

**FORWARD ELECTRONICS CO., LTD. AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2025 and 2024**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Forward Electronics Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Forward Electronics Co., Ltd. and its subsidiaries as of September 30, 2025 and 2024, and the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, as well as the changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Forward Electronics Co., Ltd. and its subsidiaries as of September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024, as well as its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



The engagement partners on the reviews resulting in this independent auditors' review report are Pan, Chun-Ming and Lai, Li-Chen.

KPMG

Taipei, Taiwan (Republic of China)
November 6, 2025

Notes to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES**Consolidated Balance Sheets****September 30, 2025, December 31, 2024, and September 30, 2024****(Expressed in Thousands of New Taiwan Dollars)**

Assets		September 30, 2025		December 31, 2024		September 30, 2024		Liabilities and Equity		September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6(a))	\$ 896,347	31	858,848	26	1,021,014	33	2100	Short-term borrowings (Notes 6(l) and 8)	\$ 90,000	3	100,000	3	-	-
1110	Current financial assets at fair value through profit or loss (Note 6(b))	30,146	1	35,541	1	33,497	1	2130	Current contract liabilities (Note 6(t))	1,167	-	12,474	-	1,951	-
1136	Current financial assets at amortized cost (Notes 6(d) and 8)	103,961	4	222,319	8	101,893	3	2170	Accounts payable	121,762	4	110,533	3	112,007	4
1150	Notes receivable, net (Note 6(e))	3,252	-	5,249	-	2,102	-	2180	Accounts payable—related parties (Note 7)	104	-	9	-	39	-
1170	Accounts receivable, net (Note 6(e))	161,329	5	152,817	6	215,313	7	2200	Other payables	49,761	2	50,315	3	42,824	-
1180	Accounts receivable—related parties, net (Notes 6(e) and 7)	1,949	-	2	-	1	-	2220	Other payables—related parties (Note 7)	747	-	1,440	-	1,253	-
1200	Other receivables (Notes 6(f) and 7)	10,348	-	7,308	-	6,886	-	2230	Current tax liabilities	1,633	-	-	-	244	-
1220	Current tax assets	2,708	-	3,645	-	3,178	-	2250	Current provisions	-	-	1,739	-	1,723	-
130X	Inventories (Note 6(g))	110,378	4	106,913	3	98,438	3	2280	Current lease liabilities (Notes 6(n) and 7)	9,388	-	17,110	1	17,869	1
1410	Prepayments (Notes 6(h) and 9)	108,480	4	110,823	3	98,770	3	2322	Long-term borrowings, current portion (Notes 6(m) and 8)	24,000	1	24,000	1	24,000	1
1470	Other current assets	1,665	-	1,518	-	1,487	-	2399	Other current liabilities	4,328	-	3,701	-	4,130	-
	Total current assets	<u>1,430,563</u>	<u>49</u>	<u>1,504,983</u>	<u>47</u>	<u>1,582,579</u>	<u>50</u>		Total current liabilities	<u>302,890</u>	<u>10</u>	<u>321,321</u>	<u>11</u>	<u>206,040</u>	<u>6</u>
Non-current assets:								Non-Current liabilities:							
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	149,714	5	189,924	7	-	-	2540	Long-term borrowings (Notes 6(m) and 8)	933,000	32	951,000	29	957,000	30
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	665,377	22	853,074	26	878,487	28	2570	Deferred tax liabilities	210,789	7	210,789	6	215,066	7
1600	Property, plant and equipment (Notes 6(i) and 8)	540,740	18	549,982	17	553,743	17	2580	Non-current lease liabilities (Notes 6(n) and 7)	17,280	1	22,950	1	27,675	1
1755	Right-of-use assets (Note 6(j))	18,971	1	30,347	1	27,397	1	2645	Guarantee deposits received	5,128	-	5,391	-	6,282	-
1760	Investment property, net (Note 6(k))	14,982	1	15,743	-	16,405	1	2670	Other non-current liabilities	1,479	-	1,479	-	1,479	-
1780	Intangible assets	679	-	422	-	474	-		Total non-current liabilities	<u>1,167,676</u>	<u>40</u>	<u>1,191,609</u>	<u>36</u>	<u>1,207,502</u>	<u>38</u>
1840	Deferred tax assets	47,693	2	47,685	1	68,941	2		Total liabilities	<u>1,470,566</u>	<u>50</u>	<u>1,512,930</u>	<u>47</u>	<u>1,413,542</u>	<u>44</u>
1920	Refundable deposits (Note 8)	3,275	-	4,933	-	5,088	-	Equity (Notes 6(c) and (r)):							
1930	Long-term receivables (Notes 6(e) and (f))	-	-	2,748	-	14,982	-	3100	Share capital	1,399,830	48	1,399,830	43	1,399,830	44
1975	Non-current net defined benefit assets	44,151	2	43,991	1	33,707	1	3200	Capital surplus	48,716	2	48,716	2	48,716	2
	Total non-current assets	<u>1,485,582</u>	<u>51</u>	<u>1,738,849</u>	<u>53</u>	<u>1,599,224</u>	<u>50</u>	3300	Retained earnings	(71,587)	(2)	(17,111)	(1)	2,122	-
	Total assets	<u>\$ 2,916,145</u>	<u>100</u>	<u>3,243,832</u>	<u>100</u>	<u>3,181,803</u>	<u>100</u>	3400	Other equity	68,620	2	299,467	9	317,593	10
									Total equity	<u>1,445,579</u>	<u>50</u>	<u>1,730,902</u>	<u>53</u>	<u>1,768,261</u>	<u>56</u>
									Total liabilities and equity	<u>\$ 2,916,145</u>	<u>100</u>	<u>3,243,832</u>	<u>100</u>	<u>3,181,803</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the three months and nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

	For the three months ended				For the nine months ended				
	September 30				September 30				
	2025		2024		2025		2024		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (Notes 6(t) and 7)	\$ 161,872	100	170,063	100	484,282	100	449,986	100
5000	Operating costs (Notes 6(g) and (p))	152,972	95	158,329	93	451,910	93	429,362	95
	Gross profit from operations	8,900	5	11,734	7	32,372	7	20,624	5
	Operating expenses (Notes 6(e), (p) and 7):								
6100	Selling expenses	8,464	5	8,048	5	22,402	5	22,089	5
6200	Administrative expenses	18,872	12	20,439	12	52,617	11	75,853	17
6300	Research and development expenses	3,450	2	2,844	2	10,969	2	10,758	2
6450	Expected credit impairment loss	5,882	4	34,447	20	5,678	1	35,120	8
	Total operating expenses	36,668	23	65,778	39	91,666	19	143,820	32
	Net operating loss	(27,768)	(18)	(54,044)	(32)	(59,294)	(12)	(123,196)	(27)
	Non-operating income and expenses (Notes (n), (v) and 7):								
7100	Interest income	6,256	4	8,505	5	19,058	4	24,225	5
7010	Other income	68,942	43	8,016	5	81,198	17	23,748	5
7020	Other gains and losses	6,155	4	(15,747)	(9)	(72,535)	(15)	4,299	1
7050	Finance costs	(6,189)	(4)	(5,766)	(3)	(18,595)	(4)	(17,139)	(4)
7055	Expected credit impairment loss	(2,509)	(2)	(197)	-	(2,509)	(1)	(2,285)	(1)
	Total non-operating income and expenses	72,655	45	(5,189)	(2)	6,617	1	32,848	6
	Profit (loss) before tax	44,887	27	(59,233)	(34)	(52,677)	(11)	(90,348)	(21)
7950	Income tax expense (Note 6(q))	664	-	281	-	1,799	-	664	-
	Net profit (loss) for the period	44,223	27	(59,514)	(34)	(54,476)	(11)	(91,012)	(21)
8300	Other comprehensive income (loss):								
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss								
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	(11,650)	(7)	(140,629)	(83)	(183,868)	(38)	151,919	34
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	(11,650)	(7)	(140,629)	(83)	(183,868)	(38)	151,919	34
	Components of other comprehensive income that will be reclassified to profit or loss								
8360	Exchange differences on translation of foreign financial statements	32,886	19	(7,107)	(5)	(46,979)	(10)	32,194	8
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	32,886	19	(7,107)	(5)	(46,979)	(10)	32,194	8
8300	Other comprehensive income (after tax)	21,236	12	(147,736)	(88)	(230,847)	(48)	184,113	42
	Total comprehensive income	\$ 65,459	39	(207,250)	(122)	(285,323)	(59)	93,101	21
	(Losses) earnings per share (expressed in dollars) (Note 6(s))								
9750	Basic (losses) earnings per share	\$ 0.32		(0.43)		(0.39)		(0.65)	
9850	Diluted (losses) earnings per share	\$ 0.32		(0.43)		(0.39)		(0.65)	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	<u>Share capital</u>		<u>Retained earnings</u>			<u>Exchange differences on translation of foreign financial statements</u>	<u>Other equity</u>		<u>Total equity</u>
	<u>Ordinary shares</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Unappropriated retained earnings</u>	<u>Total</u>		<u>Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income</u>	<u>Total</u>	
Balance at January 1, 2024	\$ 1,399,830	48,716	21,800	13,874	35,674	(108,477)	299,417	190,940	1,675,160
Net loss	-	-	-	(91,012)	(91,012)	-	-	-	(91,012)
Other comprehensive income	-	-	-	-	-	32,194	151,919	184,113	184,113
Total comprehensive income	-	-	-	(91,012)	(91,012)	32,194	151,919	184,113	93,101
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	57,460	57,460	-	(57,460)	(57,460)	-
Balance at September 30, 2024	\$ 1,399,830	48,716	21,800	(19,678)	2,122	(76,283)	393,876	317,593	1,768,261
Balance at January 1, 2025	\$ 1,399,830	48,716	21,800	(38,911)	(17,111)	(68,996)	368,463	299,467	1,730,902
Net loss	-	-	-	(54,476)	(54,476)	-	-	-	(54,476)
Other comprehensive income	-	-	-	-	-	(46,979)	(183,868)	(230,847)	(230,847)
Total comprehensive income	-	-	-	(54,476)	(54,476)	(46,979)	(183,868)	(230,847)	(285,323)
Balance at September 30, 2025	\$ 1,399,830	48,716	21,800	(93,387)	(71,587)	(115,975)	184,595	68,620	1,445,579

