resource	Water Resource Management	P.95
GRI 303-2	Management of water discharge related impacts	Water Resource Management	P.95
GRI 303-3	Water withdrawal	Water Resource Management	P.95
GRI 303-4	Water discharge	Water Resource Management	P.95
GRI 303-5	Water consumption	Water Resource Management	P.95

GRI No.	Disclosure Item	Referenced Chapter	Page
GRI 305: Emissions 2016			
GRI 305-1	Direct (Scope 1) GHG emissions	Energy Management	P.90
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Energy Management	P.90
GRI 305-4	GHG emissions intensity	Energy Management	P.90
GRI 305-5	Reduction of GHG emissions	Air Pollution Prevention and Control	P.94
GRI 305-6	Emissions of ozone-depleting substances (ODS)	No ODS gas is produced during the production process	-
GRI 305-7	Nitrogen oxides (Nox), sulfur oxides (SOx), and other significant air emissions	Air Pollution Prevention and Control	P.94
GRI 306: Waste 2020			
GRI 306-3	Waste generated	Waste Management	P.97
GRI 306-4	Waste diverted from disposal	Waste Management	P.97
GRI 306-5	Waste directed to disposal	Waste Management	P.97
GRI 308: Supplier Environmental Assessment 2016			
GRI 308-1	New suppliers that were screened using environmental criteria	Supplier Management	P.77
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	No related matters	-
GRI 406: Non-Discrimination 2016			
GRI 406-1	Incidents of discrimination and corrective actions taken	No related matters	-
GRI 408: Child Labor 2016			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights Prioritized in the Workplace Supplier Management	P.108 P.77
GRI 409: Forced or Compulsory Labor 2016			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Prioritized in the Workplace Supplier Management	P.108 P.77
GRI 414: Supplier Social Assessment 2016			
GRI 414-1	New suppliers that were screened using environmental criteria	Supplier Management	P.77
GRI 414-2	Negative social impacts in the supply chain and actions taken	No related matters	-

Climate-Related Information of TWSE/TPEx Listed Company

Risks and opportunities posed by climate change to the Company and the relevant measures taken by and relevant countermeasures taken by the company

No.	Items	Execution situation
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	Disclosed, please refer to the "Risks and Opportunities of Climate Change" section of this report.
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	
3	Describe the financial impact of extreme weather events and transformative actions.	
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	No scenario analysis is applied.
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the metric and target used to identify and manage physical risks and transition risks.	No transformation plan to manage climate-related risks.
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	No internal carbon pricing is in place.
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Disclosed, please refer to the "Risks and Opportunities of Climate Change" section of this report.
9	Greenhouse gas inventory and assurance status.	Please refer to the table below "Greenhouse Gas Inventory and Assurance Status"

Greenhouse gas inventory and assurance status

Basic information of the company
In accordance with the Sustainable Development Roadmap for Listed Companies, companies with paid-in capital of less than NT$5 billion are required to complete individual greenhouse gas inventories by 2026.

