

Stock code: 8085



# 2024 Annual Report

## (Translation)

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**Spokesperson** : Sung Cheng-Xi

Title : Chief Financial Officer

Tel : : 886-2-2673-0411 ext.312

E-MAIL : [alex.sung@fwd.com.tw](mailto:alex.sung@fwd.com.tw)

**Acting Spokesperson** : Huang Xiu-Hua

Title : Chief Human Resources Officer

Tel : 886-2-2673-0411 ext.220

E-MAIL : [su Huang@fwd.com.tw](mailto:su Huang@fwd.com.tw)

## **Company address & Telephone Number**

Taipei Head Office : No. 22, Sec. 3, Zhongshan N. Rd., Zhongshan Dist., Taipei City

Factory : No. 393, Section 1, Zhongzheng Road, Sanxia District, New Taipei City

Tel : 886-2-2673-0411 ( 17lines )

## **Stock Transfer Agency**

Grand Fortune Securities

Address : 6F., No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City

Tel : 886-2-2371-1658

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

## **Certified Public Accountants for Fiscal Year 2024 Financial Report**

Accountant : Pan Chun-Ming, Lai Li-Chen

Firm : KPMG

Address : TAIPEI 101 TOWER, 68F, No.7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City

Tel : 886-2-8101-6666

Website : <https://kpmg.com/tw>

**Trading venues for the listing and trading of overseas securities and the methods of obtaining information**

Trading venue name : No overseas securities listed for trading

Information inquiry method : None

**Company Website** : <http://www.fwd.com.tw>

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## **I. Letter to Shareholders**

### **Dear Shareholders,**

Over the past year, Forward Electronics Co. Ltd has continued to advance its transformation and restructuring initiatives by focusing on the sales of niche products, streamlining its organizational structure, and investing in businesses related to the net-zero carbon emissions industry to enhance future growth momentum. The company has not only increased its investment in technological research and development but has also actively sought cross-sector collaboration opportunities, aiming to integrate resources across the industry value chain and strengthen its market competitiveness. Furthermore, Forward Electronic has emphasized sustainable development by introducing advanced eco-friendly technologies into its production processes to reduce its carbon footprint and ensure that its operations comply with international environmental standards. Looking ahead, the company plans to expand into overseas markets to broaden its global presence and achieve higher financial goals.

### **I. 2024 Annual Business Report**

#### **(1) Implementation results of business plans:**

The Company's consolidated operating revenue for 2024 amounted to NT\$596,257 thousand, representing a decrease of approximately 17.48% compared to 2023. The consolidated gross profit margin for 2024 was 4.63%. The consolidated net loss before tax for 2024 was NT\$102,705 thousand, an increase of approximately NT\$37,968 thousand compared to 2023. The consolidated net loss after tax for 2024 was NT\$120,351 thousand, an increase of NT\$19,932 thousand compared to 2023. Loss per share for the year was NT\$0.86.

The Company's standalone (individual) operating revenue for 2024 amounted to NT\$396,602 thousand, representing a decrease of approximately 18.35% compared to 2023. The standalone gross profit margin for 2024 was 0.52%. The standalone net loss before tax for 2024 was NT\$103,372 thousand, an increase of approximately NT\$37,971 thousand compared to 2023. The standalone net loss after tax for 2024 was NT\$120,351 thousand, an increase of NT\$19,932 thousand compared to 2023. Loss per share for the year was NT\$0.86.

#### **Summary of significant business achievement and strategies: :**

##### **1. To increase sales of niche products**

The Company focuses on leveraging its diverse expertise, including impedance technology, precision manufacturing, magnetic induction product development, LED module structure design, and in-house production equipment capabilities, to develop and market high value-added niche products. These products include motor-equipped

variable resistors, LED-equipped encoders and variable resistors, non-contact position sensors and encoders, as well as customized and modular products. Following the product lifecycle management strategy, the Company also differentiates its offerings or raises pricing to select switch product models with promising growth potential and higher gross margins, aiming to precisely expand market share while ensuring high profitability and long-term competitive advantage.

## 2. To expand production scale and optimizing and optimizing processes

In terms of process improvement, the Company applies Lean Manufacturing principles and the Theory of Constraints (TOC) to analyze and eliminate production bottlenecks, thereby enhancing overall production efficiency and capacity. It first integrates production equipment, allowing injection molding machines originally used for switch products to support the molding of parts for variable resistors and encoders, while simultaneously strengthening automated monitoring mechanisms in injection molding to ensure consistency in raw materials and processes. To reduce labor costs and improve production efficiency, outsourced assembly strategies are employed for downstream processes. Additionally, for repetitive and high-precision tasks, automated production lines are introduced. These measures help minimize human errors and defect rates while making workforce allocation more flexible to respond to changing market demands. If market order volumes continue to grow, the Company plans to further expand key production lines and implement a Flexible Manufacturing System (FMS) to enable more efficient production scheduling, accommodating various product mixes and order quantities.

## (2) Budget plan implementation:

The company did not publicize its financing conditions forecast of 2024, so it is not applicable.

## (3) Analysis on incomes and expenses and profitability:

Item	Consolidated		Individual	
	2024	2023	2024	2023
Current ratio (%)	468.37%	583.73%	171.14%	254.54%
Debt to asset ratio (%)	46.64%	46.49%	45.60%	45.57%
Return on equity (%)	-6.95%	-8.34%	-6.95%	-8.34%
Gross profit margin (%)	4.63%	0.08%	0.52%	-2.38%
Net profit margin (%)	-20.18%	-19.41%	-30.35%	-28.88%
EPS (NT\$/per share)	(0.86)	(1.00)	(0.86)	(1.00)

## (4) Research and development items :

1. Sliding variable resistors with LED attachments and motor attachments with 100mm and 60mm strokes.
2. Miniature variable resistors for dual independent stereo circuits.
3. Magnetic induction non-contact encoders with LED attachments.
4. Magnetic induction non-contact joystick (potentiometer).

5. Motor-attached non-contact position sensor.
6. Thin motor-attached variable resistors with high lifespan.
7. Encoders and variable resistors with programmable RGB-LED attachments.

## II. Overview of 2024 Business plan

For the 2024 business plan, in addition to continue with increasing the production capacity of precision components, the company also plans to continuously review and optimize various costs and expenses. The major sales and production policies are as follows:

### 1. sales:

- (1) We will adjust pricing strategies appropriately in response to increased costs on raw materials and manufacturing and strengthen risk management for customers.
- (2) We will enhance product value by combining components with customer products to form modular sales.
- (3) We will seek cooperation with industry peers to expand service and product diversity, reinforcing customer reliance on our company.
- (4) We will strengthen service for internationally renowned brands, design proprietary products that meet customer needs, and enhance our company's development and sales capabilities.
- (5) We will actively collaborate with customers' R&D departments to design customized products that meet their specific needs from the early stages of development, thereby enhancing product value and irreplaceability.
- (6) We will utilize international exhibition opportunities, such as Integrated Systems Europe (ISE) to strengthen relationships and discussions with customers, grasp market trends, increase our brand visibility, formulate product development directions, and develop new customers.

### 2. production:

- (1) We will actively introduce the source of the raw material 2 and speed up the verification procedure. We'll plan for advance material preparation based on the orders we get, and we'll develop alternative materials while integrating material commonality to reduce raw material costs and ensure stable supply.
- (2) We will integrate production equipment and unify manufacturing plants, plan for the introduction of automatized equipment to improve yield and production efficiency, effectively reduce labor costs, and improve manufacturing efficiency.

## III.Future outlook and strategies for development of the company

In 2025, we will continue to deepen our core technology and expand our capabilities in vertical integration, aiming to meet customer demands for quality and delivery time. We will also activate the utilization of on-book assets, invest in the development of the global net-zero carbon emissions industry, and enhance the overall performance and profitability of the company, thereby creating maximum benefits for shareholders.

## IV.External competitive environment, regulatory environment, and overall operating environment

The global economy is facing multiple challenges, including geopolitical risks and uncertainties surrounding international trade and tariffs, all of which are collectively

impacting economic growth. Nevertheless, the three major global institutions — the World Bank, the International Monetary Fund (IMF), and the Organisation for Economic Co-operation and Development (OECD) — have expressed cautious optimism regarding future economic recovery, forecasting that economic growth will gradually rebound as the effects of policy interventions materialize.

After undergoing transformation and restructuring, the company pursues stable growth and innovation by developing new products independently or for fulfilling customers' demands. We work on creating uniqueness and niche products, and we have been exploring new market. Meanwhile, in production processes, the Company continues to introduce automation and automatic inspection equipment, develops alternative materials, and integrates common materials to improve quality and production efficiency as well as lower production cost to fill customers' needs for quality and delivery time. With the collaboration of the management team and the efforts of all staff members, we could sustain the competitive edge for stable growth of the company, striving to maximize value for shareholders.

Chairman    Hong Chi-Chang



## II. Corporate Governance Report

### (I). Directors, Supervisors, General Manager, Deputy General Manager, Associates, Departments and Branches Officer Information

#### 1. Information of Directors, Supervisors and Key Managerial Personnel

##### 1.1 Directors' and Supervisors' Information

Unit: Shares  
March 31, 2025.

Job title	Nationality or place of registration	Name	Gender age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Academic and Career Highlights	Currently serving in concurrent positions at this company and other companies	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Job title	Name	Relationship	
Directors	Republic of China (Taiwan)	Tatung Company	-	2024.05.27	3 years	89.05.08	31,635,411	22.59	31,635,411	22.59	0	0	0	0	-	-	-	-	-	-
Chairman	Republic of China (Taiwan)	Tatung Company Legal Representative : Hong Chi-Chang	Male 71-80Age	2024.05.27	3 years	2023.05.16	0	0	0	0	409,000	0.29	0	0	Graduated from the Medical Department of Taipei Medical University. Obtained a Master's degree in Preventive Medicine from the Institute of Preventive Medicine, College of Public Health, National Taiwan University. Earned a Master's degree in Community Medicine from the Institute of Community Medicine, University of Toronto, Canada.	Chairman of Forward Intelligent Energy Co., Ltd. Independent Director of Giant Life Sciences Co., Ltd. Chairman of Taiwan Institute for Economic and Industrial Research Chairman of Tatung Medical & Healthcare Corporation Director of the International Affairs Center of Tatung Company Member of the Chinese Taipei Olympic Committee Member of the Commission for the Promotion of Peace of the Chinese Taipei Olympic Committee Advisory Committee Member of Taiwan Institute of Economic Research Affairs Consultant of Chinese National Association of Industry and Commerce Affairs Consultant of Chinese National Federation of Industries Advisor of Taiwan Business Association	None	None	None	Note(1) (2)

Job title	Nationality or place of registration	Name	Gender age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Academic and Career Highlights	Currently serving in concurrent positions at this company and other companies	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Job title	Name	Relationship	
Directors	Republic of China (Taiwan)	Tatung Company Legal Representative : Wang Guang-Xiang	Male 71-80Age	2024.05.27	3 years	2021.04.09	0	0	0	0	0	0	0	0	Honorary Doctor of Engineering, National Taiwan Ocean University Master's Degree in Agricultural Economics, Graduate Institute of National Taiwan University Chairman of San Yuan Construction (stock) Company	Chairman of Sun-Yuan Development Corp. Chairman of Lung Hwa Electronics Co., Ltd. Chairman of Shan-Yuan Investment Corp. Chairman of Sun Yuan Venture Capital Corp. Chairman of Trican Biotechnology Co., Ltd. Chairman of Elitegroup Computer Systems Co., Ltd. Chairman of Tatung Forever Energy Co., Ltd. Chairman of Shang Shin Energy Co., Ltd. Chairman of Yau Yang Energy Co., Ltd. Chairman of Ting Shin Energy Co., Ltd. Chairman of Zhi Shin Energy Co., Ltd. Chairman of Tung Shin Energy Co., Ltd. Chairman of Tung Kuang Energy Co., Ltd. Chairman of Chuang Shih Neng Co., Ltd. Chairman of Da Tang Energy Co., Ltd. Chairman of Cinzhi Power Co., Ltd. Chairman of EONtronics International Co., Ltd. Director of Chih Sheng Realty Co., Ltd. Director of Tatung Industry Company Director of Tatung Asset Development Co. Director of Forward Electronics Co., Ltd. Director of Forward Intelligent Energy Co., Ltd. Director of Shanyuan Co., Ltd. Director of Shan Mong Development Corp. Director of Julianne Fine Art Ltd. Director of Union Wide Construction Co., Ltd. Director of Premier Venture Capital Corp. Director of Premier Capital Management Corp. Director of Chief Investment Corp. Director of K.K.Media Co., Ltd. Director of Ruby Tech Corporation Director of Kiwi Microsystem, Inc. Director of Hwa-Tsu Contracting Corp. Director of Medbio Biotechnology International Co., Ltd. Director of Kuo-Kuang Motor Transportation Co., Ltd. Director of Expert Electronics (Wujiang)Co., Ltd.	Direct ors	Wang Ya-Hsuan	First-degree relative	Note(1)

Job title	Nationality or place of registration	Name	Gender age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Academic and Career Highlights	Currently serving in concurrent positions at this company and other companies	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Job title	Name	Relationship	
Directors	Republic of China (Taiwan)	Tatung Company Legal Representative : Ho Jing-Ming	Male 61-70Age	2024.05.27	3 years	2024.05.27	0	0	25,000	0.01	0	0	0	0	Graduated from the Air Force Institute of Technology Director and General Manager of Gangshan Dong Ying Development Co., Ltd. Chairman of Kaohsiung Geomancy Association Consultant of Nan Liang International Co., Ltd. Consultant of Cayman Dong Ming Holdings Co., Ltd. Consultant of Jinhe Enterprise Co Ltd Consultant of Ciyang Technology Industrial Co., Ltd. Consultant of Kaijing Industrial Co., Ltd. Consultant of Kaijing Industrial Co., Ltd. Consultant of Xiangding Industrial Co., Ltd. Consultant of Youshin Machinery Co., Ltd. Consultant of Taiwan Tooth Plate Enterprise Co., Ltd. Malaysia: Consultant of Donghe Industrial Co., Ltd.	Head of Shoufu International Co., Ltd. Head of Original International Channel Co., Ltd. Director of Kaohsiung City Private Tian Sheng Social Welfare Foundation Director of Kaohsiung City Yi Guan Dao Tian Yi Foundation.	None	None	None	None(1)
Directors	Republic of China (Taiwan)	Tatung Company Legal Representative : Chang Yao-Yung	Male 61-70Age	2024.05.27	3 years	2024.05.27	0	0	0	0	0	0	0	0	Master of Finance from the University of Washington, USA Independent Director of Kaohsiung Bank Director of Taiwan Motech Co., Ltd. Vice President of Morgan Stanley Asia Vice President of Merrill Lynch International Bank Director of Fan Jia Technology Co., Ltd.	Chairman of Turing Mergers & Acquisitions Investment Co., Ltd. Chairman of Turing Quantitative Trading Co., Ltd. Chairman of Turing Financial Advisory Co., Ltd.	None	None	None	None(1)

Job title	Nationality or place of registration	Name	Gender age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Academic and Career Highlights	Currently serving in concurrent positions at this company and other companies	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Job title	Name	Relationship	
Directors	Republic of China (Taiwan)	Tatung Company Legal Representative : Ma, Jin-Yao	Female 51-60Age	2024.05.27	3 years	2024.05.27	0	0	0	0	5,000	0	0	0	Philippines Tariq National University Doctor of Education in Educational Management (jointly conducted with Beijing Normal University) Master of Business Administration in Enterprise Management from Lawrence Technological University, USA Bachelor's degree in Mass Communication from Fu Jen Catholic University / Phi Tau Phi Honor Society member General Manager of Timberland Taiwan, USA Vice President of Asia-Pacific, Timberland, USA (Singapore) General Manager of Greater China, Timberland, USA (Shanghai) Managing Director of Greater China, Under Armour, USA (Shanghai) CEO of Gymboree, USA (affiliated with Bain Capital Group) China Region (Shanghai) President of Greater China, Sit-in Group (affiliated with KKR Group, one of the top three private equity funds in the United States) (Shanghai, Dongguan)	Director of Forward Intelligent Energy Co., Ltd. General Manager of Forward Intelligent Energy Co., Ltd.	None	None	None	Note(1)

Job title	Nationality or place of registration	Name	Gender age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Academic and Career Highlights	Currently serving in concurrent positions at this company and other companies	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Job title	Name	Relationship	
Director	Republic of China (Taiwan)	Tatung Company Legal Representative : Wang Ya-Hsuan	Female 41-50 Age	2024.12.27	3 years	2024.12.27	0	0	0	0	0	0	0	0	Master's Degree, Aoyama Gakuin University, Japan EMBA Degree, National Taiwan University and Fudan University Joint Program Worked at Nomura Securities	Chairman of Kuokuang Motor Transportation Co., Ltd. Chairman of Kuokuang Investment Management Consultant Co., Ltd. Chairman of Kuokuang Trading Co., Ltd. Chairman of Taiwan Smart Card Co., Ltd. Chairman of Uvision Technology Co., Ltd. Chairman of Jiu Yuan Industrial Co., Ltd. Chairman of Diwei Modern Art Co., Ltd. Chairman of Shengxing Power Information Technology Co., Ltd. Chairman of Chengtai Electronics (Wujiang) Co., Ltd. Director of Longlin Construction Co., Ltd. Director of Sanya Investment Co., Ltd. Director of Zhonghua Investment Co., Ltd. Director of Xinqing Investment Development Co., Ltd. Director of Rod Investment Co., Ltd. Director of Jingdian Investment Co., Ltd. Director of New Star Industrial Co., Ltd. Director of Longhua Electronics Co., Ltd. Director of Showtime Culture Co., Ltd. Director of Sanyu Biotechnology Co., Ltd. Director of Chengyun Automobile Manufacturing Co., Ltd. Director of Sanyuan Construction Co., Ltd. Director of Baode Technology Co., Ltd. Director of Shanyuan Construction Co., Ltd. Director of Kuokuang Veloce Travel Service Co., Ltd. Director of Alma Vehicle Supplies Co., Ltd. Director of Forward Intelligent Energy Co., Ltd. Supervisor of Kangju Technology Co., Ltd. Supervisor of Sanli Investment Co., Ltd. Supervisor of Sanyuan Venture Capital Co., Ltd. General Manager of Longhua Electronics Co., Ltd. General Manager of Sanyu Biotechnology Co., Ltd. General Manager of Chengtai Electronics (Wujiang) Co., Ltd. General Manager of Qingdao Liansheng Industrial Co., Ltd. Independent Director of ELTA Technology Co., Ltd. Independent Director of Jialong Technology Engineering Co., Ltd.	Director	Wang Guang-Xiang	First-degree relative	Note(3)

Job title	Nationality or place of registration	Name	Gender age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Academic and Career Highlights	Currently serving in concurrent positions at this company and other companies	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Job title	Name	Relationship	
Independent Director	Republic of China (Taiwan)	Shih, Yi-Chen	Male 41-50 Age	2024.05.27	3 years	2024.05.27	0	0	0	0	0	0	0	0	Ph.D. in Finance, National Taiwan University Principal Investigator of the project "Research on the Development of International ESG Products" at the Securities and Futures Institute Lecturer for the Securities and Futures Institute Digital Course "Asset Management Trends – Sustainable Investment," recorded eight online classes for financial professionals Adjunct Assistant Professor, Department of Information Management and Finance, National Chiao Tung University Co-Principal Investigator of the project "Feasibility Study on Compiling the Taiwan Sustainability Index" for the Taiwan Stock Exchange Co-Principal Investigator of the "Corporate Responsibility Index" and Database Project, National Taipei University Head of Academic Development Section, Office of Research and Development, National Taipei University Head of International Student Affairs, Office of International Affairs, National Taipei University	Associate Professor, Department of Finance and Cooperative Management, National Taipei University Director of Taiwan Carbon Credit Digital Economy Development Association Director of Taiwan Financial Education Association Director of the Chinese Taipei Professional Go Association	None	None	None	Note(1)

Job title	Nationality or place of registration	Name	Gender age	Date of election / appointment to current term	Term of office	Commence ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Academic and Career Highlights	Currently serving in concurrent positions at this company and other companies	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holdin g ratio			Job title	Name	Relati onship	
Independent Director	Republic of China (Taiwan)	Chiu Ching-Yi	Female 41-50Age	2024.05.27	3 years	2024.05.27	0	0	0	0	0	0	0	0	Bachelor of Laws, College of Law, National Taiwan University Bachelor of Economics (Double Major), College of Social Sciences, National Taiwan University Master of Laws, College of Law, National Taiwan University Master of Construction Engineering and Management, Department of Civil Engineering, College of Engineering, National Taiwan University Ph.D. candidate, Criminal Justice School, China University of Political Science and Law (2010/09—) Legal Aid Attorney, Taipei/Shilin/Banciao Legal Aid Foundation Member, Taipei City Land Surveyor Association President, Chinese Oral Communication Education Association 2019-2020 District Legal Affairs Committee Member, Rotary International District 3521 2020-2023 Advisor, Rotary Club of Taipei Long Run Member, National Compensation Incident Handling Team, Criminal Police Bureau, National Police Agency, Ministry of the Interior Instructor, Bao Cheng Cultural and Educational Institution and Chi Kuang Public Service Institute on Criminal Law and Criminal Procedure Law.	Co-partner Lawyer at Zhao Yun Law Firm Principal at Ming Guan Land Surveyor Office	None	None	None	Note(1)

Note: (1) At the Annual General Meeting held on May 27, 2024, the Company conducted a full re-election of directors. The 19th Board of Directors will serve from May 27, 2024, to May 26, 2027. Directors Sui, Feng-zhi, Yu Jin-Bang, Fu Yi-Yuan, and Independent Director Wang Chia-Nan resigned. Chairman Hung Chi-Chang and Director Wang Kuang-Hsiang were re-elected. Directors Chang Yao-Yung, Ho Ching-Ming, Shen Ying-Yi, Ma Jin-Yao, and Independent Directors Shih Yi-Chen and Chiu Ching-Yi were newly elected.  
(2) Chairman: Director Hung Chi-Chang was elected as Chairman at the first meeting of the 19th Board of Directors on May 27, 2024.  
(3) Independent Director Tsai Mao-Yin resigned on April 8, 2024. Independent Director Yeh Huang-Chi resigned on September 6, 2024. Director Shen Ying-Yi, the original legal representative of Tatung Co., resigned on November 25, 2024, and was replaced by Director Wang Ya-Hsuan on December 27, 2024.  
(4) The above shareholding information is based on the shareholder registry as of the closing date prior to the Company's Annual General Meeting.