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30	
	2025	2024
Cash flows from (used in) operating activities:		
Loss before tax	\$ (52,677)	(90,348)
Adjustments:		
Adjustments to reconcile loss		
Depreciation expense	29,110	32,445
Amortization expense	142	157
Expected credit impairment loss	8,187	37,405
Net loss (gains) on financial assets or liabilities at fair value through profit or loss	45,661	(755)
Interest expense	18,595	17,139
Interest income	(19,058)	(24,225)
Dividend income	(65,361)	(798)
Gain on disposal and write-off of property, plant and equipment	(2)	(296)
Gain on disposal of investment properties	(137)	-
Total adjustments to reconcile profit	<u>17,137</u>	<u>61,072</u>
Changes in operating assets and liabilities:		
Notes receivable	1,986	3,426
Accounts receivable	(17,016)	(23,566)
Accounts receivable—related parties	(1,947)	105
Other receivables	(5,826)	(2,709)
Inventories	(6,079)	(5,904)
Prepayments	2,171	(96,151)
Other current assets	(147)	63
Net defined benefit assets	(160)	(1,575)
Contract liabilities	(11,278)	(18,464)
Accounts payable	14,058	(1,984)
Accounts payable—related parties	95	(16)
Other payables	(21)	(3,830)
Other payables—related parties	(693)	55
Provisions	(1,647)	(5,589)
Other current liabilities	627	1,168
Total adjustments	<u>(8,740)</u>	<u>(93,899)</u>
Cash outflow generated from operations	(61,417)	(184,247)
Interest received	19,058	32,969
Dividends received	65,361	798
Interest paid	(18,595)	(17,126)
Income taxes paid	756	(2,117)
Net cash flows from (used in) operating activities	<u>5,163</u>	<u>(169,723)</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(5,000)	(1,780)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	111,558
Proceeds from capital reduction of financial assets measured at fair value through other comprehensive income	8,833	-
Acquisition of financial assets at amortized cost	(139,301)	(98,274)
Proceeds from maturity of financial assets at amortized cost	242,504	-
Acquisition of financial assets at fair value through profit or loss	(3,920)	(26,587)
Proceeds from disposal of financial assets at fair value through profit or loss	-	111,039
Acquisition of derivative financial assets for hedging	1,983	-
Acquisition of property, plant and equipment	(8,408)	(12,691)
Proceeds from disposal of property, plant and equipment	55	703
Decrease in refundable deposits	1,520	1,750
Acquisition of intangible assets	(408)	(199)
Acquisition of investment properties	(1,674)	-
Proceeds from disposal of investment properties	137	-
Net cash flows from investing activities	<u>96,321</u>	<u>85,519</u>
Cash flows used in financing activities:		
Decrease in short-term borrowings	(10,000)	(18,000)
Repayments of long-term borrowings	(18,000)	(18,000)
Increase (decrease) in guarantee deposits received	(87)	379
Payment of lease liabilities	(12,371)	(13,089)
Net cash flows used in financing activities	<u>(40,458)</u>	<u>(48,710)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(23,527)</u>	<u>21,600</u>
Net increase (decrease) in cash and cash equivalents for the current period	37,499	(111,314)
Cash and cash equivalents at beginning of period	858,848	1,132,328
Cash and cash equivalents at end of period	<u>\$ 896,347</u>	<u>1,021,014</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Forward Electronics Co., Ltd. (the “Company”) was incorporated on August 31, 1970, under the approval of Ministry of Economic Affairs, Republic of China (“R.O.C”). The main business of the Company and its subsidiaries (the “Group”) is the development, manufacture and sales of backlight modules and materials, liquid crystal display modules, switches, variable resistors, sensors and bit generators, the sale of peripheral products for information appliances and lighting products, as well as carbon credits development, and carbon neutral consulting, and energy storage. The Company’s shares have been listed and traded on the Taipei Exchange (TPEX) since March 1, 2004. The Company’s registered office and the main operating location is at No. 22, Sec. 3, Zhongshan North Road, Taipei City.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements have been authorized for issuance by the Board of Directors on November 6, 2025.

(3) New standards, amendments and interpretations adopted

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028.

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as FSC), and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (altogether referred to “IFRS Accounting Standards“ endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

The subsidiaries included in the consolidated financial statements were as follows:

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Principal activity</u>	<u>Shareholding (%)</u>		
			<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
The Company	Forward Development Co., Ltd. (Note 1)	Investment in production business, etc.	100 %	100 %	100 %
The Company	Forward Intelligent Energy Co., Ltd.	Carbon credits development and carbon neutral consulting	100 %	100 %	100 %
Forward Development Co., Ltd.	Forward Electronics Equipment (Dong Guan) Co., Ltd (Note 2)	Factory leasing business	100 %	100 %	100 %

(Continued)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Principal activity</u>	<u>Shareholding (%)</u>		
			<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Forward Development Co., Ltd.	Suzhou Forward Electronics Technology Co., Ltd.	Manufacture and sale of TFT LCD backlight modules, switches and electronic labels, etc.	100 %	100 %	100 %

Note 1: Forward Development Co., Ltd. reduced its capital on October 29, 2025, with the approval of its board on October 28, 2025, wherein the statutory registration procedures were still in progress as of the reporting date.

Note 2: Fuhua Electronic Equipment (Dong guan) Co., Ltd. reduced its capital, with the approval of its board on July 17, 2025. All related statutory registration procedures had been completed on September 2, 2025. Subsequently, the share funds Fuhua Electronic Equipment (Dong guan) Co., Ltd. has been returned to its investing company, Forward Development Co., Ltd., on October 24, 2025.

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34 “International Financial Reporting.

Income tax expenses for the period are best estimated by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period and allocated to current and deferred taxes based on its proportionate size.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(Continued)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2024 consolidated financial statements. Please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2024.

(a) Cash and cash equivalents

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Cash on hand	\$ 203	199	217
Demand deposits and checking deposits	261,543	294,618	202,056
Call deposits	21,425	250,855	359,139
Time deposits matured within three months	<u>613,176</u>	<u>313,176</u>	<u>459,602</u>
Total	<u>\$ 896,347</u>	<u>858,848</u>	<u>1,021,014</u>

Please refer to Note 6(w) for the disclosure of interest rate risk and sensitivity analysis of the Group's financial assets and liabilities.

(b) Financial assets measured at fair value through profit or loss

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Mandatorily measured at fair value through profit or loss:			
Stocks listed on domestic markets	\$ 153,620	193,938	4,509
Stocks listed on foreign markets	<u>26,240</u>	<u>31,527</u>	<u>28,988</u>
Total	<u>\$ 179,860</u>	<u>225,465</u>	<u>33,497</u>
Current	\$ 30,146	35,541	33,497
Non-current	<u>149,714</u>	<u>189,924</u>	<u>-</u>
Total	<u>\$ 179,860</u>	<u>225,465</u>	<u>33,497</u>

(i) The Group's financial assets measured at fair value through profit or loss have not been pledged as collateral.

(ii) For market risk and fair value information, please refer to Note 6(w).

(Continued)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Financial assets measured at fair value through other comprehensive income

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Equity instruments measured at fair value through other comprehensive income—non-current			
Stock of domestic listed companies	\$ 650,330	846,201	868,284
Stock of domestic non-listed company	<u>15,047</u>	<u>6,873</u>	<u>10,203</u>
Total	<u>\$ 665,377</u>	<u>853,074</u>	<u>878,487</u>

- (i) The Group has designated these investments in equity instruments as measured at fair value through other comprehensive income, because these investments are held as long-term strategic investments and are not held for trading purposes.
- (ii) For the purpose of the asset activation, the Group disposed of Tatung Corporation, which was designated to be measured at fair value through other comprehensive income, for the nine months ended September 30, 2025. The fair value of Tatung Corporation at the time of disposal amounted to \$111,558 thousand. The accumulated gains on disposal amounted to \$57,460 thousand, both of which were transferred from other equity to retained earnings.
- (iii) The Group's financial assets measured at fair value through other comprehensive income have not been pledged as collateral.
- (iv) For market risk and fair value information, please refer to Note 6(w).

(d) Financial assets measured at amortized cost-current

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Restricted assets — trust account	\$ 31,365	33,352	-
Time deposits (including pledged)	<u>72,596</u>	<u>188,967</u>	<u>101,893</u>
Total	<u>\$ 103,961</u>	<u>222,319</u>	<u>101,893</u>

- (i) For the above-mentioned pledge of financial assets measured at amortized cost, please refer to Note 8.
- (ii) For information on credit risk, please refer to Note 6(w).