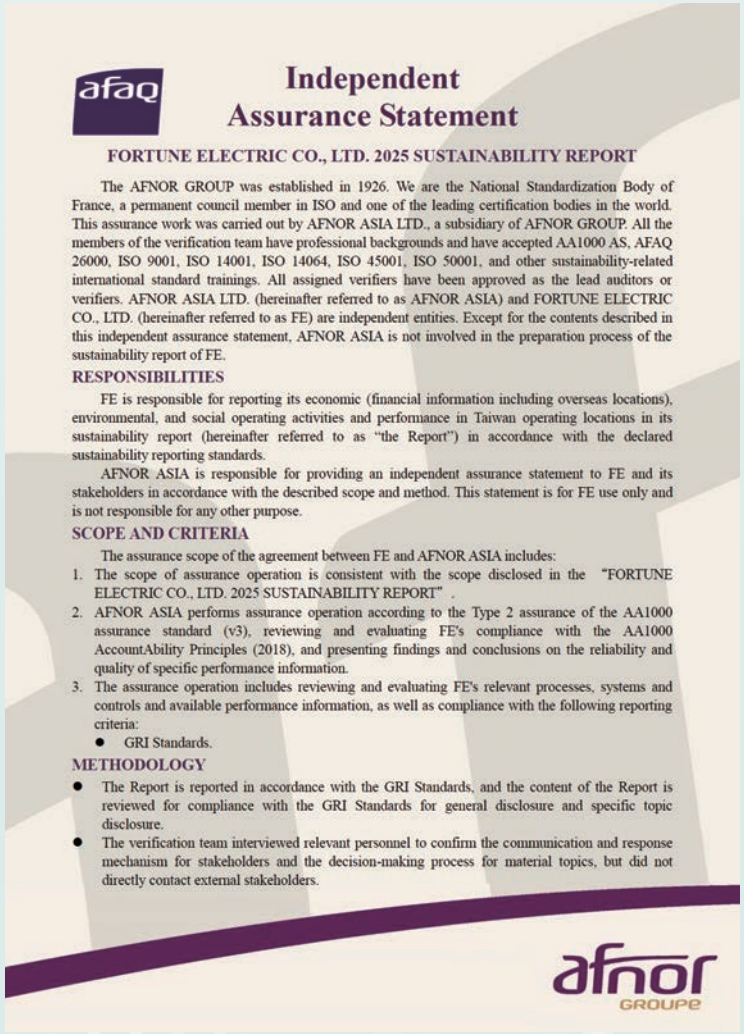
Scope I	Total emissions (tCO_2e)	Density (tCO_2e/million NTD)	Assurance organization	Status of Assurance
FORTUNE ELECTRIC CO., LTD	683.6196	0.0249	DNV Business Assurance Co., Ltd.	To be held from May to June 2026
Scope II	**Total emissions (tCO_2e)**	**Density (tCO_2e/million NTD)**	**Assurance organization**	**Status of Assurance**
FORTUNE ELECTRIC CO., LTD	9,948.549	0.3622	DNV Business Assurance Co., Ltd.	To be held from May to June 2026

SASB Disclosure Metrics - Electrical & Electronic Equipment

Topic	Code	Accounting Metric	Category	Unit of Measure	Data Response
Energy Management	RT-EE-130a.1	(1) Total energy consumed (2) Percentage of grid electricity (%) (3) Percentage of renewable energy (%)	Quantitative	Gigajoules (GJ), Percentage (%)	(1) 81,149.78GJ (2) 93.1% (3) 1.7%
Hazardous Waste Management	RT-EE-150a.1	(1) Amount of hazardous waste generated (2) Percentage Recycled	Quantitative	Metric tons (mt), Percentage (%)	No hazardous waste, 0%
	RT-EE-150a.2	(1) Number and total volume of reportable spills (2) Quantity Recovered	Quantitative	Number / Kilograms (kg)	No waste spills have occurred No hazardous waste, 0 kg
Product Safety	RT-EE-250a.1	(1) Number of Recalls Announced (2) Total Number of Units Recalled	Quantitative	Number	0 time, 0 case
	RT-EE-250a.2	Total Monetary Losses from Legal Proceedings Related to Product Safety	Quantitative	NTD	NTD 0
Product Lifecycle Management	RT-EE-410a.1	Percentage of Product Revenue Containing Substances Requiring Reporting under IEC 62474	Quantitative	Percentage of revenue (%)	not applicable
	RT-EE-410a.2	Percentage of Product Revenue from Energy Efficiency Certified Products	Quantitative	Percentage of revenue (%)	1.02%
	RT-EE-410a.3	Revenue from Renewable Energy and Energy-Efficient Products	Quantitative	NTD	NTD 252,289,000
Material Procurement	RT-EE-440a.1	Description of Risk Management Related to the Use of Critical Materials	Discussion and analysis	not applicable	For details, please refer to Supplier Risk Assessment and Response
Business Ethics	RT-EE-510a.1	Description of Policies and Practices for the Prevention of (1) Corruption and Bribery and (2) Anti-competitive Behavior	Discussion and analysis	not applicable	For details, please refer to Ethical Corporate Management
	RT-EE-510a.2	Total Monetary Losses from Legal Proceedings Related to Bribery or Corruption	Quantitative	NTD	NTD 0
	RT-EE-510a.3	Total Monetary Losses from Legal Proceedings Related to Anti-competitive Behavior Regulations	Quantitative	NTD	NTD 0