## 1.2 The major shareholders among the corporate shareholders

2025.03.29

Institutional name	Major shareholders of institutional shareholders	
Tatung Company.	Major shareholders	Ownership (%)
	San Ya Investment Co., Ltd.	7.26%
	Rowda Capital Co.	4.89%
	Elitegroup Computer Systems Co., Ltd.	3.75%
	Chun-Lung Wu	3.51%
	Tatung Company	3.23%
	Tatung University	3.21%
	Wen-Yi Zheng	2.96%
	Xin-Tatung Investment Consulting Ltd.	2.23%
	Bei-chi Investment Co., Ltd.	2.00%
	Jia-Jia Zheng	1.79%

## 1.3 The major shareholders of corporate shareholders are their principal shareholders

2025.03.29

Institutional name	Major shareholders of institutional shareholders
San Ya Investment Co., Ltd.	Wkang-Hsiang Wang (31.33%), Syue-E Wang Hu (31.33%), Ya-Lin Wang (18.33%), Ya-Syuan Wang (7.61%), Ya-Wei Wang (7.61%), Li-Chih Wang (0.95%), Li-Cyun Wang (0.95%), Li-Ming Wang (0.95%), Li-Ju Wang (0.95%)
Rowda Capital Co.	Shanyuan Construction Co., Ltd. (100%)
Elitegroup Computer Systems Co., Ltd.	Tatung Company(48.65%)、Polunin Emerging Markets Small Cap Fund, LLC(1.08%)、Ming-Shou Shen (0.70%)、Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (0.52%)、VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS (0.50%)、Acadian Emerging Markets Small Cap Equity Fund LLC (0.49%)、Barclays Capital Securities Limited--Barclays Capital Securities Limited SBL/PB (0.47%)、J.P.Morgan Securities plc (0.45%)、Fu-Chi Wang (0.39%)、Dun-Guo Lin (0.30%)
Tatung Company	As per the above table.
Tatung University	Association for the Promotion of Industry of Corporation Aggregate (100%)
Xin-Tatung Investment Consulting Ltd.	Rang-Guang Yang(1%)、Jing-Yi Gao (99%)
Bei-chi Investment Co., Ltd.	Hsiao-Jen Yeh(100%)



#### 1.4 Director and Supervisor Professional Qualifications and Independent Director Independence Disclosure

Name	Conditions	Professional qualifications and experience	Independence Status	Number of Independent Director Positions in Other Publicly Listed Companies
Tatung Company Legal Representative of the Board of Directors: Chairman Hong Chi-Chang	1.	For the professional qualifications and experience of all directors, please refer to pages 5 to 12 of this annual report.  2. None of the directors is subject to any of the circumstances listed in Article 30 of the Company Act.		1
Tatung Company Legal Representative of the Board of Directors: Wang Guang- Xiang				None
Tatung Company Legal Representative of the Board of Directors:Ho Ching-Ming				None
Tatung Company Legal Representative of the Board of Directors:Chang Yao-Yung			N/A	None
Tatung Company Legal Representative of the Board of Directors:Ma Jin-Yao				None
Tatung Company Legal Representative of the Board of Directors: Wang Ya-Hsuan				2
Independent Director : Chiu Ching-Yi			1. Neither himself, nor spouse, parents or close relatives within the second degree of kinship, hold positions as directors, supervisors, or employees of the Company or its affiliated enterprises. 2. Neither himself, nor spouse, parents or close relatives within the second degree of kinship, hold any shares or proportion of shares in the Company, directly or indirectly through others.	None
Independent Director : Shih Yi-Chen			3. Didn't hold any position as a director, supervisor, or employee in a company that has specific relationships with the Company (as defined in Article 3, Paragraph 1, Items 5-8 of the Regulations Governing the Establishment of Independent Directors of Public Companies). 4. Didn't received any remuneration from the Company or its affiliated enterprises for business, legal, financial, accounting, or other services rendered in the past 2 years.	None

## 1.5 Board Diversity and Independence:

### (1) Board Diversity Policy:

The structure of our company's board of directors is determined based on the scale of our company's operations and the shareholding situation of its major shareholders, taking into account practical operational needs, with a decision made to have an appropriate number of directors exceeding five. Regarding the composition of the board members, except for directors who also serve as company executives, the number of such directors should not exceed one-third of the total number of board seats. Board members should generally possess the necessary knowledge, skills, and qualities required to fulfill their duties. Furthermore, in formulating appropriate diversification policies, the board should consider its own operations, business model, and development needs. This should include, but not be limited to, the following two major aspects:

- A. Basic Criteria and Values: Gender, age, nationality, and cultural background.
- B. Professional Knowledge and Skills: Professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

The company approved the revision of the "Corporate Governance Code" at the 6th meeting of the 17th Board of Directors on March 22, 2019. In Chapter 3 "Enhancing the Board's Functions," the following competencies are outlined for the Board members to achieve the ideal goal of corporate governance:

1. Operational judgment ability.
2. Accounting and financial analysis ability.
3. Management ability.
4. Crisis management ability.
5. Industry knowledge.
6. International market perspective.
7. Leadership ability.
8. Decision-making ability.

The nomination and selection of the company's Board members are conducted according to the provisions of the company's articles of association, using a candidate nomination system. In addition to evaluating the candidates' academic and professional qualifications, the company also considers the opinions of stakeholders, complies with the "Director and Supervisor Election Methods," and adheres to the "Corporate Governance Code" to ensure the diversity and independence of the Board members.

The Board of Directors of our company guides the company's strategy, oversees the management team, and is responsible to the company and its shareholders. Directors receive reports from the management team during board meetings and provide guidance and advice. They maintain good communication with the management team. The governance system and all operations and arrangements of the company are conducted in accordance with laws, the company's articles of association, or decisions made by the shareholders' meeting. Together, they work to maximize the interests of the shareholders.

(2) Actual Implementation (Independence and Diversity)

The current list of 8 directors of the Company consists of individuals who are all citizens of the Republic of China. Among them, 3 seats are occupied by independent directors, accounting for 37.5% of the total. In addition, 3 seats are held by female directors, also representing 37.5% of the board, reflecting the Company's emphasis on gender equality in board composition.

All directors meet the requirements set out in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, and the independent directors are in compliance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." None of the directors has a spousal or second-degree kinship relationship with more than half of the board, and the Chairman and the General Manager are not spouses or first-degree relatives, ensuring a clear delineation of responsibilities.

All directors have completed the required continuing education hours. The board members of the Company possess work experience and expertise in operational management, industry knowledge, finance, legal affairs, ESG, and strategic management. The implementation of board diversity is reflected in the following table:

Title	Area of Expertise	Business management	Leadership and decision	Industry knowledge	Financial accounting	Legal	International Markets	ESG
Chairman Hong Chi-Chang	Biomedical Technology / Operational Management	✓	✓	✓	✓		✓	✓
Director Wang Guang-Xiang	Construction Engineering / Operational Management	✓	✓	✓	✓		✓	✓
Director Chang Yao-Yung	Finance / Operational Management	✓	✓	✓	✓		✓	✓
Director Ho Ching-Ming	Finance / Operational Management	✓	✓	✓	✓		✓	✓
Director Ma Jin-Yao	Finance / Operational Management	✓	✓	✓	✓		✓	✓
Director Wang Ya-Hsuan	Finance / Operational Management	✓	✓	✓	✓	✓	✓	✓
Independent Director Chiu Ching-Yi	Law / Operational Management	✓	✓	✓	✓		✓	✓
Independent Director Shih Yi-Chen	Finance / Operational Management	✓	✓	✓	✓	✓	✓	✓

Unit: Shares

March 31, 2025.

## 2. General Manager, Deputy General Manager, Division Managers, and Branch Managers Information:

Job title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Job title	Name	Relationship	
General Manager 2024.12.05 Resigned	Republic of China (Taiwan)	Shen Ying-Yi	Male	2024.01.09	0	0	0	0	0	0	National Taiwan University, Department of Electrical Engineering Software Engineer specializing in project management at Lingqun Computers General Manager at Feida Information Technology Co., Ltd., also serving as Manager of the Proprietary Trading Department at BoFei Information Technology Co., Ltd., a subsidiary of First Financial Securities Co., Ltd. Chief Investment Officer at Aberton Investment Company	Director of Forward Intelligent Energy Co., Ltd.	None	None	None	None
Finance Manager, Corporate Governance Manager 2024.01.09 Appointment	Republic of China (Taiwan)	Sung Cheng-Xi	Male	2024.01.09	0	0	0	0	0	0	The London School of Economics and Political Science MSc in Accounting and Finance The University of Reading, Henley Business School MSc in International Securities Investment and Banking National Dong Hwa University, Department of Economics Industry Research Analyst at Cathay Financial Holdings Chief Financial Officer and Global Business Manager at HuiZuan Technology (stock) Company	Supervisor of Suzhou Forward Electronics Technology Co., Ltd Supervisor of Forward Electronic Equipment (Dongguan) Co., Ltd Finance Manager at Forward Intelligent Energy Co., Ltd.	None	None	None	Note
Accounting Supervisor 2024.02.01 Appointment	Republic of China (Taiwan)	Chen Jing-Min	Female	2024.02.01	0	0	0	0	0	0	Graduated from the Department of Accounting, Feng Chia University Audit Department Team Leader at Ernst & Young Accounting Specialist at Tatung Healthcare Co., Ltd. Senior Specialist in the Finance and Accounting Department at RiDing Water Enterprise Co., Ltd.	None	None	None	None	Note

Note: 1. General Manager: Hsiao Ming-Fu resigned on January 8, 2024. Shen Ying-Yi was appointed on January 9, 2024, and resigned on December 05, 2024. On February 24, 2025, the Board of Directors resolved to have Chief Financial Officer Sung Cheng-Hsi serve concurrently as Acting General Manager.

2. There was a change in positions on January 9, 2024. Yang Cheng Chieh, Finance Manager, Corporate Governance Manager, and Accounting Supervisor, were adjusted on January 9, 2024. Song Cheng Xi took over as Finance Manager and Corporate Governance Manager on January 9, 2024, while Chen Jing Min took over as Accounting Supervisor on February 1, 2024.

3. Remuneration paid to directors (including independent directors), supervisors, general manager, and deputy general manager during the most recent fiscal year

3-1-1 Remuneration of directors (including independent directors)

2024.12.31 ; Unit: NTD (New Taiwan Dollar) thousand per thousand shares

Title	Name	Director's fees								Total amount of A, B, C, and D, and the percentage of their respective amounts to the net income (loss) after tax(%)		Employees receiving related remuneration for concurrent positions								Total amount and percentage of A, B, C, D, E, F, and G in relation to net income (loss) after tax(%)		Receipt of Re-invested businesses from investees outside of subsidiary or parent companies (Note 11)
		Compensation (A)		Retirement pension(B)		Director's remuneration (C)		Business execution expenses (D)				Salary, bonus, and special allowances, etc. (E)		Retirement pension (F)		Employee compensation (G)						
		Our Company	All companies within the financial report	Our Company	All companies within the financial report	Our Company	All companies within the financial report	Our Company	All companies within the financial report	Our Company	All companies within the financial report	Our Company	All companies within the financial report	Our Company	All companies within the financial report	Our Company		All companies within the financial report		Our Company	All companies within the financial report	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	Tatung Company Legal Representative Hong Chi-Chang	5,010	5,010	0	0	0	0	744	1,364	5,754 4.78%	6,370 5.30%	420	420	0	0	0	0	0	0	6,174 5.13%	6,794 5.65%	0
Chairman	Tatung Company Legal Representative Wang Guang-Xiang	0	0	0	0	0	0	65	85	65 0.05%	85 0.07%	0	0	0	0	0	0	0	0	65 0.05%	85 0.07%	40
Directors	Tatung Company Legal Representative Yu Jin-Bang resignation on May 26 <sup>th</sup> 2024	0	0	0	0	0	0	20	20	20 0.02%	20 0.02%	0	0	0	0	0	0	0	0	20 0.02%	20 0.02%	0
Directors	Tatung Company Legal Representative: Fu Yi-Yuan resignation on May 26 <sup>th</sup> 2024	0	0	0	0	0	0	20	20	20 0.02%	20 0.02%	0	0	0	0	0	0	0	0	20 0.02%	20 0.02%	0483
Directors	Tatung Company Legal Representative: Su Feng-Zhi resignation on May 26 <sup>th</sup> 2024	0	0	0	0	0	0	35	579	35 0.03%	579 0.48%	0	612	0	0	0	0	0	0	35 0.03%	1,191 0.99%	0290
Directors	Tatung Company Legal Representative Chang Yao-Yung appointment on May 27 <sup>th</sup> 2024	0	0	0	0	0	0	30	30	30 0.02%	30 0.02%	0	0	0	0	0	0	0	0	30 0.02%	30 0.02%	0
Directors	Tatung Company Legal Representative: Ho Ching-Ming appointment on May 27 <sup>th</sup> 2024	0	0	0	0	0	0	30	30	30 0.02%	30 0.02%	0	0	0	0	0	0	0	0	30 0.02%	30 0.02%	0

Title	Name	Director's fees								Total amount of A, B, C, and D, and the percentage of their respective amounts to the net income (loss) after tax(%)		Employees receiving related remuneration for concurrent positions								Total amount and percentage of A, B, C, D, E, F, and G in relation to net income (loss) after tax(%)		Receipt of Re-invested businesses from investees outside of subsidiary or parent companies (Note 11)
		Compensation (A)		Retirement pension(B)		Director's remuneration (C)		Business execution expenses (D)				Salary, bonus, and special allowances, etc. (E)		Retirement pension (F)		Employee compensation (G)						
		Our Company	All companies within the financial report	Our Company	All companies within the financial report	Our Company	All companies within the financial report	Our Company	All companies within the financial report	Our Company	All companies within the financial report	Our Company	All companies within the financial report	Our Company	All companies within the financial report	Our Company		All companies within the financial report		Our Company	All companies within the financial report	
																Cash amount	Stock amount	Cash amount	Stock amount			
Director	Tatung Company Legal Representative: Wang Ya-Hsuan appointment on December 27th 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Director	Tatung Company Legal Representative: Ma Jin-Yao appointment on December 27th 2024	0	0	0	0	0	0	30	40	30	40	0	2,738	0	89	0	0	0	0	30	2,867	0
Independent Director	Wang Chia-Nan resignation on May 26 <sup>th</sup> 2024	339	339	0	0	0	0	35	35	374	374	0	0	0	0	0	0	0	374	374	0	
Independent Director	Ye Huang-Qi resignation on September 06 <sup>th</sup> 2024	574	574	0	0	0	0	50	50	624	624	0	0	0	0	0	0	0	624	624	0	
Independent Director	Tsai Mao-Yin resignation on April 08 <sup>th</sup> 2024	229	229	0	0	0	0	20	20	249	249	0	0	0	0	0	0	0	249	249	0	
Independent Director	Chiu Ching-Yi appointment on December 27th 2024	501	501	0	0	0	0	30	30	531	531	0	0	0	0	0	0	0	531	531	0	
Independent Director	Shih Yi-Chen appointment on December 27th 2024	501	501	0	0	0	0	30	30	531	531	0	0	0	0	0	0	0	531	531	0	
1. Policy, system, standards, and structure for the payment of remuneration to independent directors are proposed by taking into consideration the company's operating performance and industry norms, and submitted for approval by the Board of Directors.please refer to page 23.																						
2.Apart from the disclosed information, there were no remunerations received by the directors for providing services to other companies as non-employees, as stated in the financial reports for the most recent fiscal year.																						
3. The pension expenses recognized in 2024 were contributions made under the Labor Pension Act, representing allocations to the new pension scheme.																						
4.Directors who have drivers, please provide additional information on the remuneration paid to the driver, which is not included in the remuneration. The Chairman, Mr. Hong, Chi-Chang had one driver with a salary of NT\$612,109.																						

### 3-1-2 Compensation Level Table

Compensation Levels for Directors in Our Company	Names of Directors			
	Total remuneration for the top four items (A+B+C+D)		Total remuneration for the top seven items (A+B+C+D+E+F+G)	
	The Company		The Company	
	All companies in the financial reports H		All companies in the financial reports I	
Less than 1,000,000 NTD	The representative of Tatung Co., Ltd.: Wang Guang-Xiang, Zeng Jie-Ming, Su Feng-Zhi, Chang Yao-Yung , Ho Ching-Ming , Shen Ying-Yi , Ma Jin-Yao , Wang Ya-Hsuan Independent Directors : Wang Jia-Nan, Ye Huang -Qi, Tsai Mao-Yin, Chiu Ching-Yi, Shih Yi-Chen		The representative of Tatung Co., Ltd.: Wang Guang-Xiang, Zeng Jie-Ming, Su Feng-Zhi, Chang Yao-Yung , Ho Ching-Ming , Shen Ying-Yi , Ma Jin-Yao , Wang Ya-Hsuan Independent Directors : Wang Jia-Nan, Ye Huang -Qi, Tsai Mao-Yin, Chiu Ching-Yi, Shih Yi-Chen	
1,000,000 NTD (inclusive) to 2,000,000 NTD (exclusive)	—		—	

Compensation Levels for Directors in Our Company	Names of Directors			
	Total remuneration for the top four items (A+B+C+D)		Total remuneration for the top seven items (A+B+C+D+E+F+G)	
	The Company	All companies in the financial reports H	The Company	All companies in the financial reports I
2,000,000 NTD (inclusive) to 3,500,000 NTD (exclusive)	—	—	1 person (Shen Ying-Yi)	1 person (Shen Ying-Yi, Ma Jin-Yao)
3,500,000 NTD (inclusive) to 5,000,000 NTD (exclusive)	—	—	—	—
5,000,000 NTD (inclusive) to 10,000,000 NTD (exclusive)	1 person (Hong Chi-Chang)	1 person (Hong Chi-Chang)	1 person (Hong Chi-Chang)	1 person (Hong Chi-Chang)
10,000,000 NTD (inclusive) to 15,000,000 NTD (exclusive)	—	—	—	—
15,000,000 NTD (inclusive) to 30,000,000 NTD (exclusive)	—	—	—	—
30,000,000 NTD (inclusive) to 50,000,000 NTD (exclusive)	—	—	—	—
50,000,000 NTD (inclusive) to 100,000,000 NTD (exclusive)	—	—	—	—
100,000,000 NTD or above	—	—	—	—
Total	15 persons	15 persons	15 persons	15 persons

Note 1: The names of directors should be listed separately (for legal entity shareholders, the name of the legal entity and its representative should be listed separately), and the remuneration amounts for both regular directors and independent directors should be disclosed in an aggregated manner. If a director also serves as the general manager or deputy general manager, please complete this form and Form (3-1), or Form (3-2-1) and (3-2-2) accordingly.

Note 2: Refers to the remuneration of directors for the most recent fiscal year, including director's salary, job allowances, severance payment, various bonuses, incentives, etc.

Note 3: Refers to the amount of director's remuneration approved by the board of directors for distribution in the most recent fiscal year.

Note 4: Refers to the expenses related to the execution of relevant business by directors in the most recent fiscal year, including transportation expenses, special allowances, various subsidies, dormitories, company-provided vehicles, etc. If the company provides assets such as housing, cars, and other domestic natural persons transportation tools, the nature and cost of the provided assets, actual or fair market price value-based rental, fuel expenses, and other benefits should be disclosed. If a driver is provided, please provide a note explaining the remuneration paid to the driver, but it should not be included in the remuneration.

Note 5: Refers to the remuneration received by directors who also serve as employees (including those who serve as general manager, deputy general manager, other managers, and employees) in the most recent fiscal year, including salary, duty allowance, severance payment, various bonuses, incentives, transportation expenses, special allowances, various subsidies, dormitories, company-provided vehicles, etc. If the company provides assets such as housing, cars, and other domestic natural persons transportation tools, the nature and cost of the provided assets, actual or fair market price value-based rental, fuel expenses, and other benefits should be disclosed. If a driver is provided, please provide a note explaining the remuneration paid to the driver, but it should not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 "Share-based Payment," including the acquisition of employee stock options, restricted stock units, and participation in capital increases, should also be included in the remuneration.

Note 6: Refers to the disclosure of the amount of employee compensation (including stock and cash) allocated by the board of directors in the most recent fiscal year to directors who also serve as employees (including those who serve as general manager, deputy general manager, other managers, and employees). If the estimated amount of proposed allocation cannot be determined, it should be calculated based on the proportion of actual allocation amount compared to the previous year, and the information should also be provided in Appendix 1-3.

Note 7: The total amount of remuneration paid to directors of all companies (including the reporting company) should be disclosed in the consolidated financial statements.

Note 8: The total amount of remuneration paid to each director of the reporting company should be disclosed in the respective remuneration bands, along with the names of the directors.

Note 9: The total amount of remuneration paid to each director of the reporting company should be disclosed in the respective remuneration bands, along with the names of the directors, in the consolidated financial statements, including all companies (including the reporting company).

Note 10: "Net income after tax" refers to the net income after tax as reported in the most recent individual or separate financial statements.

Note 11: a. This column should clearly specify the amount of re-invested businesses received by company directors from subsidiaries or non-consolidated investee companies (if none, please indicate "none").

b. If company directors receive re-invested businesses from subsidiaries or non-consolidated investee companies, such re-invested businesses should be included in column I of the re-invested businesses bands table, and the column name should be changed to "Parent Company and All Non-consolidated Investee Companies".

c. "Re-invested businesses" refers to re-invested businesses, compensation (including bonuses of employees, directors and supervisors), and business execution expenses received by the company directors in their capacities as directors, supervisors, or managers of subsidiaries or non-consolidated investee companies.

\*The information disclosed in this table regarding remuneration is different from the concept of income tax paid, and therefore, the purpose of this table is for information disclosure only and should not be used for tax assessment purposes.

### 3-2-1 The remuneration for supervisors: Not applicable

### 3-3-1 Remuneration for General Manager and Deputy General Manager

Date: December 31 2024 (Unit: Thousand New Taiwan Dollars/Thousand Shares)

Date: December 31, 2024 (Unit: Thousand New Taiwan Dollars/Thousand Shares)

Job title	Name	Salary(A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager 2024.01.09appointment 2024.12.05 resignation	Shen Ying-Yi	3,234	3,234	100	100	13	13	0	0	0	0	3,347 2.78%	3,347 2.78%	
General Manager 2024.01.08 resignation	Shaw Ming Fu	53	53	2	2	55	55	0	0	0	0	55 0.05%	55 0.05%	

Note 1: The pension expenses recognized in the fiscal year 2024 were contributions made under the Labor Pension Act, representing allocations to the new pension scheme.

Note 2: General Manager Shen Ying-Yi include one assigned driver, whose total salary amounted to NT\$599,726 for the fiscal year 2024.

Note 3: The position of Deputy General Manager is not currently established in our company.

### 3-3-2 Compensation Bracket Table

Compensation Bracket Table for Each General Manager and Deputy General Manager of the Company	The names of the General Manager and Deputy General Manager are not provided	
	The Company	All consolidated entities Ex1x1
Less than 1,000,000 NTD	1 person (Shaw Ming Fu)	1 person (Shaw Ming Fu)
1,000,000 NTD (inclusive) to 2,000,000 NTD (exclusive)	-	-
2,000,000 NTD (inclusive) to 3,500,000 NTD (exclusive)	-	-
3,500,000 NTD (inclusive) to 5,000,000 NTD (exclusive)	1 persons (Shen Ying-Yi)	1 persons (Shen Ying-Yi)
5,000,000 NTD (inclusive) to 10,000,000 NTD (exclusive)	-	-
10,000,000 NTD (inclusive) to 15,000,000 NTD (exclusive)	-	-
15,000,000 NTD (inclusive) to 30,000,000 NTD (exclusive)	-	-
30,000,000 NTD (inclusive) to 50,000,000 NTD (exclusive)	-	-
50,000,000 NTD (inclusive) to 100,000,000 NTD (exclusive)	-	-
100,000,000 NTD or more	-	-
Total	2 persons	2 persons

Note 1 : The names of the General Manager and Deputy General Manager should be listed separately, and the amounts of various payments should be disclosed in a summarized manner. If a director also serves as General Manager or Deputy General Manager, both this table and Table (1-1) or (1-2-1) and (1-2-2) should be completed.

Note 2 : Fill in the salary, job allowance, and severance payment of the General Manager and Deputy General Manager for the most recent fiscal year.

Note 3 : Fill in the amounts of various bonuses, incentives, car allowances, special allowances, subsidies, dormitory, company-provided vehicles, and other compensation paid to the General Manager and Deputy General Manager for the most recent fiscal year. If assets such as houses, cars, and other domestic natural persons transportation tools or exclusive personal expenses are provided, disclose the nature and cost of the provided assets, actual or fair market price value-based rent, fuel costs, and other payments. If a driver is provided, please provide a note explaining the relevant compensation paid by the company to the driver, but do not include it in the remuneration. In addition, share-based payments recognized in accordance with IFRS 2 "Share-based Payments," including the acquisition of employee share options, restricted share units, and participation in capital increases through subscription of shares, should also be included in the remuneration.

Note 4 : Fill in the total amount of employee remuneration (including stocks and cash) distributed to the General Manager and Deputy General Manager approved by the Board of Directors for the most recent fiscal year. If it cannot be estimated, the proposed distribution amount for this year should be calculated based on the proportion of actual distribution amount last year, and it should also be listed separately in Schedule 1-3.

Note 5 : The total amount of all remuneration paid by all companies (including the company itself) to the General Manager and Deputy General Manager of the company should be disclosed.

Note 6 : The total amount of remuneration paid by the company to each General Manager and Deputy General Manager should be disclosed in the corresponding pay scale, including their names.

Note 7 : The total amount of remuneration paid by all companies (including the company itself) to each General Manager and Deputy General Manager of the company should be disclosed in the corresponding pay scale, including their names.

Note 8 : Post-tax net profit refers to the net profit after-tax for the most recent fiscal year in the individual or separate financial statements.

Note 9: a. This column should clearly indicate the amounts of remuneration received by the company's general manager and deputy general manager from investments outside of subsidiaries or the parent company (if none, please fill in "None").

b. If the company's general manager and deputy general manager receive remuneration from investments outside of subsidiaries or the parent company, the remuneration received by the general manager and deputy general manager from investments outside of subsidiaries or the parent company should be included in Column E of the remuneration range table, and the column name should be changed to "Parent Company and All Investment Enterprises."

c. Remuneration refers to the compensation, remuneration (including employee, director, and supervisor remuneration), and business execution expenses received by the company's general manager and deputy general manager in their capacity as directors, supervisors, or executives of investments outside of subsidiaries or the parent company.