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Notes and accounts receivable

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Current:			
Notes receivable from operating activities	\$ 3,252	5,274	2,112
Less: loss allowance	-	(25)	(10)
Subtotal	<u>3,252</u>	<u>5,249</u>	<u>2,102</u>
Accounts receivable	159,185	154,911	199,407
Installment accounts receivable	119,399	125,311	88,557
Less: unrealized interest income	(380)	(1,384)	(4,234)
Subtotal	278,204	278,838	283,730
Less: loss allowance	(116,875)	(126,021)	(68,417)
Subtotal	<u>161,329</u>	<u>152,817</u>	<u>215,313</u>
Accounts receivable—related parties	1,949	2	1
Less: loss allowance	-	-	-
Subtotal	<u>1,949</u>	<u>2</u>	<u>1</u>
Subtotal of current portions	<u>166,530</u>	<u>158,068</u>	<u>217,416</u>
Non-current:			
Long-term installments receivable	-	2,758	31,543
Less: unrealized interest income	-	(10)	(297)
Loss allowance	-	-	(16,264)
Subtotal of non-current portions	<u>-</u>	<u>2,748</u>	<u>14,982</u>
Total	<u>\$ 166,530</u>	<u>160,816</u>	<u>232,398</u>

(i) Credit loss

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all notes and accounts receivable. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance provision was determined as follows:

September 30, 2025

Notes receivable

	<u>Gross carrying</u> <u>amount</u>	<u>Weighted-</u> <u>average loss</u> <u>rate</u>	<u>Loss allowance</u>
Current	<u>\$ 3,252</u>	-%	<u>-</u>

(Continued)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Accounts receivable

	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
Current	\$ 159,532	-%	-
Less than 120 days past due	3,761	0.40%	15
Total	<u>\$ 163,293</u>		<u>15</u>

Accounts receivable (including long-term installment receivable)— assessed in individual

	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
Current	\$ 30,672	100%	30,672
Less than 120 days past due	15,391	100%	15,391
121~180 days past due	5,142	100%	5,142
181~270 days past due	6,856	100%	6,856
More than 271 days past due	58,799	100%	58,799
Total	<u>\$ 116,860</u>		<u>116,860</u>

December 31, 2024

Notes receivable

	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
Current	\$ 5,274	0.47%	25
Total	<u>\$ 5,274</u>		<u>25</u>

Accounts receivable

	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
Current	\$ 149,339	-%	-
Less than 120 days past due	6,272	0.69%	44
More than 271 days past due	6	100%	6
Total	<u>\$ 155,617</u>		<u>50</u>

(Continued)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Accounts receivable (including long-term installment receivable)— assessed in individual

	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
Current	\$ 55,568	100%	55,568
Less than 120 days past due	36,645	100%	36,645
121~180 days past due	7,545	100%	7,545
181~270 days past due	9,693	100%	9,693
More than 271 days past due	<u>16,520</u>	100%	<u>16,520</u>
Total	<u>\$ 125,971</u>		<u>125,971</u>

September 30, 2024

Notes receivable

	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
Current	<u>\$ 2,112</u>	0.47%	<u>10</u>

Accounts receivable

	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
Current	\$ 186,279	-%	-
Less than 120 days past due	2,223	-%	-
181~270 days past due	<u>1</u>	-%	<u>-</u>
Total	<u>\$ 188,503</u>		<u>-</u>

Accounts receivable (including long-term installment receivable)— assessed in individual

	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
Current	\$ 85,261	9.63%~99.34%	53,369
Less than 120 days past due	15,359	9.63%~99.34%	10,808
121~180 days past due	6,099	9.63%~99.34%	5,250
181~270 days past due	7,849	9.63%~99.34%	6,584
More than 271 days past due	<u>11,906</u>	0%~100%	<u>8,670</u>
Total	<u>\$ 126,474</u>		<u>84,681</u>

(Continued)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movement in the allowance for notes receivable and accounts receivable (including long-term installment receivable), were as follows:

	For the nine months ended September 30,	
	2025	2024
Balance at January 1	\$ 126,046	62,104
Impairment losses recognized	5,678	35,120
Amounts written off as uncollectible during the year	(7,654)	(14,817)
Effect of exchange rate change	(7,195)	2,284
Balance at September 30	\$ 116,875	84,691

- (i) The above-mentioned financial assets have not been provided as security.
- (ii) For market risk of the Group's accounts receivable and notes receivable, please refer to Note 6(w).
- (f) Other receivables

	September 30, 2025	December 31, 2024	September 30, 2024
Current:			
Tax refund receivable	\$ 284	816	648
Earned revenue receivable	1,796	4,231	3,835
Other receivables—related parties	16	2,152	2,268
Other receivables—other	6,013	5,470	21,312
Other installment receivables	13,171	3,278	2,223
Less: unrealized interest income	(48)	(49)	(32)
Subtotal	21,232	15,898	30,254
Less: loss allowance	(10,884)	(8,590)	(23,368)
Subtotal of current portions	10,348	7,308	6,886
Non-current:			
Installments of long-term other receivables	-	-	1,018
Less: unrealized interest income	-	-	(13)
loss allowance	-	-	(1,005)
Subtotal of non-current portions	-	-	-
Total	\$ 10,348	7,308	6,886

For credit risk information, please refer to Note 6(w).

(Continued)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Inventories

(i) The details of the Group's inventories are as follows:

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Raw materials	\$ 75,717	53,475	60,926
Work in process	22,641	24,996	20,565
Finished goods	12,019	27,441	15,841
Merchandise	<u>1</u>	<u>1,001</u>	<u>1,106</u>
Total	<u>\$ 110,378</u>	<u>106,913</u>	<u>98,438</u>

(ii) The details of the Group's operating cost are as follows:

	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Cost of goods sold	\$ 152,055	161,980	456,124	436,567
Write-down of inventories (Reversal of write-downs)	1,569	(5,167)	1,495	(6,169)
Write-off loss	64	2,969	701	3,465
Scrap revenue	<u>(716)</u>	<u>(1,453)</u>	<u>(6,410)</u>	<u>(4,501)</u>
Total	<u>\$ 152,972</u>	<u>158,329</u>	<u>451,910</u>	<u>429,362</u>

(iii) The Group's inventories have not been pledged as collateral as of September 30, 2025, December 31 and September 30, 2024.

(h) Prepayments

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Prepaid cost of the carbon credits development	\$ 103,750	103,750	90,642
Other	<u>4,730</u>	<u>7,073</u>	<u>8,128</u>
Total	<u>\$ 108,480</u>	<u>110,823</u>	<u>98,770</u>

The Group jointly developed an Indonesian REDD+/CCB carbon credits project with Asia Assets Development Co., Ltd., please refer to Note 9.

(Continued)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Property, plant and equipment

The movements in the cost, depreciation, and impairment of the property, plant and equipment of the Group were as follows:

	<u>Land and improvements</u>	<u>Buildings and structures</u>	<u>Machinery</u>	<u>Office equipment</u>	<u>Transportation equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment and construction in progress</u>	<u>Total</u>
Cost:								
Balance on January 1, 2025	\$ 463,378	182,341	220,064	30,402	3,510	50,687	185,645	1,136,027
Additions	-	-	3,048	82	-	-	5,278	8,408
Disposal and write-off	-	-	(900)	(175)	-	(40,491)	(211)	(41,777)
Effects of changes in foreign exchange rates and others	-	-	(3,915)	(325)	(101)	(2,367)	(2,422)	(9,130)
Balance on September 30, 2025	<u>\$ 463,378</u>	<u>182,341</u>	<u>218,297</u>	<u>29,984</u>	<u>3,409</u>	<u>7,829</u>	<u>188,290</u>	<u>1,093,528</u>
Balance on January 1, 2024	\$ 463,378	182,781	226,547	27,028	3,904	42,444	183,400	1,129,482
Additions	-	180	-	3,721	-	6,079	2,711	12,691
Disposal and write-off	-	(620)	(10,926)	(618)	(487)	-	(2,633)	(15,284)
Reclassification	-	-	1,237	-	-	-	-	1,237
Effects of changes in foreign exchange rates	-	-	2,581	204	78	1,737	1,512	6,112
Balance on September 30, 2024	<u>\$ 463,378</u>	<u>182,341</u>	<u>219,439</u>	<u>30,335</u>	<u>3,495</u>	<u>50,260</u>	<u>184,990</u>	<u>1,134,238</u>
Depreciation and impairment losses:								
Balance on January 1, 2025	\$ -	137,706	193,175	25,614	3,510	45,901	180,139	586,045
Depreciation	-	6,174	4,935	947	-	1,276	3,374	16,706
Disposal and write-off	-	-	(900)	(124)	-	(40,491)	(209)	(41,724)
Effects of changes in foreign exchange rates	-	-	(3,327)	(291)	(101)	(2,327)	(2,193)	(8,239)
Balance on September 30, 2025	<u>\$ -</u>	<u>143,880</u>	<u>193,883</u>	<u>26,146</u>	<u>3,409</u>	<u>4,359</u>	<u>181,111</u>	<u>552,788</u>
Balance on January 1, 2024	\$ -	129,993	194,523	24,726	3,484	42,444	176,443	571,613
Depreciation	-	6,260	5,228	972	426	882	4,523	18,291
Disposal	-	(620)	(10,905)	(610)	(487)	-	(2,255)	(14,877)
Effects of changes in foreign exchange rates	-	-	2,099	187	72	1,722	1,388	5,468
Balance on September 30, 2024	<u>\$ -</u>	<u>135,633</u>	<u>190,945</u>	<u>25,275</u>	<u>3,495</u>	<u>45,048</u>	<u>180,099</u>	<u>580,495</u>
Carrying value :								
Balance on January 1, 2025	<u>\$ 463,378</u>	<u>44,635</u>	<u>26,889</u>	<u>4,788</u>	<u>-</u>	<u>4,786</u>	<u>5,506</u>	<u>549,982</u>
Balance on September 30, 2025	<u>\$ 463,378</u>	<u>38,461</u>	<u>24,414</u>	<u>3,838</u>	<u>-</u>	<u>3,470</u>	<u>7,179</u>	<u>540,740</u>
Balance on January 1, 2024	<u>\$ 463,378</u>	<u>52,788</u>	<u>32,024</u>	<u>2,302</u>	<u>420</u>	<u>-</u>	<u>6,957</u>	<u>557,869</u>
Balance on September 30, 2024	<u>\$ 463,378</u>	<u>46,708</u>	<u>28,494</u>	<u>5,060</u>	<u>-</u>	<u>5,212</u>	<u>4,891</u>	<u>553,743</u>