Activity Metrics	Code	Category	Unit of Measure	Data Response
No. of employees	RT-EE-000.B	Quantitative	Number	1,509 people

Assurance Statement



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Independent Assurance Statement

FORTUNE ELECTRIC CO., LTD. 2025 SUSTAINABILITY REPORT

The AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This assurance work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR ASIA LTD. (hereinafter referred to as AFNOR ASIA) and FORTUNE ELECTRIC CO., LTD. (hereinafter referred to as FE) are independent entities. Except for the contents described in this independent assurance statement, AFNOR ASIA is not involved in the preparation process of the sustainability report of FE.

RESPONSIBILITIES

FE is responsible for reporting its economic (financial information including overseas locations), environmental, and social operating activities and performance in Taiwan operating locations in its sustainability report (hereinafter referred to as "the Report") in accordance with the declared sustainability reporting standards.

AFNOR ASIA is responsible for providing an independent assurance statement to FE and its stakeholders in accordance with the described scope and method. This statement is for FE use only and is not responsible for any other purpose.

SCOPE AND CRITERIA

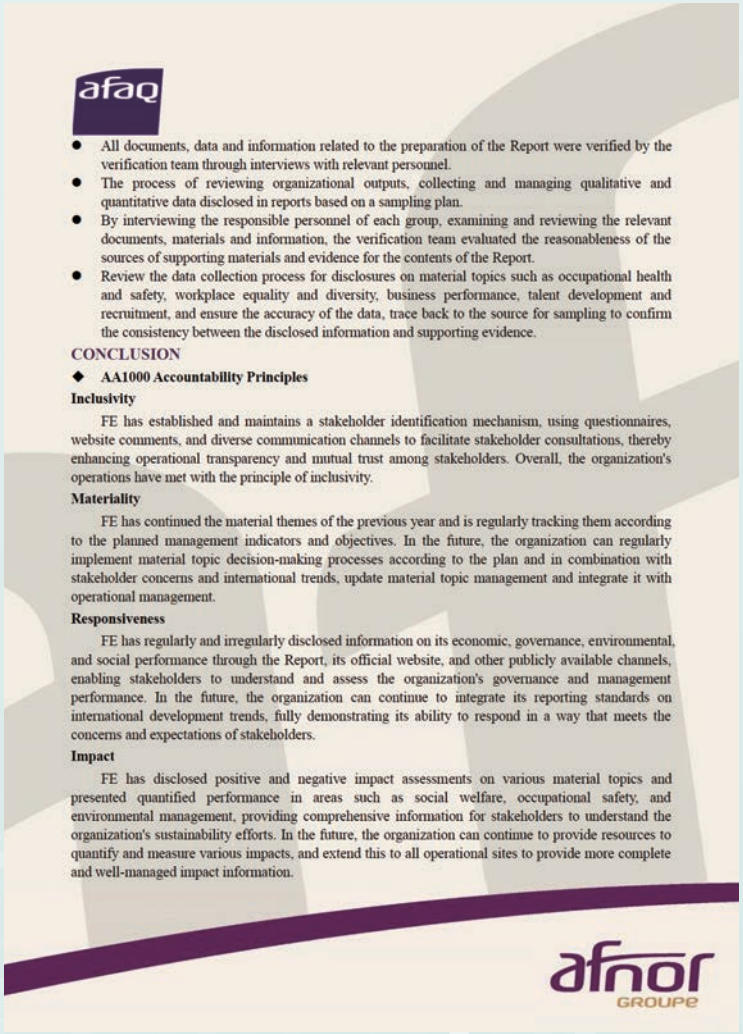
The assurance scope of the agreement between FE and AFNOR ASIA includes:

1. The scope of assurance operation is consistent with the scope disclosed in the "FORTUNE ELECTRIC CO., LTD. 2025 SUSTAINABILITY REPORT".
2. AFNOR ASIA performs assurance operation according to the Type 2 assurance of the AA1000 assurance standard (v3), reviewing and evaluating FE's compliance with the AA1000 AccountAbility Principles (2018), and presenting findings and conclusions on the reliability and quality of specific performance information.
3. The assurance operation includes reviewing and evaluating FE's relevant processes, systems and controls and available performance information, as well as compliance with the following reporting criteria:
   - GRI Standards.