\* The remuneration disclosed in this table is different from the concept of income under the Income Tax Act, so the purpose of this table is for information disclosure and not for tax assessment.



### 3-4. Name of managers who distributed employee remuneration and details of distribution

December 31, 2024; Unit: Thousand New Taiwan Dollars

Item	Title	Name	Cash amount	Stock amount	Total	Percentage of Total Amount to Net Income after Tax (%)
Manager	General Manager	Shen Ying-Yi 2024.01.09 appointment 2024.12.05 resignation	Under distribution	None	None	Under distribution
	General Manager	Shaw Ming Fu 2024.01.08 resignation				
	Senior Department Head of Business Affairs	Lin Chin-Feng				
	Director of Finance Department	Sung Cheng-Hsi 2024.01.09 appointment				
	Director of Finance Department	Yang Cheng-Chieh 2024.01.09 resignation				
	Director of Human Resources Department	Huang Hsiu-Hua				

Note 1: Individual names and titles should be disclosed, but the distribution of earnings can be disclosed in an aggregated manner.

Note 2: Fill in the amount of employee compensation (including stock and cash) approved by the Board of Directors for the most recent fiscal year. If it cannot be estimated, calculate the proposed distribution amount for this year based on the proportion of actual distribution amount last year. After-tax net profit refers to the after-tax net profit of the most recent fiscal year; for those who have adopted international Financial Reporting Standards, after-tax net profit refers to the after-tax net profit of the individual or separate financial reports of the most recent fiscal year.

Note 3: The scope of application for managers is stipulated in the letter issued by the Taiwan Financial Supervisory Commission on March 27 2003, with the following scope:

- (1) General Manager and equivalent level
- (2) Deputy General Manager and equivalent level
- (3) Assistant General Manager and equivalent level
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Other persons responsible for company management affairs and signing authority

Note 4: If directors, general manager, and deputy general manager receive employee compensation (including stock and cash), in addition to filling in Attachment 1-2, they should also fill in this table

3-5. The analysis of the total amount of remuneration paid to directors, supervisors, general manager, and deputy general manager of the Company and its consolidated subsidiaries as a percentage of the net income after tax, as well as the explanation of the policy, standards, and composition of remuneration, the formula for setting remuneration, and the correlation between remuneration and operational performance and future risks.

- (1) Analysis of the proportion of the total remuneration paid to the directors, supervisors, general manager, and deputy general manager of the company as a percentage of post-tax net income (loss) in the past two years.

Unit: NTD (thousand); %

Title	The ratio of remuneration to net income after tax			
	2023		2024	
	Our Company	All companies in the financial statements	Our Company	All companies in the financial statements
Directors and Independent Directors	4.35	5.24	6.91	7.47
General Manager and Deputy General Manager	1.64	1.89	2.83	2.83

- (2) Explanation of the policy, standards, and composition of remuneration, the process of determining remuneration, and the relationship between remuneration and business performance, as well as future risks:

A. The policy for remuneration of directors and supervisors in our company is as follows :

The policy for remuneration of directors and independent directors in our company is as follows:

According to the meeting held on October 31, 2024, the Third Meeting of the Sixth Salary and Remuneration Committee revised and passed the “Remuneration Policy for Directors, Independent Directors, and Functional Committee Members” during the meeting, and submitted it to the Board of Directors for review. It was then resolved by the Board of Directors on October 31, 2024:

(A) Remuneration System for Directors

a. The source of directors’ remuneration is based on Article 27 of the Company's Articles of Incorporation:

If the Company records a profit for the fiscal year, up to 2% of the pre-tax net profit may be allocated as directors’ remuneration. However, if the Company has accumulated losses, such losses must be covered in advance before any distribution.

b. Each year, the remuneration for directors is determined in accordance with the Company’s Articles of Incorporation. The Salary and Remuneration Committee evaluates the overall performance of the Board, the Company's operational results, future business prospects, and risk tolerance, and then proposes a distribution plan. The proposal is submitted to the Board of Directors for resolution and reported at the shareholders’ meeting.

c. The individual allocation of directors’ remuneration is determined based on each director’s level of participation in the Company’s operations and the value of their contribution. A weighting system is applied, and the final distribution is made according to the weighted results.

d. Transportation and attendance allowances:

(a) Attendance at board meetings or shareholders' meetings in person or online conference may receive vehicle expenses.

(b) If a shareholders' meeting and a board meeting are held on the same day, only one payment is allowed.

(B) Remuneration System for Independent Directors and Functional Committee Members

a. Independent directors receive a fixed monthly remuneration and do not participate in profit-based compensation or retirement/severance payments applicable to directors.

b. Transportation and attendance allowances:

(a) Independent directors may receive an allowance for attending meetings of functional committees (such as the Salary and Remuneration Committee and the Audit Committee), board meetings, or the shareholders’ meeting, whether attending in person or via video conferencing.

(b) If multiple meetings (e.g., functional committee meetings and a board or shareholders’ meeting) are held on the same day, only one allowance shall be granted.

(c) In the event that the Company appoints external professionals with relevant expertise and independence to serve as members of a functional committee, such members shall be granted allowances in accordance with the standards applicable to independent directors serving on functional committees, for the duration of their service.

(C) Correlation with Business Performance and Future Risks

Directors’ remuneration is determined with reference to the Company’s operating results and profitability, while also taking into consideration potential risks and obligations arising from current matters, as well as general market practices within the industry. According to the Company’s Articles of Incorporation, variable remuneration for directors is granted only when the Company reports a profit, reflecting a positive correlation between remuneration and business performance.

B.The policy of executive compensation in our company :

The compensation for the General Manager, Deputy General Manager, and other senior executives is handled in accordance with the “Managerial Compensation Policy” reviewed by the Remuneration Committee and approved by the Board of Directors. The policy consists of two components: fixed compensation and variable compensation.

(A) Fixed Compensation:

Fixed compensation is determined by the Remuneration Committee based on a comprehensive assessment of the executive’s educational background, professional experience, expertise, and the level of responsibility associated with their position.

(B) Variable Compensation:

a. Variable compensation includes bonuses and employee profit-sharing, which are allocated based on the Company’s overall performance as well as the performance of the departments under the respective executive’s leadership.

b. The payment of bonuses and employee profit-sharing is positively correlated with the Company’s business performance.

c. The Company has purchased Directors and Officers (D&O) liability insurance for its directors and key executives.

#### 4. Total remuneration of the top five highest-paid executives in listed or over-the-counter (OTC) companies:

Date: December 31, 2024; Unit: Thousand New Taiwan Dollars

Date: December 31, 2024, Unit: Thousand New Taiwan Dollars

Job title	Name	Salary(A) ( Note 2 )		Pension (B)		Rewards and special disbursements (C) ( Note 3 )		Employee profit-sharing compensation (D) ( Note 4 )				Sum of A+B+C+D and ratio to net income (Note 6)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 7)
		The Compan y	All consolidated entities ( Note 5 )	The Compa ny	All consolidated entities ( Note 5 )	The Company	All consolidated entities ( Note 5 )	The Company		All consolidated entities ( Note 5 )		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Shen Ying-Yi 2024.01.19 appointment 2024.12.05 resignation	3,234	3,234	100	100	13	13	0	0	0	0	3,237 2.78%	3,237 2.78%	0
General Manager	Shaw Ming Fu 2024.01.08 resignation	53	53	2	2	0	0	0	0	0	0	56 0.05%	56 0.05%	0
Senior Department Head of Business Affairs	Lin Qing-Feng	1,725	1,725	8	8	144	144	0	0	0	0	1,876 1.56%	1,876 1.56%	0
Director of Finance Department	Sung Cheng- Hsi 2024.01.09 appointed	2,616	2,616	102	102	211	211	0	0	0	0	2,929 2.43%	2,929 2.43%	0
Director of Finance Department	Yang Cheng- Chieh 2024.01.09 resignation	222	222	7	7	1	1	0	0	0	0	230 0.19%	230 0.19%	0
Director of Human Resources Department	Huang Xiu-Hua	1,733	1,733	7	7	126	126	0	0	0	0	1,867 1.55%	1,867 1.55%	0
Deputy Director of Information Center	Lee Tsung-tsan	1,237	1,237	6	6	99	99	0	0	0	0	1,341 1.11%	1,341 1.11%	0

Note: General Manager Shen Ying-Yi was assigned one driver, whose total salary for the year 2024 amounted to NT\$599,726.

Note 1: The term "top five highest paid executives" refers to the company's managers, and the criteria for identifying such managers shall be handled in accordance with the letter of the Ministry of Finance and the Securities and Futures Bureau dated March 27, 2004, No. Tai Cai Zheng San Zi No. 0920001301. As for the calculation principles for determining the "top five highest paid" executives, it is based on the total amount of salaries, pensions, bonuses, special allowances, etc., received by the company's managers from the consolidated financial statements of all companies (i.e., the sum of A + B + C + D), and the top five highest paid executives are determined after sorting. If a director concurrently serves as one of the aforementioned executives, please fill in this form and the table (1-1) above.

Note 2: Fill in the salaries, job allowances, and severance payment of the top five highest paid executives in the most recent year.

Note 3: Fill in the various bonuses, incentives, car expenses, special allowances, allowances for dormitories, company-provided vehicles, and other compensation amounts provided to the top five highest paid executives in the most recent year. If assets such as houses, cars, and other means of transportation or expenses exclusively for personal use are provided, disclose the nature and cost of the provided assets, the actual or fair market price value of the rent, fuel costs, and other domestic natural persons payments. If a driver is provided, please provide a note explaining the relevant compensation provided by the company to the driver, but do not include it in the compensation. In addition, the salary expenses recognized according to IFRS 2 "Share-based Payment," including the acquisition of employee stock options, restricted stock units, and participation in capital increases, should also be included in the compensation.

Note 4: Fill in the employee compensation (including stocks and cash) allocated to the top five highest paid executives approved by the Board of Directors in the most recent year. If it cannot be estimated, calculate the proposed allocation amount for this year based on the proportion of the actual allocation amount from last year, and also fill in Schedule 1-3.

Note 5: Disclose the total amount of compensation for the top five highest paid executives of all companies (including the company) in the consolidated financial statements.

Note 6: After-tax net income refers to the net income of the individual or separate financial statements for the most recent year.

Note 7: a. This column should clearly indicate the amount of re-invested businesses received by the company's top five highest paid executives from subsidiaries, affiliated companies, or the parent company, if any (if not, please fill in "N/A").

b. Compensation refers to the compensation, re-invested businesses (including bonuses of employees, directors and supervisors), and business execution expenses received by the company's top five highest paid executives in their roles as directors, supervisors, or managers of subsidiaries, affiliated companies, or the parent company, and other related compensation expenses.

\*The content of compensation disclosed in this table is different from the concept of income tax paid under the income tax law, and therefore, the purpose of this table is for information disclosure only and not for taxation purposes.

## (II). Corporate Governance Status

### 1. Board of Directors Operation Information

The Board of Directors held 13 meetings in the most recent fiscal year (2024), and the attendance of directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B/A】	Remark(s)
Chairman	Representative of Tatong Corporation: Hong Chi-Chang	13	0	100	On May 27, 2024, was reappointed. The expected attendance times were 13, and the actual attendance rate was 100%.
Directors	Representative of Tatong Corporation: Wang Guang-Xiang	13	0	100	On May 27, 2024, was reappointed. The expected attendance times were 13, and the actual attendance rate was 100%.
Directors	Representative of Tatung Co., Ltd.: Chang Yao-Yung	6	0	100	On May 27, 2024, was new appointed. The expected attendance times were 6, and the actual attendance rate was 100%.
Directors	Representative of Tatung Co., Ltd.: Ho Ching-Ming	6	0	100	On May 27, 2024, was new appointed. The expected attendance times were 6, and the actual attendance rate was 100%.
Directors	Representative of Tatung Co., Ltd.: Ma Jin-Yao	6	0	100	On May 27, 2024, was new appointed. The expected attendance times were 6, and the actual attendance rate was 100%.
Directors	Representative of Tatong Corporation: Wang Ya-Hsuan	0	0	NA	On December 27, 2024, was new appointed as the legal representative. The expected attendance times were 0, and the actual attendance rate is not applicable.
Directors	Representative of Tatong Corporation: Shen Ying-Yi	5	0	100	On May 27, 2024, was new appointed. On November 25, 2024, was resigned. Expected Attendance: 5 times Actual Attendance Rate: 100%
Directors	Representative of Tatong Corporation: Sui Feng-Zhi	7	0	100	On May 27, 2024, was resigned. The expected attendance times were 7, and the actual attendance rate was 100%.
Directors	Representative of Tatong Corporation: Yu Jin-bang	4	0	57,1	On May 27, 2024, was resigned. The expected attendance times were 7, and the actual attendance rate was 57.1%.
Directors	Representative of Tatong Corporation: Fu Yi-Yuan	4	0	57,1	On May 27, 2024, was resigned. The expected attendance times were 7, and the actual attendance rate was 57.1%.

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B/A】	Remark(s)
Independent Directors	Shih Yi-Chen	6	0	100	On December 27, 2024, was new appointed. The expected attendance times were 6, and the actual attendance rate was 100%.
Independent Directors	Chiu Ching-Yi	5	0	83.3	On May 27, 2024, was new appointed. Expected Attendance: 6 times Actual Attendance Rate: 83.3%
Independent Directors	Wang Chia-Nan	7	0	100	On May 27, 2024, was resigned. The expected attendance times were 7, and the actual attendance rate was 100%.
Independent Directors	Yeh Huang-Chi	10	0	100	On May 27, 2024, was reappointed. On September 6, 2024, was resigned. The expected attendance times were 10, and the actual attendance rate was 100%.
Independent Directors	Tsai Mao-Yin	4	0	100	On April 8, 2024, was resigned. The expected attendance times were 4, and the actual attendance rate was 100%.

Information on the operation of the Board of Directors
<p>Other matters to be recorded :</p> <p>1. If any of the following situations occur in the operation of the Board of Directors, the date of the Board of Directors meeting, session, agenda content, opinions of all independent directors, and the company's handling of opinions of independent directors shall be documented:</p> <p>1.1. Matters listed in Article 14-3 of the Securities and Exchange Act : As the Company has established an Audit Committee, the provisions of Article 14-3 of the Securities and Exchange Act are not applicable. For matters listed under Article 14-5 of the Securities and Exchange Act, please refer to pages 30 to 35 of this report.</p> <p>1.2. For significant resolutions of the Board of Directors, please refer to page 71 to 73.</p> <p>1.3. Except for the personal mentioned above, other literally recorded resolutions which are opposed or have qualified by independent directors: None</p> <p>2. Directors' recusal from proposals involving conflicts of interest shall specify the name of the director, the content of the proposal, the reason for the recusal, and the director's voting status:</p> <p>2.1. The 26th Meeting of the 18th Board of Directors (2024.03.04)</p> <p>(1) Approval of the proposal to extend the lease period for the property usage rights asset (1st floor of the North Design and Engineering Building) from Shang Chih Asset Development Co., Ltd.:</p> <p>In accordance with Article 206, Paragraph 2, and Article 178 of the Company Act regarding conflict-of-interest recusals, legal representative directors of Tatung Co., Hung Chi-Chang, Wang Kuang-Hsiang, Sui Feng-Chih, Yu Chin-Pang, and Fu Yi-Yuan, were deemed to have a conflict of interest in this proposal and therefore recused themselves. They did not participate in the discussion or resolution of the matter. The proposal was passed with the consent of the remaining directors present, as confirmed by the acting chairperson.</p> <p>2.2. The 28th Meeting of the 18th Board of Directors (2024.04.10)</p> <p>(1) Approval of the revision to the Company's "Director Remuneration Policy":</p> <p>In accordance with Article 206, Paragraph 2, and Article 178 of the Company Act regarding conflict-of-interest recusals, Chairman Hung Chi-Chang, having a conflict of interest in this proposal, recused himself and did not participate in the discussion or resolution. The proposal was approved without objection by all other directors present, as confirmed by the acting chairperson.</p> <p>2.3. The 29th Meeting of the 18th Board of Directors (2024.05.09)</p> <p>(1) Approval of the adjustment to the Chairman's remuneration:</p> <p>Recusal due to conflict of interest: Chairman Hung Chi-Chang was deemed to have a conflict of interest in this proposal in accordance with Article 206, Paragraph 2, and Article 178 of the Company Act, and therefore recused himself from the discussion and resolution.</p> <p>Board consideration: In light of the Chairman's efforts in expanding new business and maintaining competitive compensation levels, the Board evaluated the matter based on the Company's Director Remuneration Policy.</p> <p>Resolution result: Upon consultation by the acting chairperson, all attending directors agreed to approve a remuneration amount higher than that originally recommended by the Remuneration Committee.</p> <p>2.4. The 2th Meeting of the 19th Board of Directors (2024.07.10)</p> <p>(1) Approval of the signing of an industry-academia collaboration and academic contribution agreement with National Taipei University:</p> <p>Recusal due to conflict of interest: Independent Director Shih Yi-Chen was deemed to have a conflict of interest in this proposal in accordance with Article 206, Paragraph 2, and Article 178 of the Company Act, and therefore recused himself from the discussion and resolution. Resolution result: Upon consultation by the acting chairperson, all attending directors unanimously approved the proposal without objection.</p> <p>2.5. The 5th Meeting of the 19th Board of Directors (2024.11.21)</p> <p>(1) Approval of the acquisition of securities issued by Tatung Co. to enhance investment efficiency and business cooperation:</p> <p>Recusal due to conflict of interest: Directors Hung Chi-Chang, Wang Kuang-Hsiang, Chang Yao-Yung, Ho Ching-Ming, Shen Ying-Yi, and Ma Jin-Yao were deemed to have a conflict of interest in this proposal in accordance with Article 206, Paragraph 2, and Article 178 of the Company Act, and therefore recused themselves from the discussion and resolution. Resolution result: Upon consultation by the acting chairperson, all attending directors unanimously approved the proposal without objection.</p> <p>2.6. The 7th Meeting of the 19th Board of Directors (2025.02.24)</p> <p>(1) Approval of the appointment of a director for Forward Intelligent Energy Co., Ltd. Independent Directors' Recusal due to conflict of interest: Director Wang Ya-Hsuan was deemed to have a conflict of interest in this proposal in accordance with Article 206, Paragraph 2, and Article 178 of the Company Act, and therefore recused herself from the discussion and resolution. Resolution result: Upon consultation by the chairperson, all attending directors unanimously approved the proposal without objection.</p> <p>3. Disclose information on the assessment cycle and period, assessment scope, methods, and content of the Board of Directors' self-assessment (or peer assessment), and provide an update on the execution status of implementation.</p> <p>3.1. To enhance the efficiency and effectiveness of the Board of Directors' operations, in accordance with the "Board of Directors' Performance Evaluation Measures" of the company, the Board of Directors conducts a self-assessment at the beginning of each year and reports the evaluation results and improvement plans to the Board of Directors on February 24, 2025.</p> <p>3.2. The evaluation period for this assessment is from January 1, 2024 to December 31, 2024. The evaluators are Chairman Hong Chi-Chang, Director Wang Guang-Xiang, Director Chang Yao-Yung, Director Ho Ching-Ming,</p>

Director Ma Jin-Yao, Independent Director Chiu Ching-Yi, and Independent Director Shih Yi-Chen.

3.3. Evaluation ratings:

Numeric 1: Poor (Strongly Disagree)

Numeric 2: Fair (Disagree)

Numeric 3: Average (Neutral)

Numeric 4: Good (Agree)

Numeric 5: Excellent (Strongly Agree)

3.4. Evaluation Items:

(1) Board Performance Evaluation

A. Involvement in company operations

B. Enhancement of board decision-making quality

C. Board composition and structure

D. Director selection and continuous education

E. Internal controls

F. Other items

(2) Board Members Performance Evaluation

A. Understanding of company goals and missions

B. Awareness of director's responsibilities

C. Involvement in company operations

D. Internal relationship management and communication

E. Director's expertise and continuous education

F. Internal controls

G. Other items

(3) Functional Committee Performance Evaluation

A. Involvement in company operations

B. Understanding of functional committee responsibilities

C. Enhancement of functional committee decision-making quality

D. Composition and member selection of functional committees

E. Internal controls

F. Other items

3.5. Evaluation Results:

(1) Board Performance Evaluation

The overall average score for various evaluation items in the board performance evaluation of the company is 4.7, close to excellent.

(2) Board Members Performance Evaluation

The overall average score for various evaluation items in the board members performance evaluation of the company is 4.7, close to excellent.

(3) The Audit Committee of Performance Evaluation

The overall average score for various evaluation items in the Audit Committee's self-assessment was 5.0, rated as excellent.

(4) The Compensation Remuneration committee of Performance Evaluation, the overall average score for various evaluation items in the functional committee performance evaluation of the company is 5.0, rated as excellent.

4. Goals for enhancing the functions of the Board of Directors in the current year and the most recent year (e.g. establishing an audit committee, improving information transparency, etc.) and evaluation of the status of implementation

4.1. In order to comply with the corporate governance policies promoted by regulatory authorities, the company has established independent directors, an audit committee, and a compensation remuneration committee, and Sustainability Committee as required.

4.2. The company has established comprehensive Rules of Procedure for Board of Directors Meetings, and meetings are conducted in accordance with the rules.

4.3. In order to implement corporate governance, enhance the functions of the board of directors, and establish performance objectives to strengthen the efficiency of the board's operations, the members of the board of directors conduct performance evaluations of each other on an annual basis.

4.4 Information Disclosure via the Market Observation Post System and Corporate Governance Information Transparency

(1) The Company has established an internal system for the collection and disclosure of public information via the Market Observation Post System. A designated officer is responsible for collecting and disclosing company information. A spokesperson system has also been implemented to ensure that any information that may affect shareholders' and stakeholders' decision-making is disclosed in a timely and appropriate manner.

(2) The Company has built a website that contains financial, business, and corporate governance information for reference by shareholders and stakeholders. English versions of financial, governance, or other related information may also be provided when necessary. A dedicated staff member is responsible for maintaining and promptly updating the information published on the Company's website.

(3) The Company holds investor conferences in accordance with regulations and keeps audio or video records of the meetings. The financial and business information presented at these conferences is uploaded to the Market Observation Post System designated by the Taipei Exchange and is also available on the Company's website for public access.



## 2. Information on the operation of the Audit Committee

The Audit Committee was established in our company on 2012.06.27. In the most recent fiscal year (2024), the Audit Committee held 13 meetings (A), and the attendance of Audit Committee members is as follows :

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B/A】	Remarks
Independent Directors	Shih Yi-Chen	7	0	100	Newly appointed on May 27, 2024, with an expected attendance of 7 times and an actual attendance rate of 100%.
Independent Directors	Chiu Ching-Yi	7	0	100	Newly appointed on May 27, 2024, with an expected attendance of 7 times and an actual attendance rate of 100%.
Independent Directors	Yeh Huang-Chi	10	0	100	Re-elected on May 27, 2024, and resigned on September 6, 2024, with an expected attendance of 10 times and an actual attendance rate of 100%.
Independent Directors	Wang Chia-Nan	6	0	100	Resigned on May 27, 2024, with an expected attendance of 6 times and an actual attendance rate of 100%.
Independent Directors	Tsai Mao-Yin	4	0	100	Resigned on April 8, 2024, with an expected attendance of 4 times and an actual attendance rate of 100%.

Other matters to be recorded :

1.If any of the following situations occur in the operation of the Audit Committee, the Board of Directors shall specify the date, session, agenda content, decision result of the Audit Committee, and the company's handling of the Audit Committee:

1.1.The matters listed in Article 14-5 of the Securities and Exchange Act:

(1) Audit Committee Meeting of the 21th meeting, 4th Session (2024.01.09)

A. Audit Committee Resolution: All attending members agreed.

Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.

(2) Audit Committee Meeting of the 22th meeting, 4th Session (2024.02.01)

A. Approval of the change in the Company's accounting officer..

Audit Committee Resolution: All attending members agreed.

Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.

(3) Audit Committee Meeting of the 23th meeting, 4th Session (2024.03.04)

A. Approval of the Company's 2023 Business Report and Financial Statements.

Audit Committee Resolution: All attending members agreed.

Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.

B. Recognition that the newly added accounts receivable and overdue non-receivable amounts in 2023 for Suzhou Forward Electronic Technology Co., Ltd. (FDS) are not considered loans.

Audit Committee Resolution: All attending members agreed.

Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.

C. Approval of the acquisition by the Company of the property usage rights asset (1st floor of the North Design and Engineering Building) from Shangzhi Asset Development Co., Ltd., and proposal to postpone the lease period.

Audit Committee Resolution: All attending members agreed.

Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.

D. Approval of the Internal Control System Statement for the fiscal year 2023.

Audit Committee Resolution: All attending members agreed.

Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.

(4) Audit Committee Meeting of the 24th meeting, 4th Session (2024.03.22)

A. Approval of the joint development of Indonesian forest carbon credits by the Company's subsidiary Forward Intelligent Energy Co., Ltd. and Asia Asset Developments Co., Ltd. (AAD).

Audit Committee Resolution: All attending members agreed.

Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.

(5) Audit Committee Meeting of the 25th meeting,, 4th Session (2024.04.10)

A. Proposal for the replacement of the Company's attesting CPA starting from the first quarter of 2024 and evaluation of the CPA's independence.

Audit Committee Resolution: All attending members agreed.

Company's Handling of Audit Committee's Decision: All attending directors agreed and

- approved.
- B. Approval of the amendment to the Company's "Procedures for Handling Material Internal Information."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- C. Approval of the amendment to the Company's "Audit Committee Charter."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- D. Approval of the amendment to the Company's "Rules of Procedure for Board of Directors Meetings."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- E. Approval of the formulation of the Company's "Regulations Governing Financial and Business Transactions among Related Parties."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- F. Approval of the amendment to the Company's "Procedures for Acquisition or Disposal of Assets."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- (6) Audit Committee Meeting of the 26th meeting, 4th Session (2024.05.09)
- A. Approval of the Company's consolidated financial statements for the first quarter of 2024.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- B. Approval of the amendment to the Company's "General Principles for Pre-approval of Non-assurance Services."  
Audit Committee Resolution: All attending members agreed. Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- C. Approval of the amendment to the use of funds plan for the 2007 cash capital increase and unsecured domestic convertible bonds.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- D. Approval of the amendment to the Company's "Internal Control System" drafted by the Internal Control Committee.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- E. Approval of the amendment to the Company's "Implementation Rules of Internal Audit."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved..
- (7) Audit Committee Meeting of the 27th meeting, 4th Session (2024.05.25)
- A. Approval of the amendment to the use of funds plan for the 2007 cash capital increase and unsecured domestic convertible bonds.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- (8) Audit Committee Meeting of the 2th meeting, 5th Session (2024.07.10)
- A. Joint Development of the Indonesian Forest Carbon Credit WSRAFP 2 Project by the Subsidiary, Forward Intelligent Co., Ltd. and Asia Asset Developments Co., Ltd. (Samoa).  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- B. Amendment to the "Real Estate, Factory, and Equipment Cycle" and "Investment Cycle" Approval Authority Chart.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- C. Signing of the Industry-Academic Cooperation and Academic Feedback Mechanism Contract

- with National Taipei University.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- (9) Audit Committee Meeting of the 3th meeting, 5th Session (2024.08.07)
- A. The Company's Consolidated Financial Statements for the 2nd Quarter of Fiscal Year 2024.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- B. Amendment to the Company's "Stamp Management Regulations."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- C. Proposal for the Amendment of the Company's "Internal Control System" by the Internal Control Committee.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- D. Amendment to the Company's "Internal Audit Implementation Guidelines."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- (10) Audit Committee Meeting of the 3th meeting, 5th Session (2024.08.07)
- A. The Company's Consolidated Financial Statements for the 2nd Quarter of Fiscal Year 2024.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- B. Amendment to the Company's "Stamp Management Regulations."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- C. Proposal for the Amendment of the Company's "Internal Control System" by the Internal Control Committee.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- D. Amendment to the Company's "Internal Audit Implementation Guidelines."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- (11) Audit Committee Meeting of the 4th meeting, 5th Session (2024.10.31)
- A. The Company's Consolidated Financial Statements for the 3rd Quarter of Fiscal Year 2024.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- B. Amendment to the Company's "Sustainability Development Working Group Organizational Regulations."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- C. Establishment of the Company's "Risk Management Policy."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- D. Proposal for the Amendment of the Company's "Internal Control System" by the Internal Control Committee.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- (12) Audit Committee Meeting of the 5th meeting, 5th Session (2024.11.21)
- A. Proposal to Acquire Marketable Securities of Tatung Co., Ltd. to Increase Investment Returns and Business Transactions.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- B. Amendment to the Company's "General Principles for Pre-Approval of Non-Assured Services

- Policy."
- Audit Committee Resolution: All attending members agreed.
- Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- (13) Audit Committee Meeting of the 6th meeting, 5th Session (2024.12.23)
- A. Review of the Work Objectives and Budget for Fiscal Year 2025.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- B. Amendment to the Company's "Procedures for Acquiring or Disposing of Assets."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- C. Establishment of the Company's "Sustainability Report Preparation and Assurance Procedures."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- D. Proposal for the Amendment of the Company's "Internal Control System" by the Internal Control Committee.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- E. Amendment to the Company's "Internal Audit Implementation Guidelines."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- F. The Company's Internal Audit Plan for Fiscal Year 2025.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- G. Renewal of a Short-Term Loan Facility Secured by the Factory and Land at No. 393, Section 1, Zhongzheng Road, Sanxia District, New Taipei City, with Yang Xin Bank, Mu Zha Branch, for a Loan Amount of NT\$100 million.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- (14) Audit Committee Meeting of the 7th meeting, 5th Session (2025.02.24)
- A. The Company's Business Report and Financial Statements for Fiscal Year 2024.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- B. Confirmation that the overdue accounts receivable and non-receivable items of Suzhou Forward Technology Co., Ltd. (FDS) for Fiscal Year 2024 do not constitute fund lending.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- C. Appointment of Deloitte & Touche as the Company's 2025 fiscal year auditor and evaluation of the independence of the audit firm.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- D. Amendment to the Company's "Articles of Incorporation."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- E. Definition of "Frontline Employees."  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- F. Establishment of the "Sustainability Development Committee" at Forward Company.  
Audit Committee Resolution: All attending members agreed.  
Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.
- G. Amendment to the Company's "Sustainability Development Working Group Organizational Regulations."  
Audit Committee Resolution: All attending members agreed.

	<p>Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.</p> <p>H. Appointment of Acting General Manager for the Company. Audit Committee Resolution: All attending members agreed. Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.</p> <p>I. Draft of the Company's 2024 Internal Control System Statement. Audit Committee Resolution: All attending members agreed. Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.</p> <p>J. Appointment of Directors for Forward Intelligent Co., Ltd. Audit Committee Resolution: All attending members agreed. Company's Handling of Audit Committee's Decision: All attending directors agreed and approved.</p> <p>1.2. The resolution items of the board of directors where the independent directors' objection or reserved opinion and have recorded or provided written statements, other than the aforementioned matters: No such occurrence.</p> <p>2. The execution status of implementation, independent directors recusing themselves from voting on matters involving conflicts of interest shall be disclosed, including the names of the independent directors, the details of the matters, the reasons for recusal due to conflicts of interest, and their participation in the voting:</p> <p>(1) Audit Committee Meeting of the 2th meeting, 5th Session (2024.07.10) A. Signing of the Industry Academic Cooperation and Academic Feedback Mechanism Contract with National Taipei University. In accordance with Article 206, Paragraph 2 of the Company Act, applying the conflict-of-interest avoidance provisions under Article 178, Independent Director Mr. Yi-Chen Shih has a vested interest in this matter and therefore recused himself from the discussion and resolution of this proposal. The proposal was approved after the Chairperson consulted the remaining attending independent directors.</p> <p>3. The communication between independent directors, internal audit executives, and accountants regarding significant matters, methods, and outcomes of communication on the company's financial and operational conditions.</p> <p>3.1. In addition to regular communication on audit reports and understanding of the financial Status, independent directors also gain an understanding of the company's strategic operations and hidden risks through the audit committee and board of directors. There has been sufficient communication regarding audit activities and status of implementation.</p> <p>3.2. Independent directors of the company may request the auditors to report and communicate on the results of the audit of the financial statements (including consolidated financial statements) and other relevant legal requirements at any time.</p> <p>3.3. The independent directors of the company hold regular discussions and communications with the auditors regarding questions and consultations raised by the independent directors and other attendees.</p> <p>4. Communication Situation:</p> <p>(1) Communication between Independent Directors and Internal Audit Supervisor:</p> <p>A. Date of Communication: 2024.01.09, 2024.02.01, 2024.03.22, 2024.04.10, 2024.05.09, 2024.07.10, 2024.08.07, 2024.10.31, 2024.11.21. Attendees: All Independent Directors and the Internal Audit Supervisor. Summary of Key Points of Communication:</p> <ul style="list-style-type: none"> <li>● Execution report of internal audit operations.</li> <li>● Communication between the Internal Audit Supervisor and Independent Directors regarding the subsequent internal audit operational model.</li> </ul> <p>Communication Result: There were no objections raised during the meeting and communication was sufficient.</p> <p>B. Date of Communication: 2024.03.04, 2025.02.24. Attendees: All Independent Directors and the Internal Audit Supervisor. Summary of Key Points of Communication:</p> <ul style="list-style-type: none"> <li>● Execution report of internal audit operations.</li> <li>● Review of Internal Control System Statement for the Upcoming Year</li> <li>● Communication between the Internal Audit Supervisor and Independent Directors regarding the subsequent internal audit operational model.</li> </ul> <p>Communication Result: There were no objections raised during the meeting and communication was sufficient.</p> <p>C. Date of Communication: 2024.12.13 Attendees: All Independent Directors and the Internal Audit Supervisor. Summary of Key Points of Communication:</p> <ul style="list-style-type: none"> <li>● Execution report of internal audit operations.</li> <li>● Review of the Risk Assessment and Internal Audit Plan for the Upcoming Year</li> <li>● Communication between the Internal Audit Supervisor and Independent Directors regarding the</li> </ul>
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subsequent internal audit operational model.

Communication Result: There were no objections

(2) The communication between independent directors and accountants :

- A. Arrangements have been made for the accountant to provide explanations to the audit committee regarding the quarterly consolidated financial statements on March 4, 2024, August 7, 2024, October 31, 2024, and February 24, 2025, and to discuss and communicate on issues raised by the audit committee and attendees.
- B. On March 4, 2024, the accountant and independent directors conducted a meeting to report on "Communication with Corporate Governance Unit and Management" and discussed communication matters, data analysis, updates on regulatory laws, updates on tax laws.
- C. On April 10, 2024, the accountant presented to the independent directors the regular evaluation of the independence and competence of the auditor. The company also obtained the independence declaration and the Audit Quality Indicators (AQI) issued by the accountant.
- D. On December 23, 2024, the accountant provided an explanation of the annual audit plan and internal controls, and discussed and communicated the questions raised by the Audit Committee and other attendees.
- E. On February 24, 2025, the accountant held a meeting with the independent directors to report on the "Communication with the Corporate Governance Unit and Management." The accountant explained the regular evaluation of the independence and competence of the auditor. The company also obtained the independence declaration and Audit Quality Indicators (AQI) issued by the accountant. The report covered communication matters, data analysis, updates on securities regulations, and updates on tax regulations.

### 3. Corporate Governance Status and the differences with the governance practices of listed and OTC companies, along with the reasons for such differences

Evaluation Item	Implementation Status			Differences in Corporate Governance Practices with Listed and OTC Companies and Reasons
	Yes	No	Abstract Explanation	
1. Has the company established and disclosed its corporate governance practices in accordance with the "Corporate Governance Best Practice Principles for Listed and OTC Companies"?	V		The Board of Directors of the company has established a "Corporate Governance Practices Code" to promote the operation of corporate governance, and disclosed it on the Taiwan Stock Exchange Market Observation Post System (MOPS) and the company's website in the Investor Information Corporate Governance section.	None
2. Company's shareholding structure and Shareholders' Rights				
2.1.Has the company established internal procedures for handling shareholder suggestions, inquiries, disputes, and litigation matters, and implemented them according to the procedures?	V		1. The company has established a spokesman, acting spokesman, and shareholder service unit to handle shareholder suggestions or dispute-related issues. In addition, the company's website has a dedicated stakeholder's area and shareholders, which serves as a contact point for shareholders and investors to provide feedback or raise questions.	None
2.2.Does the company maintain a list of major shareholders and ultimate controllers of the company?	V		2. The company obtains the shareholder register after the record date through a stock transfer agency to track the list of major shareholders and their ultimate controllers, and complies with relevant laws and regulations for reporting and disclosure.	None
2.3.Has the company established and implemented risk management and firewall mechanisms with related parties?	V		3. To effectively manage risks with affiliated companies, the Company has established a comprehensive risk control and firewall mechanism, including the "Corporate Governance Best Practices Guidelines," "Internal Control System," "Procedure for Funds Lending, Endorsements, and Guarantees," "Procedure for Acquisition or Disposal of Assets," and "Operation Method for Supervision of Subsidiaries," which clearly define the roles and responsibilities of the Company and its related entities. These practices are continuously implemented and monitored to ensure effective governance and control.	None
2.4.Has the company established internal regulations prohibiting insiders from trading securities based on undisclosed information in the market?	V		4. To prevent internal personnel from using non-public information for securities trading, the Company has adopted the following measures: (1) Establishment of internal regulations such as the "Insider Trading Prevention Management Procedures." (2) Requirement for employees, managers, and directors to adhere to the "Code of Ethics" and the "Integrity Management Procedures and Behavior Guidelines." (3) In 2024, the Company conducted regulations-related training on insider trading for internal personnel and strengthened legal responsibilities and practical discussions for financial and accounting staff. (4) On November 20, 2024, eight directors, 24 managers, and employees participated in a two-hour practical training session on insider trading under the Securities Trading Act and employees attended a practical seminar on insider trading related to the Securities Exchange Act. The session, lasting 1.5 hours, covered topics such as understanding insider trading, examining insider trading from a corporate governance perspective, an introduction to Article 157-1 of the Securities Exchange Act, and practical case studies. The presentation slides and video recording of the session were made available on the internal platform system for reference by those who were unable to attend on the day.	None

Evaluation Item	Implementation Status			Differences in Corporate Governance Practices with Listed and OTC Companies and Reasons
	Yes	No	Abstract Explanation	
3.Board of Directors Composition and Responsibilities				
3.1.Has the Board of Directors formulated a diversity policy, specific management objectives, and implemented them?	V		1. The company's "Corporate Governance Practices Guidelines," Chapter 3, outlines the policy for strengthening the functions of the Board of Directors, including the formulation of a diversity policy. The nomination and selection of board members adhere to the provisions of the company's articles of association, adopting a candidate nomination system. In addition to evaluating the qualifications and experiences of each candidate, the opinions of stakeholders are also considered, in compliance with the "Director Election Regulations" and the "Corporate Governance Practices Guidelines," to ensure the diversity and independence of board members. Currently, the board of directors consists of 8 members, among the board members, there are three female directors, accounting for 37.5% of the total board members, demonstrating the Company's commitment to gender equality in the composition of the board. Among the independent directors, two have served for less than three years. Each director possesses expertise and experience in operational management, industry knowledge, finance, and strategic management, reflecting the board's commitment to diversity. The board has formulated policies on member composition diversity, which are disclosed on the company's website and the public information disclosure platform.	None
3.2.Has the company voluntarily established other functional committees in addition to the Compensation and Remuneration Committee and the Audit Committee as required by law?	V		2. To strengthen corporate governance, in addition to the Compensation Remuneration Committee and Audit Committee established in accordance with the law, our company has also established a Corporate Governance Committee and a Corporate Governance Officer and the Sustainability Development Committee. The operation of corporate governance is the responsibility of each department according to its jurisdiction. In the future, other functional committees may be established at the discretion of the company or based on actual needs in accordance with company law regulations.	None
3.3.Has the company established a board performance evaluation mechanism and its evaluation methods, and conducted regular performance evaluations on an annual basis? Are the results of the performance evaluations reported to the board and utilized as references for individual director's compensation, remuneration, and nomination for reappointment?	V		3. The Company's Board of Directors approved the Board Performance Evaluation Procedures on [Date], and conducts an internal board performance evaluation each year based on the procedures and evaluation criteria set forth in these guidelines. The evaluation results should be completed before the next board meeting in the following year. At least once every three years, an evaluation must be conducted by an external professional independent organization or external experts and scholars. (1) The internal board performance evaluation for the Company in 2024 is detailed on pages 28 to 29. (2) The Company appointed the Taiwan Investor Relations Association to conduct an external evaluation of the board's performance for 2024. On January 6, 2025, the evaluation report on the board's effectiveness was issued, and the report was submitted to the board on February 24, 2025. The evaluation period was from January to December 2024. The organization and the executing experts have no business dealings with the Company and maintain independence. The evaluation covered five major areas: board composition and professional development, decision-making quality, board operational effectiveness, internal control and risk management, and board involvement in corporate social responsibility. The evaluation was carried out through questionnaires and on-site visits. Summary of the evaluation report: The Board members of Forward	None



Evaluation Item	Implementation Status			Differences in Corporate Governance Practices with Listed and OTC Companies and Reasons	
	Yes	No	Abstract Explanation		
			Company possess diverse characteristics. The board holds regular meetings, with good attendance and active participation from both directors and independent directors in discussions. All members continue to enhance their knowledge to improve responsiveness and fulfill their supervisory duties and responsibilities. However, the following recommendations can further enhance the company's governance structure and sustainable development performance.		
			Item	Recommendation in the Evaluation Report	Company's Action Plan
			A	Elevate the "Sustainability Development Working Group" to a functional committee at the board level.	The company plans to establish the Sustainability Development Committee in the first quarter of 2025, elevating it to a board-level committee.
			B	Prepare the sustainability report.	The schedule for preparing the 2024 Sustainability Report: Verification in April, submission to the board for approval in May, and completion of filing by the end of August.
			C	Ensure that the seats held by a single legal entity and its subsidiaries on the board are less than one-third of the total.	1. Adjust the board structure: Ensure that the proportion of corporate representatives does not exceed one-third and increase the number of independent directors. 2. Introduce professional directors: Bring in directors with credibility from the fields of Environment, Social, and Governance (ESG) and finance to enhance corporate governance. 3. Diversify the board members: Include individuals from various backgrounds (e.g., academia, industry experts, legal professionals) to enhance the fairness and diversity of board decisions.
			D	Disclose the policy linking executive compensation with ESG-related performance evaluations.	1. Current Situation Given that the company is currently operating at a loss with limited resources, the priority will be to focus on the most relevant ESG issues impacting operations, such as reducing operational costs, improving production efficiency, and enhancing employee relations. 2. Future Plans a. When the company achieves profitability in any given year, no less than 1% of profits

Evaluation Item	Implementation Status			Differences in Corporate Governance Practices with Listed and OTC Companies and Reasons
	Yes	No	Abstract Explanation	
				will be allocated to employee compensation, with at least 60% allocated to base-level employees. b. The CEO and senior executives will set sustainability performance indicators, linking these to annual employee compensation, to drive and guide sustainability performance.
			F	Plan and implement specific measures to enhance corporate value and report to the board.  1. Enhance ESG performance: a. Establish green investment standards to ensure that business development aligns with sustainability goals. b. Expand ESG investment plans, such as developing low-carbon products and strengthening carbon management in the supply chain. 2. Strengthen shareholder communication: a. Provide more transparent financial and non-financial information to increase investor confidence. b. Set medium- and long-term corporate growth plans to clearly
			G	Hold at least two investor conferences per year.  1. Increase the frequency and depth of investor conferences: a. In addition to the regular semi-annual investor conferences, organize thematic sessions such as "ESG Strategy Sharing" and "Industry Trends Analysis." b. Invite industry experts and analysts to participate to enhance the value of the exchanges. 2. Digitalize investor relations: a. Use online live broadcasts and interactive platforms to increase participation from institutional investors. b. Regularly publish investor newsletters to provide updates on the company's operating performance and strategic developments.
			H	Set short, medium, and long-term goals to improve corporate governance evaluation and actively promote governance in environmental and social aspects.  Continue to emphasize and increase the content and weight of the "Promoting Sustainable Development" indicator. The company's Sustainability Development Working Group will drive sustainability initiatives, report regularly to the Sustainability Development Committee and the Board, and update the company website to respond to future regulatory changes in ESG evaluations.

3.4.Does the company regularly assess the independence of the signing auditor?	V		4. The company's external auditor is An-Hou Jian-Ye & Partners Certified Public Accountants. In addition to providing an "Independence Declaration" and "Audit Quality Indicators (AQIs)," the firm also conducts an evaluation based on the standards and 13 AQI indicators. The company assesses the independence and competence of the external auditors in accordance with the "Independence Standards for Audits and Reviews" set forth in the Code of Ethics for Professional Accountants. The company's Audit Committee regularly evaluates the independence of the external auditors annually and submits the evaluation results to the Board of Directors. On February 24, 2025, the Board of Directors passed the resolution regarding the appointment of the auditors and their independence assessment. The evaluation results indicated that Mr. Pan Jun-Ming and Ms. Lai Li-Zhen, certified public accountants from An-Hou Jian-Ye & Partners, meet the company's independence and competence standards (Note 1. Please refer to pages 44 to 45) and are deemed fully qualified to serve as the company's external auditors.	None
4.Does the listed or OTC company appoint qualified and appropriate personnel for corporate governance, including a designated corporate governance officer, who is responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with necessary information for the execution of their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to board meetings and shareholders' meetings in accordance with the law, and preparing minutes of board meetings and shareholders' meetings)? ?	V		<p>1. Does the listed or OTC company appoint qualified and appropriate personnel for corporate governance, including a designated corporate governance officer, who is responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with necessary information for the execution of their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to board meetings and shareholders' meetings in accordance with the law, and preparing minutes of board meetings and shareholders' meetings)?</p> <p>2. The key business priorities for the year 2024 are as follows:</p> <p>2.1.As the secretariat for the Board of Directors and Audit Committee, our duties include compiling meeting agendas, clearly stating the reasons for convening the meeting, and sending out meeting notices to all directors or committee members at least seven days before the meeting, along with providing ample meeting materials to facilitate attendees' understanding of the relevant information related to the agenda items. When meeting topics involve conflicts of interest with directors' personal or representative interests, we also remind them to avoid such conflicts and follow proper conflict of interest procedures. Finally, we also distribute meeting minutes to all directors or committee members for retention within 20 days.◦</p> <p>2.2.Responsible for issuing important information or announcements regarding significant resolutions after the Board of Directors' meeting and shareholders' meeting, ensuring the legality and accuracy of disclosed information to safeguard equal access to trading information for investors.</p> <p>2.3.Handling pre-registration for the date of the shareholders' meeting in accordance with the law, preparing and submitting meeting notices, agendas, and meeting minutes within the prescribed duration.</p> <p>2.4.Processing registration changes for various operations of the company.</p> <p>2.5.Purchasing "Directors and Officers Liability Insurance" for directors and key officers.</p> <p>2.6.Providing periodic information on director-related professional development, reminding directors to comply with the requirements of "Guidelines for Continuing Education for Directors and Supervisors of Listed and OTC Companies" and complete relevant reporting.◦</p>	None