As of September 30, 2025, December 31 and September 30, 2024, the property, plant and equipment of the Group had been pledged as collateral; please refer to Note 8.

(Continued)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Right-of-use assets

	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Total</u>
Carrying value:			
Balance on January 1, 2025	\$ <u>29,196</u>	<u>1,151</u>	<u>30,347</u>
Balance on September 30, 2025	\$ <u>18,165</u>	<u>806</u>	<u>18,971</u>
Balance on January 1, 2024	\$ <u>15,217</u>	<u>207</u>	<u>15,424</u>
Balance on September 30, 2024	\$ <u>26,131</u>	<u>1,266</u>	<u>27,397</u>

- (i) Except for the following disclosures, there were no significant additions, recognition or reversal of impairment losses for the right-of-use assets recognized in the Group's leased buildings, and transportation equipment for the nine months ended September 30, 2025 and 2024. Please refer to Note 6(j) of the consolidated financial statements for the year ended December 31, 2024, for other related information.

The Group rented office for business needs and acquired right-of-use assets amounting to \$26,070 thousand for the nine months ended September 30, 2024.

- (ii) The Group's right-of-use assets were not pledged as collateral as of September 30, 2025, December 31 and September 30, 2024.

(k) Investment property

	<u>Owned property</u>	<u>Right-of-use assets</u>		
	<u>Buildings and structures</u>	<u>Right of land</u>	<u>Buildings and structures</u>	<u>Total</u>
Carrying value :				
Balance on January 1, 2025	\$ <u>6,548</u>	<u>7,449</u>	<u>1,746</u>	<u>15,743</u>
Balance on September 30, 2025	\$ <u>7,788</u>	<u>6,784</u>	<u>410</u>	<u>14,982</u>
Balance on January 1, 2024	\$ <u>7,399</u>	<u>-</u>	<u>3,320</u>	<u>10,719</u>
Balance on September 30, 2024	\$ <u>6,792</u>	<u>7,452</u>	<u>2,161</u>	<u>16,405</u>

- (i) There were no significant addition and disposal of investment properties for the nine months ended September 30, 2025 and 2024. For other related information, please refer to Note 6(k) of the consolidated financial statements for the year ended December 31, 2024, for other related information.

1) The Group acquired right-of-use assets amounting to \$7,587 thousand for the nine months ended September 30, 2024.

- (ii) The fair values of the Group's investment properties did not differ materially from those disclosed in Note 6(k) to the consolidated financial statements for the year ended December 31, 2024.

- (iii) None of the Group's investment property has been pledged as collateral as of September 30, 2025, December 31 and September 30, 2024.

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Secured bank loans	<u>\$ 90,000</u>	<u>100,000</u>	<u>-</u>
Unused credit lines	<u>\$ 40,000</u>	<u>-</u>	<u>100,000</u>
Range of interest rates	<u>2.16%~2.37%</u>	<u>2.37%</u>	<u>2.25%</u>

The Group pledged assets as collateral to secure bank loans, please refer to Note 8 for details.

(m) Long-term borrowings

The details for long-term borrowings for September 30, 2025, December 31 and September 30, 2024, are as follows:

Creditor	September 30, 2025	December 31, 2024	September 30, 2024	Interest rate (%)	Repayment term and method
Secured bank loans from Sunny Bank	\$ 698,000	707,000	710,000	2.16	Monthly installments of \$1,000 thousand and \$667,000 thousand for the 84th installment, from May 6, 2021 to May 6, 2028. Interest payment on a monthly basis.
Secured bank loans from Sunny Bank	259,000	268,000	271,000	2.37	Monthly installments of \$1,000 thousand and \$221,000 thousand for the 60th installment, from December 1, 2023 to December 1, 2028. Interest payment on a monthly basis.
Less: current portion	<u>(24,000)</u>	<u>(24,000)</u>	<u>(24,000)</u>		
Total	<u>\$ 933,000</u>	<u>951,000</u>	<u>957,000</u>		
Unused credit lines	<u>\$ -</u>	<u>-</u>	<u>-</u>		

The Group pledged assets as collateral to secure bank loans, please refer to Note 8 for details.

(n) Lease liabilities

The carrying amounts of Group's lease liabilities are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	<u>\$ 9,388</u>	<u>17,110</u>	<u>17,869</u>
Non-current	<u>17,280</u>	<u>22,950</u>	<u>27,675</u>
Total	<u>\$ 26,668</u>	<u>40,060</u>	<u>45,544</u>

For the maturity analysis, please refer to Note 6(w).

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
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The amounts recognized in profit or loss were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Interest on lease liabilities	<u>\$ 188</u>	<u>307</u>	<u>662</u>	<u>824</u>
Income from sub-leasing right-of-use assets	<u>\$ (419)</u>	<u>(643)</u>	<u>(1,296)</u>	<u>(1,904)</u>

The amounts recognized in the statement of cash flows were as follows:

	For the nine months ended	
	September 30,	
	2025	2024
Total cash outflow for leases	<u>\$ 13,033</u>	<u>13,913</u>

The Group leases various properties, including land, buildings and structures, machinery and transportation equipment. The lease terms range from 2 to 26 years.

For the Group's subleased right-of-use assets under operating leases, please refer to Note 6(o).

Some of the Group's property lease agreements contain extension and termination options. The Group determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably not to exercise option. These options are used to maximize the operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group. After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

(o) Operating lease

The Group leases out its investment property and property, plant and equipment. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to Note 6(k) for information on operating leases of investment property.

There were no significant changes in operating lease for the nine months ended September 30, 2025 and 2024. Please refer to Note 6(o) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(p) Employee benefits

(i) Defined contribution plans

The Group recognized defined contribution plans for the three months and nine months ended September 30, 2025 and 2024 amounting to \$2,337 thousand, \$2,450 thousand, \$7,130 thousand and \$7,325 thousand, respectively.

(ii) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

The Group recognized (profit) expenses for the defined benefit plans for the three months and nine months ended September 30, 2025 and 2024 amounting to \$(53) thousand, \$17 thousand, \$(160) thousand and \$52 thousand.

(q) Income tax

(i) Income tax expense

The details for income tax expense of the Group are as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Current tax expenses				
Current period	\$ 664	281	1,799	664
Income tax expense	<u>\$ 664</u>	<u>281</u>	<u>1,799</u>	<u>664</u>

(ii) Assessment of income tax returns

- 1) The Company's income tax returns through 2023 were assessed and approved by the tax authority.
- 2) The income tax returns of the Group's subsidiaries in Mainland China have been filed with the local tax authorities through the year 2024.

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(r) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the nine months ended September 30, 2025 and 2024. For the related information, please refer to Note 6(r) to of the consolidated financial statements for the year ended December 31, 2024.

(i) Retained earnings

The Company's Articles of Incorporation stipulate that annual earning shall be appropriated in the following order:

- A) Pay income tax.
- B) Offset deficit.
- C) Appropriate 10% of the remaining amount after deducting item (A) and (B) as legal reserve.
- D) Appropriate or reverse special reserve pursuant to relevant laws or regulations.
- E) After deducting item (A), (B), (C), and (D), the appropriation of the remaining portion, if any, shall be recommended by the Board of Directors and resolved in the shareholders' meeting.

1) Earnings distribution

On June 17, 2025 and May 27, 2024, the shareholders' meeting resolved not to distribute earnings for the years 2024 and 2023, respectively.