METHODOLOGY

- The Report is reported in accordance with the GRI Standards, and the content of the Report is reviewed for compliance with the GRI Standards for general disclosure and specific topic disclosure.
- The verification team interviewed relevant personnel to confirm the communication and response mechanism for stakeholders and the decision-making process for material topics, but did not directly contact external stakeholders.

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- All documents, data and information related to the preparation of the Report were verified by the verification team through interviews with relevant personnel.
- The process of reviewing organizational outputs, collecting and managing qualitative and quantitative data disclosed in reports based on a sampling plan.
- By interviewing the responsible personnel of each group, examining and reviewing the relevant documents, materials and information, the verification team evaluated the reasonableness of the sources of supporting materials and evidence for the contents of the Report.
- Review the data collection process for disclosures on material topics such as occupational health and safety, workplace equality and diversity, business performance, talent development and recruitment, and ensure the accuracy of the data, trace back to the source for sampling to confirm the consistency between the disclosed information and supporting evidence.

CONCLUSION

◆ **AA1000 Accountability Principles**

Inclusivity

FE has established and maintains a stakeholder identification mechanism, using questionnaires, website comments, and diverse communication channels to facilitate stakeholder consultations, thereby enhancing operational transparency and mutual trust among stakeholders. Overall, the organization's operations have met with the principle of inclusivity.

Materiality

FE has continued the material themes of the previous year and is regularly tracking them according to the planned management indicators and objectives. In the future, the organization can regularly implement material topic decision-making processes according to the plan and in combination with stakeholder concerns and international trends, update material topic management and integrate it with operational management.

Responsiveness

FE has regularly and irregularly disclosed information on its economic, governance, environmental, and social performance through the Report, its official website, and other publicly available channels, enabling stakeholders to understand and assess the organization's governance and management performance. In the future, the organization can continue to integrate its reporting standards on international development trends, fully demonstrating its ability to respond in a way that meets the concerns and expectations of stakeholders.

Impact

FE has disclosed positive and negative impact assessments on various material topics and presented quantified performance in areas such as social welfare, occupational safety, and environmental management, providing comprehensive information for stakeholders to understand the organization's sustainability efforts. In the future, the organization can continue to provide resources to quantify and measure various impacts, and extend this to all operational sites to provide more complete and well-managed impact information.

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Findings and conclusions concerning the reliability and quality of specified performance information

Based on the results of the review, it was confirmed that FE has established relevant processes for the systematic collection and internal review of specific performance information, which can provide a considerable degree of assurance in the reliability and quality of the information. The Report discloses the organization's economic, environmental, social and other indicators, and the source, information collection and statistical results have been fully verified during the verification process. No significant errors were found during the verification period.

◆ **Global Reporting Initiative Sustainability Reporting Standards**

Based on the results of the review, it is confirmed that the general disclosures, specific topic disclosures, and material topics management disclosures in the Report have complied with the requirements of the GRI Standards. In the future, based on domestic and other international reporting requirements, the organization can integrate the management performance of each operating location through its internal management system and cross-departmental and cross-regional collaborations to provide stakeholders with sufficient and valuable sustainability information.

ASSURANCE OPINION

AFNOR ASIA has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by FE and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization. In our opinion, the information and data presented in the Report by FE provides a fair and balanced representation. We believe the focuses on economic, social, and environmental indicators in FE in 2025 are well represented.

ASSURANCE LEVEL

In accordance with the AA1000 Assurance Standard (v3), and in accordance with the scope and methodology described in this statement, we verified this assurance statement corresponding to a Moderate level, and at a High level on material topics including occupational health and safety, workplace equality and diversity, business performance, and talent development and recruitment.

For and on behalf of AFNOR：

Dr. August Tsai
The Director for Certification and Assessment
Jun.17.2026
Verification team: Chung Pen Chen (Lead Verifier), Yu-Sheng Lin (Verifier).

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