			<p>2.7. Providing company business or financial operation information as requested by directors, maintaining smooth communication and exchanges between directors and business executives.</p> <p>2.8 Lead the planning and preparation of the company's sustainability report to demonstrate the company's commitment to ESG and increase visibility.</p>	
5. Has the company established communication channels with stakeholders, including but not limited to shareholders, employees, customers, and suppliers, and set up a dedicated stakeholder's area on its website to appropriately respond to important corporate social responsibility issues of concern to stakeholders?	V		<p>1. The company engages various departments, including Investor Relations and Share Services, to communicate with stakeholders based on different situations. The company also provides contact information for spokesman and relevant departments on its website, and has set up dedicated stakeholder's area (Customer Zone, Supplier Zone, Shareholder Zone, and Employee Zone) to appropriately respond to issues of concern. The communication channels are smooth and effective.</p> <p>2. The company has established communication channels for employees, allowing them to provide feedback or express opinions through mail, email, or written means.</p>	None
6. Has the company appointed a professional shareholder service agency to handle shareholder meeting affairs?	V		The company has entrusted Fubon Securities Co., Ltd., Securities Transfer Department to handle shareholder affairs, and has received approval for filing from Taiwan Depository & Clearing Corporation in letter no. 1100023767 dated November 17, 2021 for reference.	None
7. Information disclosure				
7.1. Does the company have a website to disclose financial and business information, as well as corporate governance information?	V		1. The company has established a corporate website ( <a href="http://www.fwd.com.tw">http://www.fwd.com.tw</a> ) to disclose financial and business information, as well as corporate governance information. A dedicated person is responsible for maintaining the website, and the information is regularly updated for inquiry purposes.	None
7.2. Does the company implement other methods of information disclosure, such as setting up an English website, designating personnel to be responsible for collecting and disclosing company information, implementing a spokesperson system, and placing the process of corporate briefings on the company website?	V		2. The company has established both Traditional Chinese and English language websites, and provided dedicated email addresses for various business inquiries. It also has a spokesperson system in place and regularly posts relevant company information on its website. Additionally, a designated person is responsible for disclosing the company's financial and business information on the Public Information Observation System for shareholders, stakeholders, and regulatory authorities to stay updated on the company's status.	None
7.3. Is the company required to announce and file the annual financial statements within two months after the end of the fiscal year, and to announce and file the first, second, and third quarter financial statements, as well as monthly operating results, ahead of the prescribed duration?	V		3. The company announces and files the annual financial statements within the statutory period, and completes the announcement and filing of the first, second, and third quarter financial statements, as well as monthly operating results, ahead of the prescribed duration.	None
8. Does the company provide other important information that helps to understand its corporate governance status, ( including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, professional development of directors and supervisors, status of implementation of risk management policies and risk measurement standards, status of implementation of customer policies, and the company's purchase of directors and supervisors' liability insurance, etc. ) ?	V		<p>1. Human rights, employee benefits, and employee care: :</p> <p>All employees, job applicants, and workers in cooperating factories of our company, regardless of race, religion, skin color, gender, nationality, etc., are treated fairly and with dignity. We abide by relevant labor and gender equality laws issued by the government and establish work regulations, welfare benefits, salaries, allowances, etc., to ensure that all employees are content and satisfied with their positions. Our welfare measures include:</p> <p>(1) Provide employee health insurance, labor insurance, medical insurance, and accident insurance.</p> <p>(2) Offer free regular health check-ups.</p> <p>(3) Establish an Employee Welfare Committee to organize various activities such as employee trips and hiking, providing opportunities</p>	None

			<p>for employees to relax and relieve work stress.</p> <p>(4) Contribute to retirement pension according to the law.</p> <p>(5) Provide on-the-job training for employees and encourage them to pursue further education while employed.</p> <p>2. Investor Relations :</p> <p>Our company has dedicated personnel responsible for the collection, disclosure, and investor inquiries of company information. We have established a company website in both Chinese and English languages to disclose financial and corporate governance-related information, providing references for investors. We fully disclose information through the Public Information Observation System and our company website to allow investors to fully understand our business operations. We also communicate with investors through shareholder meetings and spokesman.</p> <p>3. Supplier Relations :</p> <p>Our company is committed to manufacturing environmentally-friendly products. We require all our suppliers, subcontractors, and commissioned manufacturing facilities to sign contracts and comply with relevant government environmental protection regulations in their production operations. Any business waste generated is properly handled in accordance with environmental regulations.</p> <p>4. Rights of Stakeholders:</p> <p>Stakeholders have the right to communicate and provide feedback to the company. The company upholds the principle of integrity and provides sufficient operational information to safeguard their legitimate interests.</p> <p>5. Directors, supervisors, and managers' professional development:</p> <p>Please refer to the "2024 Board of Directors' Continuing Education Status" and "2023 Manager and Audit Committee Member's training status" explanations in this annual report (page 46).</p> <p>6. Status of implementation of Risk Management Policies and Risk Measurement Standards:</p> <p>On October 31, 2024, the Board of Directors approved the establishment of the "Risk Management Policy." A "Risk Management Group" under the "Sustainability Development Working Group" was tasked with promoting and implementing risk management, considering the company's size, business characteristics, risk nature, and operational activities. This aims to strengthen corporate governance, reduce potential operational risks, and ensure the company's sound operation and sustainable development. The Risk Management Group is required to report its operations to the Board of Directors at least once a year. On December 23, 2024, the Risk Management Group reported to the Board of Directors on the operations of risk management, and the information was disclosed on the company's website under "Investor Information" → "Corporate Governance" → "Corporate Governance Operations and Information."</p> <p>7. Status of implementation of Consumer or Customer Protection Policies:</p> <p>The company has obtained international quality certifications such as ISO 9001, ISO 14001, and ISO/TS-16949. The products sold also comply with relevant safety regulations based on customer requirements, and related after-sales services are provided for the</p>	
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			<p>products.</p> <p>8. Purchase of Directors' Liability Insurance by the Company: The company has stipulated in Article 23 of its Articles of Incorporation that it may purchase liability insurance for directors during their term of office to cover their legal liability for damages incurred in the performance of their duties. Since 2004, the company has been purchasing directors' liability insurance annually. The company has purchased liability insurance for directors and key officers for the year 2025, and a report was presented at the board meeting held on December 23, 2024.</p>	
<p>9. Regarding the recent company governance evaluation results released by the Taiwan Stock Exchange Corporation's Corporate Governance Center, our company has completed the self-assessment for 2024 on the self-assessment platform in the "Corporate Governance Evaluation Zone" of the Taiwan Depository &amp; Clearing Corporation's website. The following is an explanation of the improvements made, as well as priority measures and actions for areas that have not yet been improved, with the aim of enhancing the company's governance image.</p>				

Note 1.

Forward Electronics Co., Ltd.  
Auditor Independence and Competence Evaluation Checklist

Subjects Evaluated: Mr. Pan Jun-Ming and Ms. Lai Li-Zhen, Certified Public Accountants, An-Hou Jian-Ye & Partners

Evaluating Unit: Finance Department, Forward Electronics Co., Ltd.

Evaluation Date: February 11, 2025

Evaluation Items: See table below

(1) Independence Assessment:

Evaluation Item	Evaluation Result	Independence Maintained
1. Do the auditors have a direct or material indirect financial interest in the Company?	No	Yes
2. Have the auditors engaged in financing or provided guarantees with the Company or its directors?	No	Yes
3. Do the auditors have close business relationships or potential employment relationships with the Company?	No	Yes
4. Have the auditors or audit team members held positions as directors, managers, or other roles significantly influencing the audit at the Company within the past two years or currently?	No	Yes
5. Have the auditors provided non-audit services that could directly affect the audit?	No	Yes
6. Have the auditors acted as intermediaries for the issuance of the Company's stocks or other securities?	No	Yes
7. Have the auditors acted as legal representatives or coordinated conflicts with third parties on behalf of the Company?	No	Yes
8. Do the auditors have familial relationships with the Company's directors, managers, or personnel significantly influencing the audit?	No	Yes
9. Have the auditors provided audit services to the Company continuously for seven years? (1) Lead auditor: Mr. Pan Jun-Ming (since Q1 2024) (2) Co-signing auditor: Ms. Lai Li-Zhen (since Q1 2024)	No	Yes
10. Has any co-practicing CPA from the audit firm taken a position as a director, manager, or person significantly influencing the audit within one year after leaving the firm?	No	Yes
11. Have the auditors violated the independence requirements under Statement No. 10 of the Code of Ethics for Certified Public Accountants?	No	Yes

Overall Evaluation Result: No circumstances were found that could impair their independence. Reappointment is recommended.

(2) Competence Assessment:

Evaluation Item	Evaluation Result	Meets Competence Requirements
1. Does the auditor firm have a clear quality control procedure? Does it include key audit procedures, how audit issues and judgments are handled, independence quality control, and risk management?	Yes	Yes
2. Does the auditor firm have sufficient scale and resources to provide audit services to the company?	Yes	Yes
3. Is the auditor firm able to promptly inform the Board of Directors (Audit Committee) of significant deficiencies in the company's risk management, corporate governance, and financial accounting systems?	Yes	Yes
4. Has the auditor been subject to disciplinary actions by the CPA Disciplinary Committee in the past two years?	No	Yes
5. Has the auditor firm been involved in any civil or criminal lawsuits in the past two years?	No	Yes
6. Does the auditor understand the industry and associated risks in which the company operates?	Yes	Yes
7. Has the auditor or audit team ever audited companies in similar industries, sizes, and risk conditions?	Yes	Yes
8. Can the auditor clearly explain the scope and method of auditing the company's subsidiaries and affiliates?	Yes	Yes
9. Can the auditor explain the mechanism for monitoring audit quality?	Yes	Yes

Overall Evaluation Result: No circumstances were found that could impair their independence. Reappointment is recommended.



#### 4. Director Continuing Education Situation in the Year 2024

Name	Date	Organizer	Course name	Time
Hong Chi-Chang	2024.09.26	Foundation for the Development of Securities and Futures Markets, R.O.C.	Ritek Group Co., Ltd. Commissioned Training - How Directors and Supervisors Should Oversee Corporate Risk Management and Crisis Handling (Including Gender Equality)	3 Hours
	2024.09.26	Foundation for the Development of Securities and Futures Markets, R.O.C.	Ritek Group Co., Ltd. Commissioned Training - The Explosion of Artificial Intelligence: Chatbot ChatGPT and the Transformation of Industry Trends	3 Hours
Wang Guang-Xiang	2024.11.07	Taiwan Corporate Governance Association	Global Trend Analysis – Risks and Opportunities	3 Hours
	2024.09.30	Taiwan Stock Exchange	Strengthening Taiwan's Capital Market Summit	3 Hours
	2024.08.07	Taiwan Corporate Governance Association	How Enterprises Can Use TIPS Intellectual Property Management to Improve Corporate Governance	3 Hours
Ho Ching-Ming	2024.10.30	Taiwan Corporate Management and Sustainable Development Association	Practical Analysis of Corporate Mergers, Equity Investment Planning, and Joint Venture Agreements	3 Hours
	2024.10.25	Taiwan Financial and Economic Development Association	Workplace Labor-Management Disputes, Resolution Mechanisms, and Case Sharing	3 Hours
	2024.09.12	Taiwan Corporate Management and Sustainable Development Association	Trends in ESG and Global Tax System Reforms and Corporate Tax Governance in the Post-Pandemic Environment	3 Hours
	2024.08.15	Taiwan Corporate Management and Sustainable Development Association	Latest Developments and Impact of CFC Regulations	3 Hours
Chang Yao-Yung	2024.09.26	Taiwan Independent Directors Association	Carbon Pricing Trading Mechanisms and Introduction to Latest IFRS International Sustainability Standards (S1 & S2)	3 Hours
	2024.08.20	Taiwan Corporate Governance Association	The Era of "Carbon Pricing" Has Arrived: How Should Enterprises Respond?	3 Hours
Ma Jin-Yao	2024.10.16	Taiwan Financial and Economic Development Association	Key Challenges in Overseas Investment Layout for Taiwanese Businesses (ASEAN, India)	3 Hours
	2024.10.07	Chinese National Federation of Industry and Commerce	2024 Taiwan New Zero Summit Forum	3 Hours
	2024.09.26	Taiwan Corporate Management and Sustainable Development Association	Promoting Corporate Sustainability through Risk Management	3 Hours
	2024.09.12	Taiwan Corporate Management and Sustainable Development Association	Trends in ESG and Global Tax System Reforms and Corporate Tax Governance in the Post-Pandemic Environment	3 Hours
Wang Ya-Hsuan 2024.12.27 (New Representative)	2024.10.03	Taiwan Project Management Society	ESG Investment and Corporate Social Responsibility	3 Hours
	2024.09.19	Taiwan Project Management Society	Application of Generative AI and ChatGPT	3 Hours
Shih Yi-Chen	2024.11.14	Taiwan Financial and Economic Development Association	Global Political and Economic Analysis After the U.S. Presidential Election	3 Hours
	2024.10.30	Taiwan Corporate Management and Sustainable Development Association	Practical Analysis of Corporate Mergers, Equity Investment Planning, and Joint Venture Agreements	3 Hours
	2024.10.25	Taiwan Financial and Economic Development Association	Workplace Labor-Management Disputes, Resolution Mechanisms, and Case Sharing	3 Hours
	2024.09.26	Taiwan Corporate Management and Sustainable Development Association	Promoting Corporate Sustainability through Risk Management	3 Hours
Chiu Ching-Yi	2024.10.25	Taiwan Financial and Economic Development Association	Workplace Labor-Management Disputes, Resolution Mechanisms, and Case Sharing	3 Hours
	2024.10.16	Taiwan Financial and Economic Development Association	Key Challenges in Overseas Investment Layout for Taiwanese Businesses (ASEAN, India)	3 Hours
	2024.09.04	Taiwan Corporate Management and Sustainable Development Association	Corporate Governance and Practical Operations of Independent Directors	3 Hours

Note: In the fiscal year 2024, the company has a total of 8 directors (including independent directors) who have completed the required training hours in accordance with the guidelines for continuing education for directors of listed and OTC companies.

## 5. Composition, Responsibilities, and Operation Information of the Compensation Remuneration Committee

### 5.1 Information on the Members of the Compensation Remuneration Committee

Position ( Note1 )	Name	Professional qualifications and experience	Independence status	Number of Directors Serving as Compensation Remuneration Committee Members in Other Publicly Listed Companies
Independent Director (Convener)	Yeh Huang-Chi Resigned on September 6, 2024	Bachelor's degree in Banking, Tamkang University Chairman of Yong Feng Futures Co., Ltd. General Manager and Director of Yong Feng Securities Co., Ltd. Director of Yong Feng Securities (Asia) Ltd. Executive Director of the Futures Association of the Republic of China Executive Director and Supervisor of the Securities Association of the Republic of China Director of Shuangmei Biotechnology Co., Ltd.	1. Neither himself, spouse, nor relatives within the second degree of kinship have assumed the positions of director, supervisor, or employee in this company or its affiliated enterprises. 2. Neither himself, spouse, nor relatives within the second degree of kinship (or using other individuals' names) hold any shares or stakes in the company. 3. Have not served as a director, supervisor, or employee of a company that has a specific relationship with the company (as defined in Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by Independent Directors of Public Companies) 4. Have not received any remuneration for providing business, legal, financial, accounting, or other services to the company or its affiliated companies in the past 2 years	N/A
Independent Director (Convener)	Chiu Ching-Yi	Bachelor of Laws, College of Law, National Taiwan University Bachelor of Economics, College of Social Sciences, National Taiwan University Master of Laws, Graduate Institute of Law, National Taiwan University Master of Science in Civil Engineering and Construction Management, College of Engineering, National Taiwan University PhD Candidate, Criminal Justice Department, China University of Political Science and Law Member, Taipei/Shilin/Banqiao Legal Aid Foundation Member, Taipei City Land Administration Association President, Chinese Oral Communication Education Association Legal Affairs Committee Member, Rotary District 3521 Founding Advisor, Taipei Long-Distance Running Rotary Club Member, National Compensation Handling Task Force, Criminal Investigation Bureau, National Police Agency, Ministry of the Interior Lecturer, Po Cheng Education and Zhiguang Public Service Criminal Law and Criminal Procedure	1. Neither himself, spouse, nor relatives within the second degree of kinship have assumed the positions of director, supervisor, or employee in this company or its affiliated enterprises 2. Neither himself, spouse, parents, or other close relatives (or using others' names) hold any shares or significant ownership in the company 3. Have not served as a director, supervisor, or employee of a company that has a specific relationship with the company (as defined in Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by Independent Directors of Public Companies) 4. Have not received any remuneration for providing business, legal, financial, accounting, or other services to the company or its affiliated companies in the past 2 years	N/A

Position ( Note1 )	Name	Professional qualifications and experience	Independence status	Number of Directors Serving as Compensation Remuneration Committee Members in Other Publicly Listed Companies
Independent Director (Member)	Shih Yi- Chen	PhD in Finance, National Taiwan University Senior ESG Expert Project Leader of "Research on International ESG Product Development" at the Securities and Futures Institute Instructor for the [Securities and Futures Institute Asset Management Digital Course] on "Asset Management Trends – Sustainable Investment" Awarded Special Excellence Talent by the Ministry of Science and Technology in the 105th Academic Year Former Project Leader for several National Science Council projects Has conducted ESG training for several multinational corporations and financial institutions Adjunct Assistant Professor in the Department of Information Management and Finance, National Chiao Tung University Co-Project Leader for the "Feasibility Study of Taiwan Sustainability Index" at the Taiwan Stock Exchange Co-Project Leader for the "Corporate Responsibility Index" and Database at National Taiwan University Head of the Academic Development Group, Research and Development Office, National Taiwan University Head of the International Student Group, Office of International Affairs, National Taiwan University	1. Neither himself, spouse, nor relatives within the second degree of kinship have assumed the positions of director, supervisor, or employee in this company or its affiliated enterprises 2. Neither himself, spouse, parents, or other close relatives (or using others' names) hold any shares or significant ownership in the company 3. Have not served as a director, supervisor, or employee of a company that has a specific relationship with the company (as defined in Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by Independent Directors of Public Companies) 4. Have not received any remuneration for providing business, legal, financial, accounting, or other services to the company or its affiliated companies in the past 2 years	N/A
Committee Member (Member)	Liang Yi- Ying Liang Yi- Ying	Master of Urban Planning, University of Washington, Seattle, USA (Major in Real Estate Financial Analysis) Bachelor's in Land Economics, National Chengchi University, Taiwan Senior Director, Research Department, Colliers International Taiwan (British Virgin Islands)	1. Neither himself, spouse, nor relatives within the second degree of kinship have assumed the positions of director, supervisor, or employee in this company or its affiliated enterprises 2. Neither himself, spouse, parents, or other close relatives (or using others' names) hold any shares or significant ownership in the company 3. Have not served as a director, supervisor, or employee of a company that has a specific relationship with the company (as defined in Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by Independent Directors of Public Companies) 4. Have not received any remuneration for providing business, legal, financial, accounting, or other services to the company or its affiliated companies in the past 2 years	N/A

Note 1: Please specify the relevant work experience, professional qualifications and expertise, and independence status of each member of the Remuneration Committee. Indicate whether the member is an independent director or others (if the member is the convener, please note).

Note 2: Professional qualifications and expertise: Describe the professional qualifications and expertise of individual members of the Remuneration Committee.

Note 3: Independence status: Describe whether the member of the Remuneration Committee meets the independence criteria, including but not limited to whether the member, his/her spouse, parents, or other close relatives serve as directors, supervisors, or employees of the Company or its related enterprises; whether the member, his/her spouse, parents, or other close relatives (or using others' names) hold shares of the Company and their proportion; whether the member serves as a director, supervisor, or employee of a company with specific relationships with the Company (referring to the provisions of Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Public Companies); and the amount of remuneration received for providing business, legal, financial, accounting, or other services to the Company or its related enterprises in the past 2 years.

## 5.2 Responsibilities of the Compensation Remuneration Committee

- (1) Setting and periodically reviewing policies, systems, standards, and structures related to the evaluation of performance and compensation of directors and executives.
- (2) Conducting regular evaluations and establishing compensation for directors and executives

## 5.3 The information on the operation of the remuneration committee

- (1) There are three members in the remuneration committee of the company
- (2) The current term of the committee members is From May 27, 2024, to May 26, 2027. In the latest fiscal year (2024), the remuneration committee held 3 meetings (A), and the qualifications and attendance of the committee members are as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【B/A】	Note
Convener (Chairman)	Chiu Ching-Yi	3	0	100	Appointed on May 27, 2024
Member	Shih Yi-Chen	3	0	100	Appointed on May 27, 2024
Member	Yeh Huang-Chi	2	0	100	Reappointed on May 27, 2024 Resigned on September 6, 2024
Member	Liang Yi-Ying	0	0	0	Appointed on October 31, 2024

Other items to be recorded :

1. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date of the Board of Directors meeting, agenda, resolution results, and the company's handling of the opinions of the Remuneration Committee should be disclosed, including any differences and reasons for the Board of Directors' remuneration decision if it deviates from the recommendations of the Remuneration Committee:
  - (1) Board Meeting Date and Session: 29th Meeting of the 18th Board of Directors, held on May 9, 2024
  - (2) Agenda: Adjustment of the Chairman's Salary and Compensation
  - (3) Board Resolution: After comprehensive consideration of the Chairman's efforts in driving new business expansion and maintaining salary levels, and excluding the Chairman from the decision, the Board unanimously agreed to approve an increase in the compensation based on the recommendation of the Compensation Committee.
  - (4) Compensation Recommendation by the Compensation Committee: Recommended in accordance with the Company's standards for Board member compensation.
  - (5) Differences and Reasons: As stated in item 3 above.
  - (6) Other Items to Note: None
2. Decisions of the Compensation Remuneration Committee, including any recorded or written dissents or reservations from committee members, shall be documented, including the date, term, agenda, content of the resolution, all members' opinions, and the handling of members' opinions:  
No such occurrence.

(3) The discussion topics and resolution results of the Compensation Remuneration Committee shall be recorded, including the agenda of the discussions and the outcomes of the resolutions:

Date	Agenda contents	Resolution outcome	Company's handling of the opinions of the remuneration committee
2024.02.01	Amendment to the Company's "Manager Compensation Policy"	This proposal was passed without objection after the Chairman consulted all attending committee members.	The proposal was passed by all attending directors.
	Company's General Manager Compensation Proposal	This proposal was passed without objection after the Chairman consulted all attending committee members.	The proposal was passed by all attending directors.
	Company's Financial Officer Compensation Proposal	This proposal was passed without objection after the Chairman consulted all attending committee members.	The proposal was passed by all attending directors.
2024.03.04	Adjustment to the Company's General Manager Compensation	This proposal was passed without objection after the Chairman consulted all attending committee members.	The proposal was passed by all attending directors.
	Adjustment to the Company's Financial Officer Compensation	This proposal was passed without objection after the Chairman consulted all attending committee members.	The proposal was passed by all attending directors.
	Company's Accounting Officer Compensation Proposal	This proposal was passed without objection after the Chairman consulted all attending committee members.	The proposal was passed by all attending directors.
2024.04.10	Amendment to the Company's "Director Compensation Policy"	This proposal was passed without objection after the Chairman consulted all attending committee members(The salary for the interim General Manager will not be paid).	The proposal was passed by all attending directors.
2024.05.09	Adjustment to the Company's Chairman's Compensation	This proposal was passed without objection after the Chairman consulted all attending committee members.	The Board, after comprehensive consideration of the Chairman's efforts in driving new business expansion and maintaining salary levels, approved an increase in compensation based on the Compensation Committee's recommendation, excluding the Chairman from the decision.
2024.05.27	Election of the remuneration committee convener	All attending members unanimously elected Mr. Yeh Huang-Chi as the convener and chairman of the meeting.	The election was announced on the Public Information Observatory in accordance with regulations
2024.07.10	Adjustment to the Company's General Manager Compensation	This proposal was passed without objection after the Chairman consulted all attending committee members.	The proposal was passed by all attending directors.
	Adjustment to the Company's Accounting Officer Compensation	This proposal was passed without objection after the Chairman consulted all attending committee members.	The proposal was passed by all attending directors.
	Amendment to Forward Intelligent Co., Ltd.'s "Manager Compensation Policy" and Adjustment to Manager Compensation	This proposal was passed without objection after the Chairman consulted all attending committee members.	The proposal was passed by all attending directors.
2024.10.31	Election of the remuneration committee convener	All attending members unanimously elected Ms. Chiu Ching-Yi as the convener and chairman of the meeting.	The election was announced on the Public Information Observatory in accordance with regulations
	Amendment to the Company's "Compensation Policy for Directors, Independent Directors, and Functional Committee Members"	This proposal was passed without objection after the Chairman consulted all attending committee members.	The proposal was passed by all attending directors.

5.4 Nomination Committee Members' Information and Operations Update: The company does not have a Nomination Committee in place.

6. Status of implementation of Sustainable Development and Differences from the Best Practice Principles for Sustainable Development in Listed Companies.