(ii) Other equity, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income (loss)	Total
Balance on January 1, 2025	\$ (68,996)	368,463	299,467
Exchange differences on foreign operations	(46,979)	-	(46,979)
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	(183,868)	(183,868)
Balance on September 30, 2025	<u>\$ (115,975)</u>	<u>184,595</u>	<u>68,620</u>

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income (loss)	合 計
Balance on January 1, 2024	\$ (108,477)	299,417	190,940
Exchange differences on foreign operations	32,194	-	32,194
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	151,919	151,919
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(57,460)	(57,460)
Balance on September 30, 2024	<u>\$ (76,283)</u>	<u>393,876</u>	<u>317,593</u>

(s) Losses per share

The Group's basic and diluted losses per share were calculated as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Basic and diluted losses per share				
Losses attributable to ordinary shareholders of the Company	\$ <u>44,223</u>	<u>(59,514)</u>	<u>(54,476)</u>	<u>(91,012)</u>
Weighted average number of ordinary shares outstanding (thousand shares)	139,983	139,983	139,983	139,983
Basic and diluted losses per share (NT Dollars)	<u>\$ 0.32</u>	<u>(0.43)</u>	<u>(0.39)</u>	<u>(0.65)</u>

(t) Revenue from contracts with customers

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Sale of goods revenue	\$ 161,861	169,925	483,713	449,720
Other operating revenue	11	138	569	266
Total	<u>\$ 161,872</u>	<u>170,063</u>	<u>484,282</u>	<u>449,986</u>

(Continued)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
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Pertinent information on the Group's revenue from contracts with customers for the three months and nine months ended September 30, 2025 and 2024, was as follows:

(i) Disaggregation of revenue

For the nine months ended September 30, 2025				
	Optoelectronics segment	Electronics component products segment	Electronics appliance segment	Total
Sale of goods revenue	\$ 45,059	72,623	44,007	161,689
Other operating revenue	-	183	-	183
Total	\$ 45,059	72,806	44,007	161,872
Timing of revenue recognition				
At a point in time	\$ 45,059	72,806	44,007	161,872
For the nine months ended September 30, 2024				
	Optoelectronics segment	Electronics component products segment	Electronics appliance segment	Total
Sale of goods revenue	\$ 70,262	57,387	42,278	169,927
Other operating revenue	-	112	24	136
Total	\$ 70,262	57,499	42,302	170,063
Timing of revenue recognition				
At a point in time	\$ 70,262	57,499	42,302	170,063
For the nine months ended September 30, 2025				
	Optoelectronics segment	Electronics component products segment	Electronics appliance segment	Total
Sale of goods revenue	\$ 119,694	237,686	126,161	483,541
Other operating revenue	-	741	-	741
Total	\$ 119,694	238,427	126,161	484,282
Timing of revenue recognition:				
At a point in time	\$ 119,694	238,427	126,161	484,282
For the nine months ended September 30, 2024				
	Optoelectronics segment	Electronics component products segment	Electronics appliance segment	Total
Sale of goods revenue	\$ 147,903	192,847	108,970	449,720
Other operating revenue	-	232	34	266
Total	\$ 147,903	193,079	109,004	449,986
Timing of revenue recognition:				
At a point in time	\$ 147,903	193,079	109,004	449,986

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(ii) Contract balances

A) Contract liabilities

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Contract liabilities — Sale of goods	\$ <u>1,167</u>	<u>12,474</u>	<u>1,951</u>

Material movements in the balance of the Group's contract liabilities for the nine months ended September 30, 2025 and 2024, are detailed as follows:

	For the nine months ended September 30,	
	<u>2025</u>	<u>2024</u>
Opening balances transferred to income for the current period	\$ (12,205)	(20,071)
Increase in advances received in the period (excluding the amount incurred and transferred to revenue in the period)	924	1,607
Effect of movement in exchange rates	<u>(26)</u>	<u>57</u>
Net movement for the period	<u>\$ (11,307)</u>	<u>(18,407)</u>

(u) Remunerations to employees and directors

The Company amended its Article of Incorporation following a resolution passed at the shareholders' meeting on June 17, 2025. According to the modified Articles of Incorporation, once the Company has annual profit, it should contribute no less than 1% of the profit to its employees (No less than 60% of this total employee remuneration shall be allocated to entry-level employees.) and no more than 2% of the profit to its directors as remuneration. However, if the Company has accumulated deficits, the profit shall be reserved to offset the deficits in advance. The aforementioned employee remuneration shall be in the form of shares or cash, and shall be resolved by a majority vote of a meeting of the Board of Directors attended by two-thirds or more of the directors. Aside from that, such distribution shall be reported to the shareholders' meeting. The Article of Incorporation prior to the amendment stipulated that once the Company has annual profit, it should contribute no less than 1% of the profit to its employees and no more than 2% of the profit to its directors as remuneration. However, if the Company has accumulated deficits, the profit shall be reserved to offset the deficits in advance. The aforementioned employee remuneration shall be in the form of shares or cash, and shall be resolved by a majority vote of a meeting of the Board of Directors attended by two-thirds or more of the directors, and reported to the shareholders' meeting. The relevant information is available on the Market Observation Post System website.

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
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For the nine months ended September 30, 2025 and 2024, the Company incurred net loss after tax and thus did not recognized remuneration to employees and directors. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for the period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employee' remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

(v) Non-operating income and expenses

(i) Interest income

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Interest income from bank deposits	\$ 5,914	8,196	17,541	23,556
Interest income from financial assets measured at fair value through profit or loss	-	-	-	53
Interest income from financial assets measured at amortized cost	235	302	626	581
Others	107	7	891	35
	\$ 6,256	8,505	19,058	24,225

(ii) Other income

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Rental income	\$ 4,191	7,013	13,243	20,538
Dividend income	64,773	798	65,361	798
Other income	(22)	205	2,594	2,412
	\$ 68,942	8,016	81,198	23,748

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(iii) Other gains and losses

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Net (losses) gains on disposals of property, plant and equipment	\$ 14	(22)	2	296
Gains (losses) on disposal of investment properties	(16)	-	137	-
Foreign exchange (losses) gains, net	11,368	(14,708)	(26,555)	4,283
(Losses) gains on financial assets measured at fair value through profit or loss	(5,034)	(844)	(45,661)	755
Others	(177)	(173)	(458)	(1,035)
	<u>\$ 6,155</u>	<u>(15,747)</u>	<u>(72,535)</u>	<u>4,299</u>

(iv) Finance costs

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Bank borrowings	\$ 5,998	5,451	17,900	16,285
Interest expense of lease liabilities	188	307	662	824
Others	3	8	33	30
	<u>\$ 6,189</u>	<u>5,766</u>	<u>18,595</u>	<u>17,139</u>

(w) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of September 30, 2025, December 31 and September 30, 2024, the Group assessed the concentrations of credit risk arising from the major top three customers, at percentages of 35%, 50% and 45%, respectively, of the total notes and accounts receivable (including installments of long-term receivables).

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
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3) Credit risk of receivables and other financial assets measured at amortized cost

For credit risk exposure of notes receivable, accounts receivable and long-term installment receivable, please refer to Note 6(e); and of other receivables and long-term receivables, please refer to Note 6(f). Long-term receivables (excluding long-term installment receivable) and other financial assets measured at amortized cost are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-months expected credit losses.

The following table presents whether the assets were subject to a 12-month ECL or lifetime ECL allowance, and in the latter case, whether they were credit-impaired:

	<u>12-month ECL</u>	<u>Lifetime ECL – not credit impaired</u>	<u>Lifetime ECL – credit impaired</u>	<u>Total</u>
September 30, 2025				
Gross carrying amounts	\$ 10,348	-	10,884	21,232
Loss allowance	-	-	(10,884)	(10,884)
Carrying amounts	<u>\$ 10,348</u>	<u>-</u>	<u>-</u>	<u>10,348</u>
December 31, 2024				
Gross carrying amounts	\$ 7,308	-	8,590	15,898
Loss allowance	-	-	(8,590)	(8,590)
Carrying amounts	<u>\$ 7,308</u>	<u>-</u>	<u>-</u>	<u>7,308</u>
September 30, 2024				
Gross carrying amounts	\$ 6,886	612	23,761	31,259
Loss allowance	-	(612)	(23,761)	(24,373)
Carrying amounts	<u>\$ 6,886</u>	<u>-</u>	<u>-</u>	<u>6,886</u>

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
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The movement in the allowance for impairment for other receivables were as follows:

	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total
Balance on January 1, 2025	\$ -	-	8,590	8,590
Impairment loss recognized	-	-	2,509	2,509
Effect of movement in exchange rate	-	-	(215)	(215)
Balance on September 30, 2025	<u>\$ -</u>	<u>-</u>	<u>10,884</u>	<u>10,884</u>
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total
Balance on January 1, 2024	\$ -	94	21,283	21,377
Impairment loss recognized	-	506	1,779	2,285
Effect of movement in exchange rate	-	12	699	711
Balance on September 30, 2024	<u>\$ -</u>	<u>612</u>	<u>23,761</u>	<u>24,373</u>

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flow	Within 1 year	2-3 years	4-5 years	Over 5 years
September 30, 2025						
Non-derivative financial liabilities						
Short-term borrowings	\$ 90,000	90,856	90,856	-	-	-
Long-term borrowings	957,000	1,014,798	44,966	745,517	224,315	-
Accounts payable (including related parties)	121,866	121,866	121,866	-	-	-
Other payables (including related parties)	50,508	50,508	50,508	-	-	-
Guarantee deposit received	5,128	5,128	2,816	2,312	-	-
Lease liabilities	26,668	30,616	9,951	10,730	1,741	8,194
	<u>\$ 1,251,170</u>	<u>1,313,772</u>	<u>320,963</u>	<u>758,559</u>	<u>226,056</u>	<u>8,194</u>