Evaluation Item	Implementation Status			Differences in Corporate Governance Practices with Listed and OTC Companies and Reasons
	Yes	No	Abstract Illustration	
1.Has the company established a governance structure for promoting sustainable development, including the establishment of dedicated positions (full-time or part-time) for driving sustainable development, and authorization from the board of directors for senior management to handle such matters, as well as oversight by the board of directors?	V		<p>1. The company, in fulfilling its corporate social responsibility and promoting progress in the economy, environment, and society towards sustainable development goals, has formulated the "Guidelines for Sustainable Development Practices" in reference to the "Practices for Sustainable Development of Listed and OTC Companies" and relevant laws and regulations. These guidelines have been reviewed by the Audit Committee, approved by the Board of Directors, implemented, and reported to the shareholders' meeting. Any amendments to these guidelines shall follow the same process, and the guidelines shall be disclosed on the company's website under the "Investor Information" section, "Corporate Governance," and "Company Regulations and Policies."</p> <p>2. In order to strengthen the management of Environmental, Social, and Governance (ESG) issues, the Company's Board of Directors approved the establishment of the 'Sustainability Development Committee' on February 24, 2024, and the adoption of the 'Sustainability Development Committee Charter.' This committee is composed of three members: Director Ma Jin Yao and Independent Directors Yeh Huang Chi and Shih Yi Chen, with an Independent Director serving as the convener and chairman of the meetings; the Corporate Governance Officer is concurrently the Chief Financial Officer.</p> <p>3. Under the authorization of the Board of Directors, this committee shall, with due diligence and in good faith, faithfully perform the following duties and report to the Board of Directors:</p> <p>(1) Formulate, promote, and strengthen the company's sustainability development policies, annual plans, and strategies.</p> <p>(2) Review, track, and revise the implementation and effectiveness of sustainability development efforts.</p> <p>(3) Oversee sustainability information disclosure and review the sustainability report.</p> <p>3. Article 4 of the Company's "Sustainability Development Committee Charter" under the authorization of the Board of Directors, this committee shall, with due diligence and in good faith, faithfully perform the following duties and report to the Board of Directors:</p> <p>(1) Formulate, promote, and strengthen the company's sustainability development policies, annual plans, and strategies.</p> <p>(2) Review, track, and revise the implementation and effectiveness of sustainability development.</p> <p>4. The committee shall meet at least once a year and may convene meetings as needed. The committee is scheduled to meet in May and August 2025 to review the progress of sustainability development and discuss the 2024 Sustainability Report. The implementation progress will be disclosed on the company's website under: "Investor Information" → "Corporate Governance" → "Sustainability Development Committee."</p>	None
2.Has the company conducted risk assessments on environmental, social, and corporate governance (ESG) issues related to its business operations, based on materiality principles, and established relevant risk management policies or strategies?	V		<p>1. Environmental Protection</p> <p>As a responsible global citizen, our company recognizes the importance of environmental sustainability. We have implemented an environmental management system ISO-14001, and have established a strategy and</p>	None

Evaluation Item	Implementation Status			Differences in Corporate Governance Practices with Listed and OTC Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>monitoring operation for sampling and monitoring of hazardous operational environments to minimize environmental compliance risks. We also proactively promote energy conservation and carbon reduction initiatives, enhance employee awareness of environmental protection, and optimize resource utilization efficiency.</p> <p>2. Product Responsibility The company continuously promotes clean production processes, with a primary consideration of using raw materials with the lowest environmental impact during the production process. Currently, solvents used in the process are managed through vendor partnerships for recycling and reuse of concentrated waste liquids. Some raw materials are also sourced from vendors who have implemented processes for regenerating and reusing concentrated waste liquids, in compliance with RoHS (Restriction of Hazardous Substances) and REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulations set by the European Union.</p> <p>3. Labor relations Personnel appointments are made in accordance with the annual plans of each department, and diverse channels are used to recruit outstanding talents, along with providing various on-the-job training programs to enhance core values. Retention of talents is emphasized, and through objective interviews, feedback is provided to department managers for personnel management and optimization measures, such as adjusting the requirements for job openings, based on understanding the reasons for employee turnover.</p> <p>4. Anti-corruption The company has established a dedicated unit for integrity management, which reports the implementation progress to the Board of Directors annually and assists the Board in reviewing and evaluating the effectiveness of preventive measures. To enforce anti-corruption practices, the company has established relevant codes of conduct, operating procedures, behavior guidelines, and internal control systems. Through internal audits, self-assessments, and reporting channels, the company strengthens the effectiveness of implementation.</p> <p>5. Customer Privacy The company strictly adheres to the confidentiality of business secrets and is prohibited from inquiring or collecting non-job-related trade secrets, trademarks, patents, copyrights, and other intellectual property of suppliers and customers. The company also signs Non-Disclosure Agreements (NDAs) with customers and original equipment manufacturers (OEMs) to protect business secrets and ensure confidentiality.</p> <p>6. Occupational Health and Safety (1) The company has completed the certification for the "ISO 45001 Occupational Health and Safety Management System," with the latest certificate valid from January 28, 2023, to January 27, 2026. (2) Regular fire drills and occupational safety education and training are conducted annually to enhance employees' emergency response and self-safety management capabilities. (3) In accordance with applicable social regulations, the company plans an annual internal audit program to ensure that all operational processes comply with the required standards.</p>	

Evaluation Item	Implementation Status			Differences in Corporate Governance Practices with Listed and OTC Companies and Reasons
	Yes	No	Abstract Illustration	
3.Environmental Issues				
3.1.Has the company established an appropriate environmental management system based on the characteristics of its industry?	V		<p>1. The company follows environmental regulations set by the Ministry of Environment (such as air pollution, water treatment, and waste disposal laws) to establish environmental management policies, information management policies, and other related systems. The company promotes energy and resource conservation at all facilities by installing or replacing energy-saving devices to reduce energy consumption. In terms of waste management, the company carries out waste reduction activities to minimize the generation of waste such as paper and empty containers.</p> <p>The company has implemented the ISO 14001 Environmental Management System for many years and obtained certification. The latest certificate is valid from November 28, 2022, to November 27, 2025. For future certification dates, please refer to the company's website under "Sustainability ESG" → "Environmental Policy."</p>	None
3.2.Is the company committed to improving energy efficiency and using renewable materials with low environmental impact?	V		<p>2.The company continues to implement various measures for energy conservation and carbon reduction in response to environmental changes:</p> <p>(1) Introduction of energy-saving equipment in offices Installation of energy-saving measures has been implemented for utility equipment, including the addition of variable frequency controllers to high-energy-consuming air compression equipment, cooling towers, and air handling units to reduce energy waste.</p> <p>(2)Implementation of energy conservation and carbon reduction promotion Energy-saving slogans are posted at light switches and air conditioning controls to encourage employees to save energy.</p> <p>(3)Resource utilization and recycling Recyclable and dismantled resources, including computer equipment and parts, waste paper, packaging materials, etc., are utilized through recycling, reducing environmental damage.</p> <p>(4)The company promotes electronic document management and approval, replacing traditional paper-based document transmission with electronic means to reduce paper usage and minimize environmental impact.</p>	None



Evaluation Item	Implementation Status			Differences in Corporate Governance Practices with Listed and OTC Companies and Reasons																												
	Yes	No	Abstract Illustration																													
3.3.Has the company assessed the potential risks and opportunities of climate change on its current and future operations, and implemented measures to address climate-related issues?	V		3.The Board of Directors serves as the highest decision-making body for climate-related issues within the company. The company has established a Sustainability Development Committee, chaired by an independent director. The committee reviews the company’s climate change strategy, manages risks and opportunities, assesses implementation progress, and discusses future goals, with annual reports presented to the Board of Directors. Additionally, the company has established a "Risk Management Policy," considering the company's size, business characteristics, risk nature, and operational activities, to promote and implement risk management. This aims to strengthen corporate governance, reduce potential operational risks, and ensure the company’s sound operation and sustainable development.	None																												
3.4.Has the company calculated greenhouse gas emissions, water usage, and total waste weight for the past two years, and formulated policies for energy conservation, carbon reduction, water usage reduction, or other waste management?	V		4.The company is committed to corporate environmental responsibility, with the following achievements in the environmental management plan: (1)In the year 2023, savings of 1,716,996 NTD, reduction of 246 metric ton of CO2 equivalent emissions and 31,784 kWh of electricity generation from a 50 kW solar power system. (2) The environmental management plan for 2024 saved NT\$445,848, reduced CO2 emissions by 46 metric tons, and generated 27,540 kWh of electricity from a 50kW solar power system annually. (3) On March 8, 2024, the Board of Directors resolved to establish a Greenhouse Gas Inventory Task Force to actively fulfill corporate social responsibility and commit to sustainable operations. By implementing greenhouse gas inventory, the company effectively identifies major carbon dioxide emission sources and promotes various emission reduction measures. <div>Unit: Metric Tons of CO2 Equivalent</div> <table><tr><th>Category</th><th>2023</th><th>2024</th><th>Energy Savings Rate for the Year (%)</th></tr><tr><td>Inventory Boundary</td><td>Forward Electronics</td><td>Forward Electronics</td><td>Increased Forward Intelligent Inventory Boundary</td></tr><tr><td>Category 1</td><td>135.5501</td><td>173.1622</td><td>27.75%</td></tr><tr><td>Category 2</td><td>1,794.8592</td><td>1,789.3845</td><td>-0.31%</td></tr><tr><td>Category 3</td><td>98.0820</td><td>93.8993</td><td>-4.26%</td></tr><tr><td>Category 4</td><td>518.9907</td><td>533.5795</td><td>2.81%</td></tr><tr><td>Total</td><td>2,547.4820</td><td>2,590.0255</td><td>1.67%</td></tr></table>	Category	2023	2024	Energy Savings Rate for the Year (%)	Inventory Boundary	Forward Electronics	Forward Electronics	Increased Forward Intelligent Inventory Boundary	Category 1	135.5501	173.1622	27.75%	Category 2	1,794.8592	1,789.3845	-0.31%	Category 3	98.0820	93.8993	-4.26%	Category 4	518.9907	533.5795	2.81%	Total	2,547.4820	2,590.0255	1.67%	None
Category	2023	2024	Energy Savings Rate for the Year (%)																													
Inventory Boundary	Forward Electronics	Forward Electronics	Increased Forward Intelligent Inventory Boundary																													
Category 1	135.5501	173.1622	27.75%																													
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Total	2,547.4820	2,590.0255	1.67%																													
4. Greenhouse Gas Reduction, Water Use Reduction, and Other Waste																																

		<p>Management Policies:</p> <p>The company complies with regulations and, in collaboration with the parent company, Delta Electronics, completed third-party greenhouse gas inventory verification ahead of schedule in 2025. Quarterly greenhouse gas project progress reports are presented to the Board of Directors, and moving forward, the company will conduct greenhouse gas inventories and verifications annually.</p> <p>For old or damaged productive equipment, the company prioritizes the disassembly of usable parts for reuse. Any remaining scrap equipment and parts are sold to recycling factories, aiming to achieve maximum energy-saving and carbon-reduction benefits.</p> <p>Water Consumption:</p> <p>The company's water usage is primarily for domestic purposes, with all sources being tap water. In fulfilling our responsibility for water resource management, the company actively promotes water conservation initiatives and regularly maintains water storage and related equipment to integrate water-saving practices into daily operations. In 2024, water consumption was 71,873 cubic meters, a 5.06% decrease compared to 75,700 cubic meters in 2023.</p> <p>Achieving zero waste is the company's ultimate goal for waste management. The company will continue the Green 2030 initiative, focusing on waste reduction and resource recovery. By improving manufacturing processes, managing raw materials, and implementing source management measures, the company aims to reduce waste generation and enhance utilization rates.</p> <p>Waste Output in the Last Two Years:</p> <table><tr><th>Year</th><th>Hazardous Waste (Metric Tons)</th><th>Non-Hazardous Waste (Metric Tons)</th><th>Total Weight (Metric Tons)</th><th>Waste Intensity (Metric Tons per Million Revenue)</th></tr><tr><td>2023</td><td>2.776</td><td>180.0515</td><td>182.8275</td><td>0.25</td></tr><tr><td>2024</td><td>3.035</td><td>152.0975</td><td>155.1325</td><td>0.26</td></tr></table>	Year	Hazardous Waste (Metric Tons)	Non-Hazardous Waste (Metric Tons)	Total Weight (Metric Tons)	Waste Intensity (Metric Tons per Million Revenue)	2023	2.776	180.0515	182.8275	0.25	2024	3.035	152.0975	155.1325	0.26	
Year	Hazardous Waste (Metric Tons)	Non-Hazardous Waste (Metric Tons)	Total Weight (Metric Tons)	Waste Intensity (Metric Tons per Million Revenue)														
2023	2.776	180.0515	182.8275	0.25														
2024	3.035	152.0975	155.1325	0.26														
4.Social issues																		
4.1.Does the company establish relevant management policies and procedures in accordance with relevant laws and international human rights conventions?	V	<p>1. The company upholds its commitment to protecting employee rights by adhering to the guidelines of the International Labour Organization (ILO) and national labor laws, such as the Labor Standards Act, Employment Service Act, Gender Equality in Employment Act, and the Rights Protection Act for Persons with Disabilities, among others. We have established comprehensive work rules to ensure compliance. In line with our corporate social responsibility, the company follows the RBA (Responsible Business Alliance) Corporate Social Responsibility Management System and has set policies such as the Humanitarian Treatment Management Policy, Anti-Discrimination, Anti-Harassment, and Anti-Abuse Policy, Forced Labor Prevention Management Policy, Child Labor and Juvenile Worker Management Policy, and Religious Belief Management Procedure. Through regular annual education, awareness campaigns, and audits, we are committed to creating a friendly and equal work environment.</p> <p>Additionally, the company follows the United Nations Protect, Respect, and</p>	None															

4.2.Does the company establish and implement reasonable employee welfare measures (including compensation, leave, and other benefits), and appropriately reflect business performance or results in employee compensation ?	V	<p>Remedy Framework and Guiding Principles to ensure the protection of employees' legal rights. To enhance occupational health and safety, the company implements four major preventive plans: Maternity Worker Health Protection Program, Prevention Plan for Illegal Harm During Work Duties, Prevention Plan for Diseases Caused by Excessive Workload, and Human Factors Hazard Prevention Plan. Through risk assessments, mitigation measures, remedial mechanisms, and grievance channels, we strive to eliminate any human rights violations and ensure that both internal and external stakeholders are treated fairly and with dignity, fully demonstrating the company's commitment to human rights.</p> <p>2. Diversity and Inclusion 2024 Implementation</p> <p>To promote workplace diversity and job equality, Forward has long been actively advancing gender equality in the workplace, such as: offering equal pay regardless of gender, implementing fair and impartial performance evaluations and promotion systems, supporting flexible working hours for women in management roles, and emphasizing family care responsibilities for women.</p> <p>We ensure that hiring decisions are not influenced by gender, race, religion, political views, or marital status, and that there is no pay discrimination based on these factors. Through internal diversity training and talent development channels, we aim to gradually eliminate basic disparities caused by physiological or psychological conditions, ensuring the realization and creation of a diverse and equal workplace environment.</p> <p>Forward firmly believes in the value of a diverse workplace, and that fair employment opportunities are a source of the company's competitiveness.</p> <table><tr><th>Employee Diversity IndicatorsCategory</th><th>Percentage of Total Employees</th><th>Percentage of Management Positions</th></tr><tr><td>Taiwanese Nationals</td><td>90%</td><td>24%</td></tr><tr><td>Foreign Nationals</td><td>10%</td><td>0%</td></tr><tr><td>Indigenous People</td><td>1%</td><td>0%</td></tr></table> <p>Female Diversity Indicators</p> <table><tr><th>Indicator</th><th>Percentage</th></tr><tr><td>Female Employees</td><td>65%</td></tr><tr><td>Female Managers</td><td>34%</td></tr><tr><td>Female Junior Managers</td><td>47%</td></tr><tr><td>Female Senior Managers</td><td>17%</td></tr><tr><td>Female Employees in Revenue-Generating Positions</td><td>67%</td></tr></table>	Employee Diversity IndicatorsCategory	Percentage of Total Employees	Percentage of Management Positions	Taiwanese Nationals	90%	24%	Foreign Nationals	10%	0%	Indigenous People	1%	0%	Indicator	Percentage	Female Employees	65%	Female Managers	34%	Female Junior Managers	47%	Female Senior Managers	17%	Female Employees in Revenue-Generating Positions	67%	None
Employee Diversity IndicatorsCategory	Percentage of Total Employees	Percentage of Management Positions																									
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		<table><tr><td colspan="2">Female STEM (Science, Technology, Engineering, Mathematics) Positions</td><td>44%</td></tr></table> <p>Other Diversity Indicators</p> <table><tr><td colspan="2">Category</td><td>Percentage of Full-Time Employees (FTEs)</td></tr><tr><td colspan="2">Persons with Disabilities</td><td>1.4%</td></tr><tr><td rowspan="4">Total Employees</td><td>Age Group &lt; 30 years</td><td>4.1%</td></tr><tr><td>Age Group 30-50 years</td><td>53.6%</td></tr><tr><td>Age Group &gt; 50 years</td><td>42.3%</td></tr><tr><td>Total</td><td>100%</td></tr></table> <p>The company's employee compensation and welfare measures include: (1)Salary and bonuse The company complies with the Labor Standards Act and other relevant laws and regulations, as well as conducts regular assessments, as the basis for salary and bonus disbursement, and shares the achievements with employees. (2)Retirement system The company complies with the Labor Standards Act and establishes a "Labor Retirement Reserve Supervisory Committee" to commission an actuary to conduct actuarial valuation at the end of each year. After approval by the aforementioned committee, the retirement reserve is fully allocated to a bank account in Taiwan. For employees who meet the retirement conditions, the company calculates the retirement pension based on their years of service and disburses the retirement pension accordingly. For employees who qualify for the new labor retirement system, the company allocates the retirement pension monthly and deposits it into their domestic natural person's accounts in accordance with the law. (3)Leave and Other Benefits The company complies with labor laws and provides comprehensive employee benefits, including labor insurance, national health insurance, and group insurance. Employees are also entitled to statutory leave, such as sick leave, maternity leave, and family care leave. To recognize the long-term contributions of senior and outstanding employees, the company awards retention bonuses and exemplary employee certificates and bonuses as a form of encouragement. (4)Employee Stock Ownership Committee The company established the Employee Stock Ownership Committee in 1994, providing stock purchase subsidies to employees, allowing them to share in the company's operational results.</p>	Female STEM (Science, Technology, Engineering, Mathematics) Positions		44%	Category		Percentage of Full-Time Employees (FTEs)	Persons with Disabilities		1.4%	Total Employees	Age Group < 30 years	4.1%	Age Group 30-50 years	53.6%	Age Group > 50 years	42.3%	Total	100%	
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	Age Group 30-50 years	53.6%																			
	Age Group > 50 years	42.3%																			
	Total	100%																			
4.3.Does the company provide employees with a safe and healthy work environment, and regularly conduct safety and health education for employees?	V	4.3.The company is committed to maintaining the personal safety of employees. It provides group insurance for all employees, arranges regular free health check-ups, and obtained ISO-45001 certification on Jan. 28 ,2023, which is verified annually. In recent years, the company has implemented the 5S movement to provide employees with a clean	None																		

			environment and safety protective equipment as needed. Supervisors and safety units regularly inspect the work environment and update safety and health work guidelines in accordance with regulatory changes. Safety and health education is provided to employees, and the company has an on-site clinic with resident doctors to provide professional medical consultation services for employees within the premises.											
4.4.Does the company establish an effective career development and training program for employees?	V		<div>4.The company has a comprehensive training plan for career development of employees, aiming to enable employees to perform their duties effectively in their current positions, while acquiring necessary skills for promotion. The company also encourages employees to assess their own interests, skills, values, and goals, and communicate their domestic natural person’s career intentions with their managers for future career planning.</div> <table><tr><td>Education and training sessions</td><td>Implementation status</td></tr><tr><td>Supervisory Management Training</td><td>Total Hours in 2024: 36 hours, 6 participants..</td></tr><tr><td>Job Skills Training</td><td>Total Hours in 2024: 690 hours, 367 participants.</td></tr><tr><td>Business Knowledge and Skills Training</td><td>Total Hours in 2024: 105 hours, 27 participants.</td></tr><tr><td>Compliance and Regulatory Training</td><td>Total Hours in 2024: 988 hours, 823 participants.</td></tr></table>	Education and training sessions	Implementation status	Supervisory Management Training	Total Hours in 2024: 36 hours, 6 participants..	Job Skills Training	Total Hours in 2024: 690 hours, 367 participants.	Business Knowledge and Skills Training	Total Hours in 2024: 105 hours, 27 participants.	Compliance and Regulatory Training	Total Hours in 2024: 988 hours, 823 participants.	None
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Compliance and Regulatory Training	Total Hours in 2024: 988 hours, 823 participants.													
4.5.Does the company comply with relevant laws and international standards regarding customer health and safety, customer privacy, marketing, and labeling? Has the company established relevant policies and complaint procedures to protect consumer rights?	V		<div>5. The company actively manages the product value chain, from raw material procurement and logistics to customer-facing operations, with established management mechanisms. We continuously monitor product information security and establish reporting channels to fulfill our product safety commitments. The company has also set strict information systems and policies, both at the management and technical levels, to safeguard the information security requirements of customers, employees, and suppliers, and to protect the privacy and property rights of relevant stakeholders. The company’s official website includes a stakeholder section, providing customers with a channel for complaints, strengthening communication with customers. Meanwhile, the business department regularly communicates with customers to assess their satisfaction, and there is a "Customer Complaint Management Procedure" in place to address customer complaints in a timely manner, ensuring the protection of customer rights.</div>	None										
4.6.Does the company have a supplier management policy that requires suppliers to comply with relevant regulations on environmental protection, occupational health and safety, labor rights, etc., and their implementation status?	V		<div>6.The company has refer to the "RBA Social Responsibility Management System" and has established a "Supplier and Subcontractor Management Procedure". All suppliers are required to sign a "Social Responsibility Commitment Letter" before receiving orders or contracts, committing to comply with labor laws and social responsibility standards of relevant authorities. The company conducts regular evaluations of the suitability of suppliers in terms of environmental protection, occupational health</div>	None										

			and safety, and labor rights, and strengthens the investigation of suppliers' records of potential impact on the environment and society. The green procurement amount reached 73 million NTD in 2023. In 2024, the company had unreported green procurement amounts totaling NT\$190,000.	
5.Does the company follow internationally recognized reporting standards or guidelines when preparing sustainability reports or other non-financial information disclosure reports? Has the aforementioned report obtained assurance or assurance opinions from third-party verification entities?	V		The company actively promotes sustainable development and is currently preparing its sustainability report. We commit to obtaining a third-party verification statement for the 2024 sustainability report from a certified verification organization to ensure the reliability of the information disclosed. The preparation of the company's 2024 sustainability report follows the guidelines of the Global Reporting Initiative (GRI) GRI-Standard for sustainability reports and the standards of the Sustainability Accounting Standards Board (SASB). The company plans to follow the AA1000 standard for third-party verification, and the report is expected to be publicly available on the company's official website in 2025.	None
<p>6. The company has revised its "Sustainable Development Practices Guidelines" during the board meeting on 2022.03.07. The operation of these guidelines does no major difference from the "Sustainable Development Practices Guidelines", and on February 24, 2025, the Board of Directors approved the establishment of the Sustainability Development Committee for listed and OTC companies. Please refer to the company's website for relevant information. The company also commits to periodically engaging in environmental protection, social contribution, community service, social welfare, consumer rights, human rights, occupational health and safety, and other social responsibility activities.</p> <p>Other important information for understanding the status of implementation of sustainable development efforts :</p> <ol style="list-style-type: none"> <li>Our company has received awards for being an outstanding enterprise</li> <li>Employee Care: <ol style="list-style-type: none"> <li>In compliance with the Labor Standards Act and other relevant regulations, the company has established a comprehensive employee management system.</li> <li>A dedicated team is in place to handle employee welfare matters, ensuring the protection of employee rights.</li> </ol> </li> <li>Social welfare activities : <ol style="list-style-type: none"> <li>Our company sponsors charity events and encourages all employees to participate in fundraising activities, such as making charitable donations. In addition to donating to charitable organizations through public welfare funds, we also rally our employees to participate in charitable activities.</li> <li>Blood donation activities</li> <li>Continuously promoting ISO 45001 international occupational health and safety management system, systematically improving employees' working environment, safeguarding the health of colleagues, and striving to earn customers' trust and enhance the company's operational performance.</li> </ol> </li> <li>Human Rights: Our company has established management procedures for child labor and underage workers in our "RBA Social Responsibility Management Manual", and we have never employed child labor. We also comply with the Gender Equality in Employment Act and the Employment Services Act, and have established work rules, regularly held management and labor council, and have implemented a "Code of Conduct and Ethics Guidelines" for honest business operations.</li> <li>Work-Life Balance: Our company implements maternity/paternity leave without pay in accordance with legal requirements, and provides measures such as paternity leave, menstrual leave, and lactation rooms. We encourage employees to take vacations, and provide subsidies for vacation travel and regular health check-ups.</li> <li>Stakeholder Relationships: We maintain good communication channels with suppliers, customers, partner banks, and other creditors. Our company's website has dedicated stakeholder's area, including customer zone, supplier zone, shareholder zone, and employee zone, which serve as channels for stakeholders to provide feedback, suggestions, and complaints to the company's management, audit committee, directors, and board of directors.</li> <li>Environmental Sustainability: <ol style="list-style-type: none"> <li>Implement energy-saving measures, including the installation of LED lighting and replacement of old air conditioning units.</li> <li>Introduce ISO 14064-1 greenhouse gas inventory and obtain third-party verification for 2023 and 2024.</li> </ol> </li> <li>Our company has purchased liability insurance for directors and managers.</li> <li>Information Disclosure: We have established a dedicated section on our official website to announce the records of annual activities, which can be found at the Corporate Social Responsibility section of our website. URL: <a href="https://www.fwd.com.tw/zh-tw/csr.php?act=view&amp;id=1">https://www.fwd.com.tw/zh-tw/csr.php?act=view&amp;id=1</a></li> </ol>				

Note 1: If "Yes" is selected, please provide specific details of the important policies, strategies, measures, and status of implementation. If status of implementation "No" is selected, please explain the differences and reasons in the "Differences and Reasons from Sustainable Development Practice Guidelines for Listed and OTC Companies" field, and provide plans for future status of implementation of related policies, strategies, and measures.