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
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	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>Within 1 year</u>	<u>2-3 years</u>	<u>4-5 years</u>	<u>Over 5 years</u>
December 31, 2024						
Non-derivative financial liabilities						
Short-term borrowings	\$ 100,000	102,370	102,370	-	-	-
Long-term borrowings	975,000	1,048,880	45,374	89,117	914,389	-
Accounts payable (including related parties)	110,542	110,542	110,542	-	-	-
Other payables (including related parties)	51,755	51,755	51,755	-	-	-
Guarantee deposit received	5,391	5,391	5,391	-	-	-
Lease liabilities	40,060	44,910	17,956	13,484	4,400	9,070
	<u>\$ 1,282,748</u>	<u>1,363,848</u>	<u>333,388</u>	<u>102,601</u>	<u>918,789</u>	<u>9,070</u>
September 30, 2024						
Non-derivative financial liabilities						
Long-term borrowings	\$ 981,000	1,060,308	45,510	89,388	925,410	-
Accounts payable (including related parties)	112,046	112,046	112,046	-	-	-
Other payables (including related parties)	44,077	44,077	44,077	-	-	-
Guarantee deposit received	6,282	6,282	6,101	181	-	-
Lease liabilities	45,544	47,077	18,007	15,768	4,204	9,098
	<u>\$ 1,188,949</u>	<u>1,269,790</u>	<u>225,741</u>	<u>105,337</u>	<u>929,614</u>	<u>9,098</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<u>September 30, 2025</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$	21,398	30.4450
HKD		2,239	3.9130
CNY		190	4.2850
JPY		851	0.2058
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD		1,594	30.4450
			48,529

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
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	December 31, 2024		
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 24,176	32.7850	792,610
HKD	2,511	4.2220	10,601
CNY	205	4.5610	935
JPY	34,015	0.2099	7,140
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	1,696	32.7850	55,603
September 30, 2024			
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 21,405	31.6500	677,468
HKD	3,638	4.0750	14,825
CNY	205	4.5170	926
JPY	35,316	0.2223	7,851
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	1,346	31.6500	4,261

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, financial assets measured at amortized cost and accounts payable that are denominated in foreign currency. As of September 30, 2025 and 2024, a strengthening (weakening) of 1% of the exchange rate of the functional currency of the Group against the main foreign currencies would have increase (decrease) profit (loss) before tax by \$6,126 thousand and \$6,968 thousand for the nine months ended September 30, 2025 and 2024, respectively, assuming all other variables held constant. The analysis of the two periods was conducted using the same basis.

3) Foreign exchange gains or losses on monetary items

Since the Group has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. for the three months and nine months ended September 30, 2025 and 2024, net foreign exchange (losses) gains (including realized and unrealized) amounted to \$11,368 thousand, \$(14,708) thousand, \$(26,555) thousand and \$4,283 thousand, respectively.

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
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4) Interest rate risk

Please refer to the notes on liquidity risk management for interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 10 basis points when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 10 basis points, the Group's net income (loss) before tax would have increased / decreased by \$785 thousand and \$736 thousand for the nine months ended September 30, 2025 and 2024, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at variable rate.

5) Other market price risk

If the securities price at the reporting date changes (the analysis is performed on the same basis and all other variable factors remaining constant), the effect for the profit and loss is illustrated below:

	For the nine months ended September 30,			
	2025		2024	
Prices of securities at the reporting date	Other comprehensive income after tax	Net income (loss)	Other comprehensive income after tax	Net income (loss)
Increase by 1%	\$ 6,654	1,799	8,785	335
Decrease by 1%	\$ (6,654)	(1,799)	(8,785)	(335)

(iv) Fair value information

1) Types and fair value of financial instruments

Financial assets measured at fair value through profit or loss and at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy, were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

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		September 30, 2025			
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Shares	\$ <u>179,860</u>	<u>179,860</u>	<u>-</u>	<u>-</u>	<u>179,860</u>
Financial assets measured at fair value through other comprehensive income					
Shares	<u>665,377</u>	<u>650,330</u>	<u>-</u>	<u>15,047</u>	<u>665,377</u>
Total	\$ <u>845,237</u>	<u>830,190</u>	<u>-</u>	<u>15,047</u>	<u>845,237</u>
		December 31, 2024			
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Shares	\$ <u>225,465</u>	<u>225,465</u>	<u>-</u>	<u>-</u>	<u>225,465</u>
Financial assets measured at fair value through other comprehensive income					
Shares	<u>853,074</u>	<u>846,201</u>	<u>-</u>	<u>6,873</u>	<u>853,074</u>
Total	\$ <u>1,078,539</u>	<u>1,071,666</u>	<u>-</u>	<u>6,873</u>	<u>1,078,539</u>
		September 30, 2024			
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Shares	\$ <u>33,497</u>	<u>33,497</u>	<u>-</u>	<u>-</u>	<u>33,497</u>
Financial assets measured at fair value through other comprehensive income					
Shares	<u>878,487</u>	<u>868,284</u>	<u>-</u>	<u>10,203</u>	<u>878,487</u>
Total	\$ <u>911,984</u>	<u>901,781</u>	<u>-</u>	<u>10,203</u>	<u>911,984</u>

- 2) Valuation techniques for financial instruments measured at fair value – Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm-length basis. Whether transactions are taking place ‘regularly’ is a matter of judgment and depends on the facts and circumstances of the market for the instrument. Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide.

(Continued)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting date.

3) Transfers between Level 1 and Level 2

No transfers have occurred between the fair value levels in the hierarchy for the nine months ended September 30, 2025 and 2024.

4) Reconciliation of Level 3 fair values

	<u>Fair value through profit or loss</u>	<u>Fair value through other comprehensive income</u>	
	<u>Financial products</u>	<u>Unquoted equity instruments</u>	<u>Total</u>
Balance on January 1, 2025	\$ -	6,873	6,873
Total gains and losses			
Recognized in other comprehensive income	-	3,174	3,174
Purchased	-	5,000	5,000
Balance on September 30, 2025	<u>\$ -</u>	<u>15,047</u>	<u>15,047</u>
Balance on January 1, 2024	\$ 108,375	10,374	118,749
In other comprehensive income	-	(1,951)	(1,951)
Purchased	-	1,780	1,780
Disposed	(111,039)	-	(111,039)
Effect of movements in exchange rates	<u>2,664</u>	<u>-</u>	<u>2,664</u>
Balance on September 30, 2024	<u>\$ -</u>	<u>10,203</u>	<u>10,203</u>

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss – financial products".

The financial products of the Group that use Level 3 inputs have multiple significant unobservable inputs. The significant unobservable inputs of the financial products are independent, therefore, there is no correlation between them.

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interrelationship between significant unobservable inputs and fair value measurement</u>
Financial assets measured at fair value through other comprehensive income – equity instruments without an active market	Market approach	<ul style="list-style-type: none"> · Market liquidity discount rate (15.6% , 15.6% and 15.7% as of September 30, 2025, December 31, 2024 and September 30, 2024 · P/B ratio (2.63, 1.84 and 3.68 as of September 30, 2025, December 31, 2024 and September 30, 2024) 	<ul style="list-style-type: none"> · The higher the market liquidity discount rate, the lower the fair value. · The higher the multiplier, the higher the fair value.

- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments is deemed reasonable despite the fact that different valuation models or parameters may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

	<u>Inputs</u>	<u>Upwards or downwards movement</u>	<u>The effect on other comprehensive income due to change of fair value</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
September 30, 2025				
Financial assets measured at fair value through other comprehensive income				
The fair value of equity instruments without an active market – market approach	Market liquidity discount	1%	119	(119)
	P/B ratio	1%	100	(100)
December 31, 2024				
Financial assets measured at fair value through other comprehensive income				
The fair value of equity instruments without an active market – market approach	Market Liquidity discount	1%	34	(40)
	P/B ratio	1%	27	(33)

(Continued)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

September 30, 2024	<u>Inputs</u>	<u>Upwards or downwards movement</u>	<u>The effect on other comprehensive income due to change of fair value</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
Financial assets measured at fair value through other comprehensive income				
The fair value of equity instruments without an active market – market approach	Market liquidity discount	1%	121	(121)
	P/B ratio	1%	102	(102)

The management of the Group is responsible for the fair value verification. With principal-guaranteed financial products contracts, the evaluation results would be closer to the market, confirming that the source of the information is independent, reliable, consistent with other resources, and represents an executable price. Changes in the value of assets and liabilities must be re-measured or re-evaluated in accordance with the accounting policies of the Group and are analyzed on each reporting date to ensure that the evaluation results are reasonable.

(x) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(x) to the consolidated financial statements for the year ended December 31, 2024.

(y) Capital management

The primary purpose of the Group's management is to ensure the Group can maintain a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' equity value. The Group manages and adjusts its capital structure in accordance with changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment, return capital or issue new shares.

(z) Investing and financing activities not affecting current cash flows

For the nine months ended September 30, 2024, the right-of-use assets that the Group acquired by leasing were \$33,620 thousand. The right-of-use assets decreased \$2,575 thousand due to lease modification.

Reconciliation of liabilities arising from non-cash financing activities for the nine months ended September 30, 2025 and 2024, was as follows:

	<u>2025.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>2025.9.30</u>
			<u>Foreign exchange effect</u>	<u>other</u>	
Lease liabilities	\$ 40,060	(12,371)	(1,021)	-	26,668
Guarantee deposits received	5,391	(87)	(176)	-	5,128
Total liabilities from financing activities	<u>\$ 45,451</u>	<u>(12,458)</u>	<u>(1,197)</u>	<u>-</u>	<u>31,796</u>

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	2024.1.1	Cash flows	Non-cash changes		2024.9.30
			Foreign exchange effect	other	
Lease liabilities	\$ 26,778	(13,089)	810	31,045	45,544
Guarantee deposits received	5,755	379	148	-	6,282
Total liabilities from financing activities	\$ <u>32,533</u>	<u>(12,710)</u>	<u>958</u>	<u>31,045</u>	<u>51,826</u>

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Tatung Corporation	The parent company
Tatung System Technologies Inc.	Other related party of the Company
Tatung Consumer Products (Taiwan) Co., Ltd.	Other related party of the Company
Tatung Co. of Japan, Inc.	Other related party of the Company
The Joint Welfare Committee of Tatung	Other related party of the Company
Chyun Huei Business Technology Inc.	Other related party of the Company
Employee Welfare Committee of Forward Electronics Corporation	Other related party of the Company
Tatung Asset Development Co., Ltd. (Original name: Shan-Chih Asset Development Co., Ltd.)	Other related party of the Company
Tisnet Technology Inc.	Other related party of the Company
Tatung (Shanghai) Co., Ltd.	Other related party of the Company

(b) Significant transactions with related parties

(i) Sales

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
The parent company	\$ -	-	1	70
Other related parties	1,710	1	3,507	48
	\$ <u>1,710</u>	<u>1</u>	<u>3,508</u>	<u>118</u>

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

There were no material differences between the selling prices for related parties and arm's length customers. Payment terms for sales to related parties and arm's length customers are juxtaposed as follows:

		For the nine months ended September 30,		
		2025	2024	
Location	Related party	Arm's length customer	Related party	Arm's length customer
Foreign	O/A 30-150 days	O/A 60-150 days or Sight L/C	O/A 30-150 days	O/A 60-150 days or Sight L/C
Domestic	Cash collection at period closing date or TT or O/A 30-150 days	O/A 30-120 days	Cash collection at period closing date or TT or O/A 30-150 days	O/A 30-120 days

(ii) Receivables from related parties

Account	Relationship	September 30, 2025	December 31, 2024	September 30, 2024
"	Other related parties	\$ 1,949	2	1
	Less: loss allowance	-	-	-
	Total	<u>\$ 1,949</u>	<u>2</u>	<u>1</u>
Other receivables – related parties	The parent company	\$ 16	2,152	2,268
	Less: loss allowance	-	-	-
		<u>\$ 16</u>	<u>2,152</u>	<u>2,268</u>

(iii) Payables to related parties

Account	Relationship	September 30, 2025	December 31, 2024	September 30, 2024
Accounts payable – related parties	Other related parties	<u>\$ 104</u>	<u>9</u>	<u>39</u>
Other payables – related parties	The parent company	\$ 562	1,387	1,040
"	Other related parties	185	53	213
	Total	<u>\$ 747</u>	<u>1,440</u>	<u>1,253</u>

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Rental income

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
The parent company	\$ -	1,420	2,366	4,259

The aforementioned lease is subject to the current market prices with monthly collection.

(v) Service fee

For the three months and nine months ended September 30, 2025 and 2024, the Group's parent company incurred expenses of \$750 thousand, \$750 thousand, \$2,250 thousand and \$2,250 thousand for rendering administrative support services for the Group, and the amount was recognized in the line item of administrative expenses.

(vi) Leases

In December 2023, the Group leased its headquarter office from Tatung Asset Development Co., Ltd. and entered into a 13-month lease contract with reference to office rentals in the vicinity. In March 2024, the contract term was extended. For the nine months ended September 30, 2025 and 2024, interest expenses of \$62 thousand, \$83 thousand, \$201 thousand and \$187 thousand were recognized, respectively. As of September 30, 2025, December 31 and September 30, 2024, the balances of lease liabilities amounted to \$10,883 thousand, \$13,284 thousand and \$14,075 thousand, respectively.

(c) Key management personnel compensation

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 4,849	4,885	13,665	14,940
Post-employment benefits	91	124	271	363
	\$ 4,940	5,009	13,936	15,303

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Assets pledged as security

The carrying amounts of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Land	Security for long-term and short-term borrowings	\$ 463,378	463,378	463,378
Buildings and structures	Security for long-term and short-term borrowings	38,461	44,635	46,708
Financial assets at amortized cost	Collateral for short-term bank loan facilities	3,653	-	-
Financial assets at amortized cost	Customs guarantee	2,525	2,525	2,488
Refundable deposits	Security deposits for court	-	1,331	1,331
Total		<u>\$ 508,017</u>	<u>511,869</u>	<u>513,905</u>

(9) Commitments and contingencies

(a) The Group's unrecognized contractual commitments were as follows:

<u>Contracts entered into</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Royalty of sales on carbon credits	USD 17,400	17,400	17,400
<u>Amount paid</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Royalty of sales on carbon credits (Note)	USD 2,800 (NTD 90,642)	2,800 (NTD 90,642)	2,800 (NTD 90,642)

Note: The amount was recognized in the line item of prepayments.

The board approved the joint development of Indonesia REDD+/CCB carbon credit projects (WSRAFP and WSRAFP2) with Asia Assets Development Co., Ltd. (hereinafter referred to as AAD) in March and July of 2024, respectively. This initiative aims to enhance the Company's corporate image, increase shareholder equity, and promote the development of the new carbon business. These development projects were applied for Verified Carbon Units (VCUs) under Verra's Verified Carbon Standard (VCS) to obtain carbon credits certification by promoting forest ecological conservation and practicing the United Nations' Sustainable Development Goals (SDGs), among other initiatives.

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

AAD engaged Centre Testing International Group Co., Ltd. (hereinafter referred to as 'CTI') as the third-party validation body for the WSRAFP project. A Validation Report was issued by CTI in November 2024 and submitted to Verra for review. However, on March 25, 2025, Verra notified that, from April 15, 2025, CTI's qualification to validate certain carbon standards would be temporarily suspended. Consequently, AAD was required to reappoint a new third-party validation body and secure a revised Validation Report.

The Group reported at its Board meeting on August 5, 2025, that Asia Asset Company would appoint another Verra-qualified third-party verification agency, Earthood Services Limited. On September 30, 2025, Asia Asset Company resubmitted the WSRAFP project to Verra for review using the Project Plan Description methodology under the new framework.

Key information of the contract is as follows:

Contract number	WSRAFP	WSRAFP2
Verra case number	Registration pending	Registration pending
Estimated Carbon Credits to be Obtained (in tons)	10,000,000	10,000,000
Payment schedule under the contract	<ol style="list-style-type: none"> 1. Completion of the trust account establishment. 2. Obtaining the finalized validation report (issued by a Verra-recognized third-party independent organization), which is publicly available on the Verra Registry official website. 3. Payment of funds according to the work plan and budget execution plan. 4. Completion of third-party verification and receiving notification of Verra's VCUs carbon credit registration fee invoice. 	<ol style="list-style-type: none"> 1. Completion of the Verra registration and obtaining the Verra-registered project ID, as well as entering the public comment period. 2. Obtaining the finalized validation report (issued by a Verra-recognized third-party independent organization), which is publicly available on the Verra Registry official website. 3. Payment of funds according to the work plan and budget execution plan. 4. Completion of third-party verification and receiving notification of Verra's VCUs carbon credit registration fee invoice.

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Contract number	WSRAFP	WSRAFP2
Milestone	<ol style="list-style-type: none"> 1. Passing the first third-party validation. 2. Passing the first third-party verification. 3. Receiving the first carbon credit issuance. 	<ol style="list-style-type: none"> 1. Completed Verra registration. 2. Passing the first third-party validation. 3. Passing the first third-party verification. 4. Receiving the first carbon credit issuance.
Termination and Compensation Clause:	The contract contains compensation and termination clauses. If any party breaches the contract or an event occurs attributable to the party and makes it impossible to fulfill the contract, the contract may be terminated, and the breaching party may be claimed for compensation. This includes, without limitation, the breaching party refunding any amounts received.	

(b) Contingent liabilities

Suzhou Forward Electronics Technology Co., Ltd. was filed for arbitration by a client on November 23, 2022, due to a dispute over the quality of the delivered product, and the claimed amount was CNY\$1,853 thousand. In September 2024, the mediation was successfully concluded by Suzhou Arbitration Commission, and the client approved to give up the claimed amount.

(10) Losses Due to Major Disasters: None

(11) Significant Events:

Fuhua Electronic Equipment (Dong guan) Co., Ltd. reduced its capital, with the approval of its board on July 17, 2025. All related statutory registration procedures had been completed on September 2, 2025. Subsequently, the share funds has been returned to its investing company, Forward Development Co., Ltd., on October 24, 2025.

Forward Development Co., Ltd. reduced its capital on October 29, 2025, with the approval of its board on October 28, 2025, wherein the statutory registration procedures were still in progress as of the reporting date.

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(12) Other

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

		For the three months ended September 30,					
		2025			2024		
By item	By function	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		30,043	13,079	43,122	31,247	13,712	44,959
Labor and health insurance		2,897	476	3,373	2,850	875	3,725
Pension		1,618	666	2,284	1,760	707	2,467
Others		1,357	74	1,431	1,490	111	1,601
Depreciation		5,652	3,865	9,517	6,239	4,576	10,815
Amortization		30	5	35	29	23	52

		For the nine months ended September 30,					
		2025			2024		
By item	By function	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		87,543	37,610	125,153	92,380	41,326	133,706
Labor and health insurance		8,860	2,395	11,255	8,566	2,675	11,241
Pension		4,967	2,003	6,970	5,292	2,085	7,377
Others		4,714	201	4,915	4,398	213	4,611
Depreciation		17,293	11,817	29,110	19,009	13,436	32,445
Amortization		92	50	142	92	65	157

- (b) Seasonality of operations

The Group's operations is not impacted by seasonal or cyclical factors.