Note 2: Materiality principle refers to the significant impact of environmental, social, and corporate governance issues on the company's investors and other stakeholders.

Note 3: For disclosure methods, please refer to the best practice examples on the Corporate Governance Center website of the Taiwan Stock Exchange.

## 7. Climate-Related Information for Listed Companies

### 7.1 Implementation of Climate-Related Information:

Evaluation Item	Implementation Status												
1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	<p>The Board of Directors is the highest governing body for climate governance within the company, responsible for approving climate change response policies and annually confirming the achievement of the company's overall climate-related goals.</p> <p>In 2022, the company established the "Sustainability Development Code of Practice," and on February 24, 2025, the Board of Directors approved the establishment of the "Sustainability Development Committee." Through the "Sustainability Development Working Group," the committee holds quarterly routine meetings and issue-oriented discussions to assist in the implementation of climate change governance-related initiatives. The committee holds at least one discussion meeting each year and regularly reports the progress and results to the Board of Directors.</p>												
2. Describe how the identified climate-related risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, and long-term).	<p>Identified risks include short-term supply chain disruptions, medium-term stricter regulations, and long-term increased demand for energy transition. In response, the company has adjusted its business strategy accordingly, such as strengthening supply chain resilience and increasing investment in the development of environmentally friendly products.</p> <table><tr><th>Business, Strategy, and Financial Aspects</th><th>Risk</th><th>Opportunity</th></tr><tr><td>Short-term</td><td>Extreme weather causes fluctuations in raw material prices, leading to compressed company profits.</td><td>Reassessing company resources and equipment inventory provides an opportunity to improve internal management efficiency.</td></tr><tr><td>Medium-term</td><td>Increased frequency of extreme weather events may disrupt supply chain operations (e.g., typhoon days), raising operational costs.</td><td>Leverage the circular economy to increase product added value.</td></tr><tr><td>Long-term</td><td>Climate pattern changes lead to shifts in business environments and consumer habits; changes in low-carbon and energy policies in various countries raise operational and investment costs.</td><td>Explore future growth opportunities to increase the company's revenue streams.</td></tr></table>	Business, Strategy, and Financial Aspects	Risk	Opportunity	Short-term	Extreme weather causes fluctuations in raw material prices, leading to compressed company profits.	Reassessing company resources and equipment inventory provides an opportunity to improve internal management efficiency.	Medium-term	Increased frequency of extreme weather events may disrupt supply chain operations (e.g., typhoon days), raising operational costs.	Leverage the circular economy to increase product added value.	Long-term	Climate pattern changes lead to shifts in business environments and consumer habits; changes in low-carbon and energy policies in various countries raise operational and investment costs.	Explore future growth opportunities to increase the company's revenue streams.
Business, Strategy, and Financial Aspects	Risk	Opportunity											
Short-term	Extreme weather causes fluctuations in raw material prices, leading to compressed company profits.	Reassessing company resources and equipment inventory provides an opportunity to improve internal management efficiency.											
Medium-term	Increased frequency of extreme weather events may disrupt supply chain operations (e.g., typhoon days), raising operational costs.	Leverage the circular economy to increase product added value.											
Long-term	Climate pattern changes lead to shifts in business environments and consumer habits; changes in low-carbon and energy policies in various countries raise operational and investment costs.	Explore future growth opportunities to increase the company's revenue streams.											
3. Describe the impact of extreme weather events and transformation actions on financial performance.	<p>Evaluation of the Impact of Extreme Weather Events and Transformation Actions on Financial Performance. Extreme weather events may lead to increased operational costs, such as production interruptions caused by consecutive days of heavy rain. Transformation actions may involve higher initial investment costs but can reduce operational costs in the long term, such as transitioning to renewable energy.</p> <p>Potential Financial Impacts of Climate Risks:</p> <p>1.Total greenhouse gas emissions controls, carbon taxes, and carbon fees may lead to increased operational costs.</p> <p>2.The impact of extreme weather events (such as typhoons and high temperatures) on financial performance: Supply chain disruptions, increased production costs, and decreased revenue.</p> <p>3.Extreme weather events may increase electricity consumption, raising operational costs and indirectly increasing carbon emissions.</p> <p>Transformation Actions:</p> <p>1.The company plans to implement a remote working system in the future to reduce energy use and the carbon emissions generated from employee commuting.</p> <p>2.In response to extreme weather, the company is introducing energy-efficient equipment. While this requires investment, it will reduce energy consumption and carbon emissions.</p>												

Evaluation Item	Implementation Status
4. Describe how the identification, assessment, and management processes of climate-related risks are integrated into the overall risk management system.	The climate risk assessment process is integrated into the existing overall risk management framework, with the Risk Management Team responsible for conducting regular assessments and proposing management strategies, which are then reported to the Board of Directors. Each year, the Sustainability Development Working Group conducts the assessment, develops adaptation and mitigation measures, and submits the evaluation results for Board approval. If the evaluation identifies significant company-wide risks, the Sustainability Development Working Group will track and manage these risks, regularly monitoring the progress of mitigation measures, and report the overall risk improvement actions to the Board of Directors to ensure alignment with the company's sustainability strategy.
5. If scenario analysis is used to assess resilience to climate change risks, the following should be described: the scenarios, parameters, assumptions, analysis factors, and key financial impacts used in the assessment.	The company adopts scenarios proposed by the International Energy Agency (IEA), such as Net Zero Emissions by 2050, for analysis. Parameters such as carbon prices, energy prices, and policy changes are set to assess potential financial impacts, further strengthening climate resilience. Forward Electronics refers to the official TCFD risk list and other relevant information, with the Sustainability Development Working Group evaluating various climate risks and opportunities. Based on the RCP 8.5 climate scenario, potential climate disaster impacts are assessed. Public climate models and charts, such as the "Taiwan Climate Change Estimation and Adaptation Knowledge Platform" and the "3D Disaster Hazard Map," are used to analyze possible physical climate disasters and evaluate the potential impacts and shocks under extreme climate conditions. Physical Scenario: After applying the RCP 8.5 climate scenario assumptions, it is found that while extreme weather events like typhoons pose risks such as the need for employees to work from home and product delivery delays, the impact on overall operations is minimal. Transition Scenario: It is anticipated that electricity prices will rise by an average of 10% in 2025. Considering the annualized impact of production scheduling, electricity expenses are expected to significantly increase.
6. If there are transformation plans to manage climate-related risks, describe the content of the plan, as well as the indicators and goals used to identify and manage physical risks and transition risks.	If there are transformation plans to manage climate-related risks, describe the content of the plan, as well as the indicators and goals used to identify and manage physical risks and transition risks. A clear transformation plan will be established, which includes achieving carbon neutrality by 2050, with indicators and short, medium, and long-term goals such as improving energy efficiency, increasing the proportion of renewable energy, and reducing carbon emissions annually. To achieve net-zero emissions by 2050, Forward Electronics has developed a low-carbon transformation plan that targets reducing direct emissions from operational activities (Scope 1), indirect emissions from energy use (Scope 2), and indirect emissions from the value chain (Scope 3). Execution Details: Short-term (2025): Reduce per capita greenhouse gas emissions by 1% annually. Medium-term (by 2030): Gradually increase carbon emission reduction targets based on circumstances. Long-term (by 2050): Achieve the net-zero emissions target by 2050.
7. If internal carbon pricing is used as a planning tool, describe the basis for setting the price.	The company has not yet implemented an internal carbon pricing system. In the future, we will plan and prepare for its introduction based on government regulations and international trends. Note: The company has not yet been included in the list for carbon fee collection.
8. If climate-related targets have been set, describe the activities covered, the greenhouse gas emission scopes, the planned timeline, and the progress achieved each year. If carbon offsets or renewable energy certificates (RECs) are used to achieve these targets, describe the source and amount of carbon offset and the number of renewable energy certificates (RECs) used.	The company has set greenhouse gas emission reduction targets for Scope 1, Scope 2, and Scope 3, covering the entire business operation. Starting from 2025, the company plans to reduce per capita greenhouse gas emissions by 1% annually, with the goal of gradually increasing the carbon emission reduction targets each year, aiming for net-zero emissions by 2050.
9. Greenhouse Gas Inventory and Verification Status, Reduction Targets, Strategies, and Specific Action Plans (Please also refer to Sections 1-1 and 1-2).	The company has completed the greenhouse gas inventory for 2023 and 2024 in accordance with the ISO 14064-1 standard and has obtained third-party verification.



### 1-1 Greenhouse Gas Inventory and Verification Status for the Last Two Years

Unit: Metric Tons of CO2 Equivalent

Describe the greenhouse gas emissions (in metric tons of CO2e), intensity (metric tons of CO2e per million revenue), and data coverage for the last two years.		
Company Basic Information: Companies with a capital of less than NT\$5 billion	2023	2024
Inventory Boundary	Forward Electronic Co., Ltd	Forward Electronic Co., Ltd, Forward Intelligent Co., Ltd
Scope 1	135.5501	173.1622
Scope 2	1,794.8592	1,789.3845
Scope 3	98.0820	93.8993
Scope 4	518.9907	533.5795
Total Emissions (metric tons of CO2e)	2,547.4820	2,590.0255
Revenue (in million NT\$)	485.7560	396.6020
Intensity (metric tons of CO2e per million NT\$)	5.2443	6.5305

### 1-2 Greenhouse Gas Verification Information

Describe the verification status for the last two years, including the scope of verification, the verification body, the verification standards, and the verification opinion.

Item	2023	2024
Scope of Verification	Forward Electronic Co., Ltd	Forward Electronic Co., Ltd, Forward Intelligent Co., Ltd
Verification Body	Airis International Certification Co., Ltd.	Airis International Certification Co., Ltd.
Verification Standards	ISO14064-1	ISO14064-1
Verification Opinion	Reasonable assurance level, limited assurance level	Reasonable assurance level, limited assurance level

### 1-3 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

The company's baseline year for greenhouse gas inventory is 2024. Going forward, we will conduct annual greenhouse gas inventories and continue to obtain ISO 14064-1 greenhouse gas verification statements. To fulfill corporate social responsibility and reduce operational costs and

risks, Forward Electronic Co., Ltd and its subsidiaries will continue to implement energy-saving and carbon-reduction measures, with an annual reduction target of 1% as part of our commitment to sustainable operations.

Promoting Sustainable Governance	2024 Implementation	Short-term Goal	Medium to Long-term Goal	mid- to long-term goals
Green Procurement	To fulfill corporate social responsibility, the company follows green procurement guidelines, actively develops suppliers meeting environmental standards, and prioritizes products with environmental labels to effectively increase the proportion of green procurement. The procurement scope includes refrigerants, paper, building materials, LED lights, and equipment.	Green procurement unreported amount: NT\$190,000. Note: Not yet uploaded to the environmental protection website.	Continue to promote green procurement within the company, with green procurement amount reaching NT\$300,000 or more. Promote green procurement actions in subsidiaries.	Promote the green procurement initiatives of subsidiaries.
Energy-saving Actions	Actively implement energy-saving and carbon-reduction measures, including: 1. Conducting carbon emissions inventory to monitor energy usage. 2. Promoting paperless internal operations. 3. Replacing high-efficiency, low-energy equipment and regularly maintaining and updating data center cooling systems. 4. Replacing with energy-efficient lighting, air conditioning, and electrical equipment. 5. Consolidating office and work areas, and turning off unnecessary air conditioning and lighting.	1. This year (2024), electricity purchased from outside decreased by 0.31% compared to the previous year. 2. This year (2024), water usage decreased by 5.06% compared to the previous year. 3. Through annual maintenance of air compressors, chiller units, cooling towers, and air conditioning equipment, the company effectively improves air conditioning energy efficiency and	1. Continue tracking and improving the company's emission reduction results, and gradually replace outdated equipment. 2. Promote electronic document management and approval systems to reduce paper usage. 3. Plan to implement a remote work system for employees to reduce carbon emissions from office spaces and commuting. 4. Encourage employees to hold remote meetings	Continue replacing old equipment and optimizing the electronic document management and approval system to reduce environmental impact. When employees meet with external parties, remote meetings will be implemented to reduce carbon emissions from in-person meetings.

Promoting Sustainable Governance	2024 Implementation	Short-term Goal	Medium to Long-term Goal	mid- to long-term goals
		reduces equipment operating load.	whenever possible when meeting with external parties to reduce the carbon emissions from physical meetings.	
Resource Recycling	Promote waste resource recycling and waste classification, implement the disposal of obsolete computers and toner cartridge recycling, and increase the waste recycling rate year by year.	Total waste and resource recycling amount: 152.0975 metric tons.	Use eco-friendly materials to promote the circular economy.	Use recycled materials to reduce environmental impact. Continue promoting waste sorting and resource recycling.
Information Disclosure	Proactively disclose greenhouse gas emissions ahead of regulatory requirements, assess potential climate change risks to the business, and implement response measures.	The company has completed the 2023 and 2024 greenhouse gas emission inventory (Scope 1, Scope 2, Scope 3, and Scope 4) and has compiled the greenhouse gas report according to the ISO 14064-1:2018 standard.	Ensure the transparency and reliability of greenhouse gas emission information, and continue to pass ISO 14064-1 third-party verification.	Continue to pass ISO 14001 and ISO 14064-1 certification, and set energy-saving and carbon reduction goals based on the results of the annual audits.

8. Performance of Integrity in Business Operations and Differences in Integrity Codes of Conduct with Listed Companies and OTC Companies, and Reasons for Such Differences

Evaluation Item	Implementation Status			Differences in Corporate Governance Practices with Listed and OTC Companies and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of Integrity in Business Operations Policy and Plan				
1.1.Does the company have an integrity in business operations policy established and approved by the board of directors, with the policy and practices of integrity in business operations clearly stated in regulations and external documents, and with the board of directors and senior management actively implementing the commitments of the business policy?	V		1.1 The company has revised the "Code of Integrity Management" and the "Integrity Management Operating Procedures and Behavior Guidelines," which were approved by the Board of Directors. The revised content has been disclosed on the public information observatory and the company's website to ensure that stakeholders can access relevant information in a timely manner. Both the Board of Directors and senior management uphold the principle of integrity in the performance of their duties, fulfilling their supervisory responsibilities and striving to create a sustainable business environment.	None
1.2.Has the company established a mechanism for assessing the risk of dishonest behavior, regularly analyzing and evaluating business activities within its scope of operation that may have a higher risk of dishonest behavior, and based on such assessments, developed measures to prevent dishonest behavior, including at least preventive measures covering the behaviors specified in Article 7, Section 2, of the "Code of Conduct for Listed and OTC Companies"?	V		1.2 To implement integrity management, the company has established a rigorous and effective accounting and internal control system. Additionally, the company has formulated the "Code of Ethical Conduct" and the "Whistleblower Handling Procedures for Illegal, Unethical, or Unfair Practices," effectively preventing dishonest behaviors such as bribery, embezzlement, improper benefits, facilitation payments, and illegal political donations, as listed in Article 7, Paragraph 2 of the "Code of Integrity Management for Listed Companies."	None
1.3.Does the company have a clear operational procedure, code of conduct, disciplinary measures for violations, and complaint system specified in the anti-unethical behavior plan, and is it implemented and regularly reviewed and revised?	V		1.3 The company actively promotes integrity management and has established the "Integrity Management Operating Procedures and Behavior Guidelines" and the "Whistleblower Handling Procedures for Illegal, Unethical, or Unfair Practices." These documents outline detailed operating procedures, behavior standards, violations and penalties, and whistleblowing and complaint mechanisms. The company continues to review and revise relevant systems to effectively prevent dishonest behavior.	None

Evaluation Item	Implementation Status			Differences in Corporate Governance Practices with Listed and OTC Companies and Reasons
	Yes	No	Abstract Illustration	
2. Implementing integrity in business operations				
2.1.Does the company assess the integrity records of its business counterparts and include integrity behavior clauses in contracts signed with them?	V		2.1.The company upholdings the principle of integrity management, and takes into account whether they have a record of dishonest behavior. The company has established "Supplier and Subcontractor Management Procedures" refer to "RBA Social Responsibility Management Manual", and signs "Supplier Code of Conduct" with its suppliers, to ensure the legality and compliance of business transactions.	None
2.2.Does the company have a dedicated unit under the Board of Directors to promote corporate integrity and ethics, and report to the Board of Directors on a regular basis (at least once a year) regarding its integrity and ethics policy, measures to prevent dishonest behavior, and the monitoring and status of implementation?	V		2.2.The company has established an integrity management promotion team to ensure the implementation of the integrity management policy and preventive measures. The team is responsible for system development and supervision of the implementation of integrity management policies and measures, based on the responsibilities and scope of each department, in order to enhance the management of business integrity. The company regularly reports to the board of directors on the annual results of integrity management implementation, assisting the board of directors in evaluating the effectiveness of the established integrity management preventive measures. The integrity management execution report for the year 2024 has been completed on December 23, 2024.	None

Evaluation Item	Implementation Status			Differences in Corporate Governance Practices with Listed and OTC Companies and Reasons
	Yes	No	Abstract Illustration	
2.3.Does the company have a policy in place to prevent conflicts of interest, provide appropriate channels for disclosure, and enforce implementation?	V		2.3.The company has established "Code of Conduct" and "Standard Operating Procedures and Behavioral Guidelines for Business Integrity," which includes policies to prevent conflicts of interest and requires all units to implement them. The company also provides accessible channels for employees to report concerns or opinions internally or through the company's website. In addition, board members with potential conflicts of interest in relation to agenda items of the board meetings, as per the company's "Board Meeting Rules" Article 15, have followed the provisions of the company's policy on avoiding conflicts of interest in various board meetings held on January 9, 2024, February 1, 2024, March 4, 2024, April 10, 2024, May 9, 2024, May 25, 2024, May 27, 2024, July 10, 2024, August 7, 2024, October 31, 2024, November 21, 2024, December 23, 2024, and February 24, 2025.	None
2.4.Has the company established effective accounting and internal control systems to implement integrity management, and has the internal audit unit developed relevant audit plans based on the assessment results of the risk of dishonest behavior, and conducted audits to check compliance with the measures to prevent dishonest behavior, or commissioned auditors to perform audits?	V		2.4.The company has established comprehensive and effective control mechanisms in the accounting and internal control systems for business activities and operations that potentially involve higher risks of dishonest behavior. The internal audit personnel also enhance audit frequency based on risk assessment for higher-risk operations to prevent dishonest behavior. The implementation status of the audit plan is reported to the regular board meetings. In addition, through the annual internal control self-assessment process, all departments and subsidiaries of the company conduct self-assessment of their internal control systems to ensure the effectiveness of the design and implementation of such systems.	None
2.5.Does the company regularly hold internal and external training on integrity in business operations?	V		2.5.The company's "Code of Ethics" and "Procedures and Guidelines for Integrity in Business Operations" are disclosed on the company's website under the "Corporate Governance" section, and are also promoted through internal website and new employee training upon joining the company to strengthen employees' awareness of integrity. In the year 2024, a total of 1,223 employees received training, aiming to ensure that all employees	None

Evaluation Item	Implementation Status			Differences in Corporate Governance Practices with Listed and OTC Companies and Reasons
	Yes	No	Abstract Illustration	
			understand and comply with these guidelines. In addition, relevant personnel are also encouraged to participate in external seminars and discussions organized by associations or professional organizations to further strengthen the company's policy on integrity in business operations.	
3. The operation of the company's whistleblowing system is monitored to ensure its effectiveness and efficiency. 3.1. Has the company established specific reporting and reward systems, as well as convenient channels for reporting, and designated appropriate personnel to handle reported cases?	V		3.1.According to the provisions in Article 23 of the "Code of Conduct for Business Integrity" and Article 21 of the "Procedures and Guidelines for Business Integrity Operations," The company has established an internal whistleblowing system, encouraging employees to proactively report violations of integrity. Employees can report to independent directors, managers, internal audit supervisors, or other appropriate personnel, or use the whistleblowing channel available on the company's website. As of the fiscal year 2024, there were no significant internal or external reports of misconduct.	None
3.2.Has the company established standard operating procedures for handling reported complaints, including investigation procedures, follow-up measures after investigation completion, and relevant confidentiality mechanisms?	V		3.2.According to the provisions of the "Code of Conduct" Article 23 and "Operating Procedures and Code of Conduct" Article 21, the company maintains records and documentation of the reported complaints, investigation processes, and results. The identity and content of the whistleblower are kept strictly confidential. In case of significant violations or potential significant damages to the company found during the investigation, a report shall be immediately made and notified in writing to the independent directors. There were no such incidents in the year 2024.	None
3.3.Does the company take measures to protect whistleblowers from retaliation or improper treatment as a result of their whistleblowing?	V		3.3.According to the provisions of Article 23 of the company's "Code of Conduct" and Article 21 of the "Standard Operating Procedures and Behavioral Guidelines for Ethical Business Operations," the identity and content of whistleblowers should be kept strictly confidential, and they should not face improper treatment or retaliation as a result of their whistleblowing.	None

Evaluation Item	Implementation Status			Differences in Corporate Governance Practices with Listed and OTC Companies and Reasons
	Yes	No	Abstract Illustration	
<p>4. Enhancing Information Disclosure</p> <p>Does the company disclose the contents of its established code of conduct and the results of its implementation on its website and public information disclosure platform?</p>	V		The company has disclosed information about its "Code of Conduct" and "Codes of Ethical Conduct" on its website and public information disclosure platform, including information about the implementation results of integrity management, education and training, and complaint handling. For more details, please refer to the Corporate Social Responsibility and Integrity Management section on the company's website and the annual report under section (VIII) implementation with Integrity Management.	None
<p>5. If the company has established its own Code of Conduct based on the "Code of Conduct for Listed and OTC Companies", please describe any differences between the actual operation and the provisions of the company's Code of Conduct:</p> <p>The company has established the "Forward Electronics Co., Ltd. Code of Integrity Management" in accordance with the 'Code of Integrity Management for Listed Companies' and strictly follows it. There are no differences between the actual operation and the provisions of the company's Code of Conduct.</p>				
<p>6. Other important information that can help understand the integrity of a company's operations may include: (such as the company's review and revision of its established code of conduct for ethical business practices, among others)</p> <p>(1) The company's Code of Integrity Management was established by the Board of Directors on November 10, 2014, and was subsequently revised and approved by the Board of Directors on March 27, 2015, and March 26, 2020.</p> <p>(2) Our company will constantly monitor the development of integrity-related regulations both domestically and internationally. Prior to engaging in transactions, we will assess the legality of our dealings with suppliers and customers, as well as consider any records of unethical behavior. We uphold the principles of integrity in our interactions with customers, promptly handle customer complaints, and proactively take measures to minimize losses for both parties in order to gain customer trust.</p>				

9. Other important information for enhancing understanding of the corporate governance status:

The corporate governance status can be accessed and reviewed on the Public Information Observation Station or our company's website at <http://www.fwd.com.tw>.