(13) Other disclosures

- (a) Information on significant transactions: None.
- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties: None.
- (iii) Securities held as of September 30, 2025 (excluding investment in subsidiaries, associates and joint ventures): Please refer to attachment 1.

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FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock None.
- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
- (vi) Business relationships and significant intercompany transactions: Please refer to attachment 2.

(b) Information on investees: Please refer to attachment 3.

(c) Information on investment in mainland China: Please refer to attachment 4.

(14) Segment information

The Group's operating segment information and reconciliation were as follows:

	Optoelectronics segment	Electronics components products segment	Electronics applications products segment	Other segments	Adjustments and eliminations	Total
For the three months ended September 30, 2025						
Revenue:						
Revenue from external customers	\$ 45,059	72,806	44,007	-	-	161,872
Inter-segment revenue	4,587	3,549	379	-	(8,515)	-
Total revenue	\$ 49,646	76,355	44,386	-	(8,515)	161,872
Profit (loss) of reportable segments	\$ (2,672)	(3,315)	(5,224)	56,098	-	44,887
For the three months ended September 30, 2024						
Revenue:						
Revenue from external customers	\$ 70,262	57,499	42,302	-	-	170,063
Inter-segment revenue	24,577	3,537	-	-	(28,114)	-
Total revenue	\$ 94,839	61,036	42,302	-	(28,114)	170,063
Profit (loss) of reportable segments	\$ (27,898)	(20,886)	(9,399)	(1,050)	-	(59,233)
For the nine months ended September 30, 2025						
Revenue:						
Revenue from external customers	\$ 119,694	238,427	126,161	-	-	484,282
Inter-segment revenue	43,134	8,032	379	-	(51,545)	-
Total revenue	\$ 162,828	246,459	126,540	-	(51,545)	484,282
Profit (loss) of reportable segments	\$ (7,853)	(33,997)	(18,409)	7,582	-	(52,677)
For the nine months ended September 30, 2024						
Revenue:						
Revenue from external customers	\$ 147,903	193,079	109,004	-	-	449,986
Inter-segment revenue	61,197	8,609	440	-	(70,246)	-
Total revenue	\$ 209,100	201,688	109,444	-	(70,246)	449,986
Profit (loss) of reportable segments	\$ (33,714)	(41,843)	(9,448)	(5,343)	-	(90,348)

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

ATTACHMENT 1: Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures not included)

Company holding securities	Security type and name	Relationship with the Company	Account	Ending balance				Remark
				Shares	Carrying value	Percentage of ownership (%)	Market value (or net value)	
Forward Electronics Co., Ltd.	Stock—Elitegroup Computer Systems Co., Ltd.	Affiliated company	Current financial assets measured at fair value through profit or loss	180,000	3,906	0.03	3,906	
	Stock—Tatung Co., Ltd	Parent-subsidiary	Non-current financial assets measured at fair value through profit or loss	3,863,581	149,714	0.18	149,714	
	Stock—Tatung Co., Ltd	Parent-subsidiary	Non-current financial assets measured at fair value through other comprehensive income	16,782,700	650,330	0.78	650,330	
	Stock - GaN Power Technology Co., Ltd.	-	Non-current financial assets measured at fair value through other comprehensive income	648,351	10,047	1.34	10,047	
Forward Intelligent Co., Ltd.	Stock - Siang Ho Biotechnology Development Co., Ltd.		Non-current financial assets measured at fair value through other comprehensive income	500,000	5,000	19.61	5,000	
Forward Electronics Equipment (Dong Guan) Co., Ltd.	Stock—China Mobile Limited.	-	Current financial assets measured at fair value through profit or loss	58,500	26,240	-	26,240	

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

ATTACHMENT 2: Significant transactions and business relationship between the parent company and its subsidiaries

No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Intercompany Transactions			Percentage of total consolidated net revenue or assets (Note 3)
				Account	Amount	Terms	
0	Forward Electronics Co., Ltd.	Suzhou Forward Electronics Technology Co., Ltd.	1	Accounts receivable	\$ 4,965	As general	0.17%
0	"	"	"	Accounts payable	7,841	"	0.27%
0	"	"	"	Sales revenue	8,410	"	1.74%
0	"	"	"	Cost of goods sold	43,135	"	8.91%

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. Subsidiaries are coded consecutively starting from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

For example, if the parent company has disclosed the transaction between the parent company and the subsidiary company, the subsidiary part does not need to be disclosed repeatedly; if the subsidiary company has disclosed the transaction between one of its subsidiaries, the other subsidiary need not be disclosed repeatedly):

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: When calculating the percentage of transaction amount to the consolidated revenues or the consolidated assets:

Items of the balance sheets are calculated as its ending balance to total consolidated assets; items of income statement are calculated by its cumulative balance to the total consolidated income.

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

ATTACHMENT 3: Information on investments (excluding investments in Mainland China)

Name of investor	Name of investee	Location	Main businesses	Original investment amount		Balance as of September 30, 2025			Net income (loss) of the investee	Investment income (loss) recognized by the Company (Note 1)	Remark
				September 30, 2025	December 31, 2024	Shares (in thousands)	Percentage (%)	Carrying value			
Forward Electronics Co., Ltd.	Forward Development Co., Ltd.	British Virgin Islands	Investment in production business, etc.	587,528 (USD 19,298) (Note 1 - 3)	587,528 (USD 19,298) (Note 1)	19,298,479	100.00	720,870	(9,476)	(9,202)	
	Forward Intelligent Energy Co., Ltd.	Taiwan	Carbon reduction, energy conservation, and energy storage related business	290,000	290,000	29,000,000	100.00	235,100	(20,092)	(20,040)	
	Gintung Energy Co., Ltd.	Taoyuan City	The manufacturing and sale of solar module and related component	355,296	355,296	5,398,269	14.59	-	(24,941)	-	(Note 2)

Note 1 : The amount included the equipment investment of NTD69,475 thousand (USD2,282 thousand).

Note 2 : The negative equity attributable to the shareholders of Gintung Energy Co., Ltd. resulted in the Company to not recognized its investment income, leading to zero ending balance of its investments accounted for under the equity method.

Note 3 : Forward Development Co., Ltd. reduced its capital, with the approval of its board on October 28, 2025. Subsequently, the share funds has been remitted to its investing company on October 29, 2025. The statutory registration procedures were still in progress as of the reporting date.

FORWARD ELECTRONICS CO., LTD. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts in Thousands of New Taiwan Dollars/ Foreign Currencies, Unless Specified Otherwise)

ATTACHMENT 4: Information on Investment in Mainland China

Investor company (Note 6)	Name of investee	Main businesses	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2025	Net income (loss) of the investee company	Percentage of ownership	Investment income (loss) recognized (Note 2 and 3)	Carrying Value as of September 30, 2025 (Note 3)	Accumulated inward remittance of earnings as of September 30, 2025
						Outflow	Inflow						
Forward Development	Forward Electronics Equipment (Dong Guan) Co., Ltd	Factory rental	USD 500	(2) (Note 4 - 7)	141,266	-	-	141,266	2,076	100.00%	2,076	86,904	24,782 USD 814
	Suzhou Forward Electronics Technology Co., Ltd.	The manufacturing and sale of backlight unit for TFT-LCD, driving board, tuner, keyboard, mouse, switch, socket and connector	USD 12,200	(2) (Note 4)	-	-	-	-	(11,526)	100.00%	(11,526)	509,410	704,984 USD 23,156

Accumulated investment in Mainland China as of September 30, 2025	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment (Note 5)
\$141,266	\$686,991 (USD 22,565)	\$867,347

Note 1 : The methods for engaging in investment in Mainland China include the following:

- (1) Direct investment in Mainland China.
- (2) Indirectly investment in Mainland China through companies registered in a third region. (Please specify the name of the company in third region).
- (3) Reinvested by the surplus from a mainland company established through a third region.
- (4) Other methods.

Note 2 : The investment income (loss) recognized in current period:

- (1) Please specify if no investment income (loss) has been recognized as still in the preparation stage.
- (2) Financial statements were reviewed by parent company's R.O.C. CPA.

Note 3 : Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the spot rates at the financial report date

- US dollars exchange rate on September 30, 2025 : 30.445
RMB exchange rate on September 30, 2025 : 4.285

Note 4 : Reinvested through Forward Development Co., Ltd. by remitting the investment funds and equipment investment amount.

Note 5 : In accordance with the regulations of the Investment Review Committee of the Ministry of Economic Affairs, the calculation was based on the higher of net value or combined net value.

Note 6 : Major transactions conducted, directly or indirectly, between the Group and its invested companies in Mainland China (which have already been eliminated in the "Information on Major Transactions" section) for the nine months ended September 30, 2025.

Note 7 : Fuhua Electronic Equipment (Dong guan) Co., Ltd. reduced its capital, with the approval of its board on July 17, 2025. All related statutory registration procedures had been completed on September 2, 2025. Subsequently, the share funds has been remitted to its investing company, Forward Development Co., Ltd., on October 24, 2025.