10. The implementation status of internal control systems  
10.1 Statement of Internal Control

Forward Electronic Co., Ltd  
Statement of Internal Control

Date: February 24, 2025

This is to certify that the internal control system of our company for the year 2024 has been evaluated based on our self-assessment, and we hereby declare the following:

1. Our company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of our Board of Directors and management. We have already established this system. The purpose of the internal control system is to achieve the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), provide reliable, timely, and transparent reporting, and comply with relevant regulations and laws, in order to ensure reasonable assurance.
2. The internal control system has inherent limitations, and no matter how well-designed it is, it can only provide reasonable assurance for the achievement of the three objectives mentioned above. Moreover, the effectiveness of the internal control system may change due to changes in the environment or circumstances. However, our company has established a mechanism for self-assessment of the internal control system, and any deficiencies identified will be rectified promptly.
3. Our company assesses the effectiveness of the internal control system based on the criteria set forth in the "Guidelines for Establishing Internal Control Systems for Publicly Issued Companies" (hereinafter referred to as the "Guidelines"). The criteria used in the "Guidelines" divide the internal control system into five components: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communication, and 5. Monitoring activities. Each component includes several items. Please refer to the provisions of the "Guidelines" for details on these criteria.
4. Our company has adopted the above-mentioned criteria for assessing the design and effectiveness of the internal control system.
5. Based on the evaluation results, our company believes that the design and implementation of our internal control system (including the supervision and management of subsidiaries) as of December 31, 2024, which includes the assessment of operational effectiveness and efficiency, reliable and timely reporting, and compliance with relevant regulations and laws, are effective in reasonably ensuring the achievement of the above-mentioned objectives.
6. This statement will be included as a key content in our company's annual report and public disclosure documents, and will be made publicly available. Any false, concealed, or unlawful information in the above-mentioned public content may incur legal liabilities under the Securities Exchange Act, including Article 20, Article 32, Article 171, and Article 174.
7. This statement has been approved by the board of directors of our company on February 24, 2025. There were 0 directors who expressed any dissenting opinions, and the rest of the directors unanimously agreed with the contents of this statement. This serves as our official declaration.

Forward Electronic Co., Ltd

Chairman: Hong Chi-Chang

General Manager(Proxy): Sung Cheng-Xi

10.2 In accordance with the "Guidelines for Publicly Issued Companies to Establish Internal Control Systems" issued by the Financial Supervisory Commission.

10.3 As requested by the Financial Supervisory Commission, the company is not required to engage an accountant for special review of the internal control system, and therefore no accountant review report is applicable.

11. As of the latest fiscal year and up to the date of printing of the annual report, the company and its internal personnel have not been punished according to the law. The company has also not imposed any penalties on its internal personnel for violating internal control system regulations. No significant deficiencies have been identified in the internal control system, and therefore no improvements are required.

Main deficiencies in the internal control system	Improvements made by the company
None	None

12. Important resolutions and implementation status of shareholders' meetings and board of directors' meetings for the recent fiscal year up to the date of annual report printing

12.1 Important resolutions of the board of directors' meetings

Date	Resolution content
The 26th Meeting of the 18th Board of Directors 2024.03.04	<ol style="list-style-type: none"> <li>1. Approved the company's 2023 annual operating report and financial statements.</li> <li>2. Approved the company's 2023 earnings distribution proposal.</li> <li>3. Approved that the overdue accounts receivable and other amounts of Suzhou Forward Electronics Technology Co., Ltd. (FDS) for 2023 are not related to funds lending.</li> <li>4. Approved the proposal for the company to acquire the property usage rights asset (1st floor, North Design and Engineering Building) from Shang Chih Asset Development Co., Ltd. and to postpone the lease period.</li> <li>5. Approved the full re-election of directors.</li> <li>6. Approved the related matters regarding the nomination of directors (including independent directors) by shareholders holding more than 1% of the company's total issued shares.</li> <li>7. Approved the removal of the non-compete restrictions for the newly appointed directors (including independent directors).</li> <li>8. Approved the matters related to convening the company's 2024 Annual Shareholders' Meeting.</li> <li>9. Approved the salary adjustment for the company's General Manager.</li> <li>10. Approved the salary adjustment for the company's Financial Manager.</li> <li>11. Approved the salary proposal for the company's Accounting Manager.</li> <li>12. Approved the personnel change for the General Manager of Forward Intelligent Co., Ltd.</li> <li>13. Approved the director appointment proposal for Forward Intelligent Co., Ltd.</li> <li>14. Approved the draft of the company's 2023 Internal Control System Statement.</li> </ol>
The 27th Meeting of the 18th Board of Directors 2024.03.22	<ol style="list-style-type: none"> <li>1. Approved the proposal for the subsidiary, Forward Intelligent Co., Ltd., to jointly develop the Indonesian forest carbon credits project with Asia Asset Development Co., Ltd. (AAD).</li> </ol>
The 28th Meeting of the 18th Board of Directors 2024.04.10	<ol style="list-style-type: none"> <li>1. Approved the proposal for the company to change the external auditor starting from the first quarter of 2024 and assess the auditor's independence.</li> <li>2. Approved the review of the qualification criteria for the company's director and independent director candidates.</li> <li>3. Approved the revision of the company's "Director Compensation Policy."</li> <li>4. Approved the revision of the company's "Internal Major Information Handling Procedures."</li> <li>5. Approved the revision of the company's "Audit Committee Organizational Regulations."</li> <li>6. Approved the revision of the company's "Board of Directors Meeting Rules."</li> <li>7. Approved the establishment of the company's "Related Party Financial</li> </ol>

Date	Resolution content
	<p>and Business Operation Guidelines."</p> <p>8. Approved the revision of the company's "Acquisition or Disposal of Assets Handling Procedures."</p> <p>9. Approved the removal of the non-compete restrictions for newly appointed directors (including independent directors).</p> <p>10. Approved the revision of the agenda for the 2024 Annual Shareholders' Meeting..</p>
The 29th Meeting of the 18th Board of Directors 2024.05.09	<p>1. Approved the company's consolidated financial statements for the first quarter of 2024.</p> <p>2. Approved the revision of the company's "General Principles for Pre-approval of Non-assurance Services Policy."</p> <p>3. Approved changes to the fund utilization plan for the 2007 cash capital increase and domestic unsecured convertible bonds.</p> <p>4. Approved the proposed amendments to the company's "Internal Control System" by the Internal Control Committee.</p> <p>5. Approved the revision of the company's "Internal Audit Implementation Rules."</p> <p>6. Approved the salary adjustment for the company's Chairman.</p>
The 30th Meeting of the 18th Board of Directors 2024.05.25	<p>1.Approved the changes to the fund utilization plan for the 2007 cash capital increase and domestic unsecured convertible bonds.</p>
The 1th Meeting of the 19th Board of Directors 2024.05.27	<p>1. Approved the proposal to appoint the Chairman of the Board for the 19th term.</p> <p>2. Approved the appointment of three members for the 6th Compensation and Remuneration Committee.</p>
The 2th Meeting of the 19th Board of Directors 2024.07.10	<p>1. Approved the proposal for the subsidiary, Forward Intelligent Co., Ltd., to jointly develop the Indonesian forest carbon credits project (WSRAFP 2) with Asia Asset Developments Co., Ltd. (Samoa).</p> <p>2.Approved the revision of the approval authority table for the "Real Estate, Factory and Equipment Cycle" and "Investment Cycle."</p> <p>3.Approved the agreement with National Taiwan University for the industry-academia collaboration and academic feedback mechanism.</p> <p>4.Approved the salary adjustment for the company's General Manager.</p> <p>5. Approved the salary adjustment for the company's Accounting Manager.</p> <p>6.Approved the revision of Forward Intelligent Co., Ltd.'s "Manager Compensation Policy" and the adjustment of manager salaries.</p>
The 3th Meeting of the 19th Board of Directors 2024.08.07	<p>1 .Approved the company's consolidated financial statements for the second quarter of 2024.</p> <p>2.Approved the revision of the company's "Seal Management Procedures."</p> <p>3.Approved the proposed amendments to the company's "Internal Control System" by the Internal Control Committee.</p> <p>4.Approved the revision of the company's "Internal Audit Implementation Rules."</p>
The 4th Meeting of the 19th Board of Directors 2024.10.31	<p>1.Approved the company's consolidated financial statements for the third quarter of 2024</p> <p>2.Approved the appointment of members for the 6th Compensation and Remuneration Committee.</p> <p>3.Approved the revision of the company's "Director, Independent Director, and Functional Committee Member Compensation Policy."</p> <p>4.Approved the revision of the company's "Sustainability Development Working Group Organizational Regulations."</p> <p>5.Approved the establishment of the company's "Risk Management Policy."</p> <p>6.Approved the proposed amendments to the company's "Internal Control System" by the Internal Control Committee.</p>
The 5th Meeting of the 19th Board of Directors	<p>1. Approved the proposal to acquire securities from Tatung Co., Ltd. to increase investment efficiency and business dealings.</p> <p>2.Approved the revision of the company's "General Principles for Pre-</p>

Date	Resolution content
2024.11.21	approval of Non-assurance Services Policy."
The 6th Meeting of the 19th Board of Directors 2024.12.23	<ol style="list-style-type: none"> <li>1.Approved the proposal for the 2025 work goals and budget.</li> <li>2.Approved the revision of the company's "Acquisition or Disposal of Assets Handling Procedures."</li> <li>3.Approved the establishment of the company's "Sustainability Report Preparation and Verification Procedures."</li> <li>4.Approved the proposed amendments to the company's "Internal Control System" by the Internal Control Committee.</li> <li>5.Approved the revision of the company's "Internal Audit Implementation Rules."</li> <li>6.Approved the company's internal audit plan for 2025.</li> <li>7.Approved the continuation of a loan agreement with Yangxin Bank Muzha Branch for a short-term loan guarantee of NT\$100 million for the existing factory and land located at No. 393, Section 1, Zhongzheng Road, Sanxia District, New Taipei City.</li> </ol>
The 7th Meeting of the 19th Board of Directors 2025.02.24	<ol style="list-style-type: none"> <li>1.Approved the company's 2024 Business Report and Financial Statements.</li> <li>2.Approved that the overdue accounts receivable and other amounts of Suzhou Forward Technology Co., Ltd. (FDS) for 2024 are not related to funds lending.</li> <li>3.Approved the appointment of KPMG as the auditor for the 2025 verification service fees and the assessment of the auditor's independence.</li> <li>4.Approved the re-election of one independent director for the company.</li> <li>5.Approved the nomination of independent director candidates from shareholders holding more than 1% of the company's issued shares.</li> <li>6.Approved the revision of the company's "Articles of Association."</li> <li>7.Approved the definition of "junior employees."</li> <li>8.Approved the proposal regarding the convening of the company's 2025 Annual Shareholders' Meeting.</li> <li>9.Approved the establishment of the company's "Sustainability Development Committee."</li> <li>10.Approved the appointment of three members for the 1st Sustainability Development Committee.</li> <li>11.Approved the revision of the company's "Sustainability Development Working Group Organizational Regulations."</li> <li>12.Approved the proposal for the company's General Manager's deputy.</li> <li>13.Approved the company's 2024 Internal Control System Statement.</li> <li>14.Approved the director appointment proposal for Forward Intelligent Co., Ltd.</li> </ol>

## 12.2 Important Resolutions and Implementation Status of Shareholders' Meeting

The resolutions and implementation status of the 2024 annual shareholders' meeting held on 2024.05.27, at the company's Welfare Building are as follows:(All the acknowledged and discussed matters were consulted with all the attending shareholders by the Chairman and passed by voting according to the agenda) :

Item	Resolution of shareholders' meeting	Implementation Status
1	Approval of the 2023 Annual Operating Report and Financial Statements.	Completed.
2	Approval of the 2023 Profit Distribution Plan.	Completed.
3	Full Re-election of Directors Proposal	1. Board of Directors Elected: Representatives of Tatung Co., Ltd.: Hong Qi-Chang, Wang Guang-Xiang, Zhang Yao-Yong, He Jing-Ming, Ma Jin-Yao, Shen Ying-Yi. Independent Directors: Yeh Huang-Chi, Shih Yi-Chen, Chiu Ching-Yi. 2. Approval of the change completed by the Ministry of Economic Affairs, Department of Commerce on June 13, 2024.
4	Revised the company's "Acquisition or Disposal of Assets Handling Procedures" proposal.	Completed.
5	Removed the non-compete restrictions for newly appointed directors (including independent directors).	Completed.
6	The company plans to change the fund utilization plan for the 2007 fundraising proposal.	Completed on Q2, 2024.

13. In the recent fiscal year and up to the date of printing of the annual report, there were no recorded or written statements from directors or supervisors expressing disagreement with significant resolutions passed by the board of directors.

**(III). Information on Certified Public Accountant Fees :**

Amount Unit: NTD in thousands

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit Fees	Non-audit Fees	Total	Remarks
KPMG International Limited	Pan Jun-Ming	2024.01.01~2024.12.31	2,590	463	3,053	Note
	Lai Li-Zhen	2024.01.01~2024.12.31				

Note : 1. The non-audit fees mainly include expenses related to tax certification, annual shareholder meeting report review, and annual translation of financial reports and related party report.  
2. If the audit fees for the current year decreased by more than 10% compared to the previous year, the amount and reasons for the decrease in audit fees should be disclosed:  
None.

**(IV). Change of Accountants**

## 1. Information regarding the former CPAs:

Change Date	April 10, 2024, approved by the Board of Directors		
Reason for Change and Explanation	Internal rotation at KPMG		
Explanation of whether the appointee or auditor terminates or refuses the appointment	Parties		Auditor
	Situation		Appointing Party
	Voluntary termination of appointment		Not applicable
	No longer accepting (continuing) the appointment		Not applicable
Audit Opinion Issued in the Last Two Years (other than unqualified opinions) and the Reasons	N/A		
Any Disagreement with the Issuer	yes		Accounting principles or practices
			Financial statement disclosures
			Audit scope or procedures
			Other
	NO	✓	
	Explanation		
Other Disclosure Items (As per Article 10, Section 6, Subsections 4 to 7 of this regulation, these should be disclosed if applicable)	Not applicable		

## 2. Information Regarding the Successor CPAs:

Firm Name	KPMG (An-Hou Jian-Ye & Partners Certified Public Accountants)
CPAs' Names	CPA Pan Jun-Ming, CPA Lai Li-Zhen
Appointment Date	Approved by the Board of Directors on April 10, 2024
Accounting treatment methods or principles for specific transactions before the appointment and any consultation matters regarding financial reporting opinions and outcomes	None
Written opinions of the successor auditor regarding disagreements with the predecessor auditor	None

## 3. Response letter from the previous accountant on matters related to Article 10, Paragraph 6, Subsection 1 and Subsection 2-3 of this standard: No such matters exist.

**(V). The Chairman, General Manager, Manager responsible for finance or accounting affairs of the company, who have served in the accounting firm or its affiliated enterprises of the signing accountant within the past year, shall disclose their names, positions, and the duration of their service in the accounting firm or its affiliated enterprises: None.**

**(VI). Changes in the equity transfer and equity pledge status of directors, supervisors, managers and shareholders who hold more than 10% of the shares up to the date of printing of the latest annual report.**

1. Changes in shareholdings of directors, supervisors, executives, and major shareholders

Unit: Shares

Job title	Name	Fiscal year 2024		Current fiscal year as of 2025.03.31		Remarks
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	
Corporate Director	Tatung Company	-	-	-	-	
Chairman	Representative of Tatung Company: Hong, Chi-Chang	-	-	-	-	May 27, 2024, Re-election and Reappointment
Director	Representative of Tatung Company: Wang, Guang-Xiang	-	-	-	-	May 27, 2024, Re-election and Reappointment
Director	Representative of Tatung Company: Ho Ching-Ming	25,000	-	-	-	May 27, 2024, Re-election of new appointment
Director	Representative of Tatung Company: Zhang Yao-Yung	-	-	-	-	May 27, 2024, Re-election of new appointment
Director	Representative of Tatung Company: Ma Jin-Yao	-	-	-	-	May 27, 2024, Re-election of new appointment
Director	Representative of Tatung Company: Wang Ya-Hsuan	-	-	-	-	December 27, 2024, Reassignment of representative
Director	Representative of Tatung Company: Shen Ying-Yi	-	-	-	-	May 27, 2024 , Re-election of new appointments; November 25, 202, Resignation
Director	Representative of Tatung Company: Sui Feng-zhi	-	-	-	-	May 27, 2024, Resignation
Director	Representative of Tatung Company: Yu Jin-bang	(7,044,000)	(5,587,704)	-	-	May 27, 2024, Resignation
Director	Representative of Tatung Company: Fu Yi-Yuan	(7,668,000)	-	-	-	May 27, 2024, Resignation
Independent Director	Chiu Ching-Yi	-	-	-	-	May 27, 2024, Re-election of new appointment
Independent Director	Shih Yi-Chen	-	-	-	-	May 27, 2024, Re-election of new appointment
Independent Director	Yeh Huang-Chi	-	-	-	-	May 27, 2024, Re-election and Reappointment September 6, 2024, Resignation
Independent Director	Wang Jia-Nan	-	-	-	-	May 27, 2024, Resignation
Independent Director	Tsai Mao-Yin	-	-	-	-	April 8, 2024, Resignation
General Manager	Shen Ying-Yi	-	-	-	-	January 9, 2024,



Job title	Name	Fiscal year 2024		Current fiscal year as of 2025.03.31		Remarks
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	
						New Appointment December 5, 2024, Resignation
General Manager	Xiao Ming-Fu	-	-	-	-	January 8, 2024, Resignation
Finance Manager Corporate Governance Manager	Song Cheng-Xi	-	-	-	-	January 9, 2024, New Appointment
General Manager(Proxy)						February 24, 2025, New Appointment
Finance Manager Corporate Governance Manager Accounting Manager	Yang Zheng-Jie	-	-	-	-	January 9, 2024, Job Adjustment and Resignation
Accounting Manager	Chen Jing-Min	-	-	-	-	February 1, 2024, New Appointment

2. Related parties involved in the transfer of shares: None.
3. Related parties involved in the share pledge: None.

**(VII). Information on the relationships among the top ten shareholders who hold the highest percentage of shares**

April 19, 2025; Unit: shares

Name	Shares held		Shares held by spouse and minor children		Shares held through nominees		The top ten shareholders with which the person has a relationship of spouse or relative within the second degree		Remarks
	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	Name	Relationship	-
The principal of Tatung Company Limited: Wang Guang-Xiang	31,635,411	22.60	N/A		0	0	China Electronics Investment Holdings Limited	Parent company and subsidiary company	-
	0	0	0	0	0	0	-	-	-
The principal of China Electronic Investment Co., Ltd.: Zhang Rui-Kai	9,003,678	6.43	N/A	0	0	0	Tatung Company	Parent company and subsidiary company	-
	0	0	0	0	0	0	-	-	-
Zhuang Wen-Yang	2,728,000	1.95	0	0	0	0	-	-	-
Citigroup Custody of Barclays Capital SBL/PB Investment Account	1,644,000	1.17	N/A		0	-	-	-	-
HSBC (Taiwan) Commercial Bank Ltd. — Custodian	1,458,672	1.04	N/A		0	0	-	-	-
Standard Chartered Custody of DBS Bank - Private Banking Clients	1,399,000	1.00	N/A		0	0	-	-	-
Liao Heng-Yi	1,188,000	0.85	0	0	0	0	-	-	-
CTBC Bank Trust Custody of Trust Assets Account	923,002	0.66	N/A		0	0	-	-	-
Lu Jun-Yu	888,000	0.63	0		0	0	0	-	-
Xue Nai-Ren	872,000	0.62	0		0	0	0	-	-

**(VIII). Aggregate shareholding percentage of the company, its directors, supervisors, managerial officers, and other businesses controlled directly or indirectly by the company, in the same invested enterprise, and calculated and combined as the comprehensive shareholding percentage**

April 19, 2025; Unit: shares

Re-invested businesses (Note1)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
FORWARD DEVELOPMENT CO., LTD. and subsidiaries	19,298,479	100.00%	-	-	19,298,479	100.00%
Tungyuan Energy Technology Co., Ltd. (Note 1)	5,398,269	14.59%	-	-	5,398,269	14.59%
Forward Intelligent Energy Co., Ltd. (Note 2)	29,000,000	100.00%	-	-	29,000,000	100.00%

Note1: This is an investment accounted for using the equity method adopted by the company.

As Green Energy Technology Inc. announced its dissolution in September 2019 and Tongyu Energy Technology Inc. recognized impairment loss on its receivables from Green Energy Technology Inc. in the third quarter of 2019, resulting in negative equity, the company recognized an investment loss of TWD 18,158 thousand in 2019 and the investment accounted for using the equity method was reduced to zero.

Note2: On July 12, 2023, Forward Intelligent Energy Co., Ltd. was established as an investment company in Taiwan.

### III. Fundraising Status

#### (I). Capital and Shares

##### 1. Source of Share Capital

##### 1.1 Formation of Share Capital

April 19, 2025 ; Unit: Shares ; New Taiwan Dollars

Month/ Year	Issued price	Approved Capital		Paid-in Capital		Remarks		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital paid in by assets other than cash	Other
1998.06 Before	100	4,000,000	400,000,000	4,000,000	400,000,000	Capital increase Capital Increase through Retained Earnings	None	
2000.07	10	64,000,000	640,000,000	64,000,000	640,000,000	Capital increase Capital Increase through Retained Earnings	None	Note 1
2003.07	10	138,000,000	1,380,000,000	82,500,000	825,000,000	Cash Capital Increase Capital reserve Retained Earnings	None	Note 2
2004.07	10	138,000,000	1,380,000,000	86,175,000	861,750,000	Cash Capital Increase Capital reserve Retained Earnings	None	Note 3
2005.08	10	138,000,000	1,380,000,000	90,235,562	902,355,620	Cash Capital Increase Capital reserve Retained Earnings	None	Note 4
2006.08	10	200,000,000	2,000,000,000	95,044,984	950,449,840	Cash Capital Increase Capital reserve Retained Earnings	None	Note 5
2006.09	10	200,000,000	2,000,000,000	130,044,984	1,300,449,840	Capital increase	None	Note 6
2007.03	10	200,000,000	2,000,000,000	130,216,552	1,302,165,520	Conversion of Corporate Bond	None	Note 7
2007.08	10	200,000,000	2,000,000,000	150,068,196	1,500,681,960	Conversion of Corporate Bond Capital reserve Retained Earnings Capital Surplus Employee Bonus	None	Note 8
2007.11	10	200,000,000	2,000,000,000	151,851,691	1,518,516,910	Conversion of Corporate Bond	None	Note 9
2008.09	10	200,000,000	2,000,000,000	157,257,242	1,572,572,420	Capital reserve Retained Earnings Capital Surplus Employee Bonus	None	Note 10
2021.12	10	200,000,000	2,000,000,000	139,983,060	1,399,830,600	Reduction of Capital to Offset Losses	None	Note 11

Note 1: Approved by letter No. 089124650 from the Ministry of Economic Affairs on July 20, 2000.

Note 2: Approved by letter No. 0920121365 from the Taiwan Financial Supervisory Commission on May 16, 2003.

Note 3: Approved by letter No. 0930128198 from the Taiwan Financial Supervisory Commission on June 25, 2004.

Note 4: Approved by letter No. 0930134266 from the Taiwan Financial Supervisory Commission on August 9, 2004;

Approved by letter No. 0940125915 from the Taiwan Financial Supervisory Commission on June 28, 2005.

Note 5: Approved by letter No. 0950126045 from the Taiwan Financial Supervisory Commission on June 23, 2006.

Note 6: Approved by letter No. 0950126046 from the Taiwan Financial Supervisory Commission on June 30, 2006.

Note 7: Approved by letter No. 09601081460 from the Ministry of Economic Affairs on April 19, 2007.

Note 8: Approved by letter No. 0960032540 from the Taiwan Financial Supervisory Commission on June 27, 2007;

Approved by letter No. 09601178000 from the Ministry of Economic Affairs on August 7, 2007.

Note 9: Approved by letter No. 09601280240 from the Ministry of Economic Affairs on November 15, 2007.

Note 10: Approved by letter No. 0970034697 from the Taiwan Financial Supervisory Commission on July 10, 2008;

Approved by letter No. 09701225440 from the Ministry of Economic Affairs on September 10, 2008.

Note 11: Approved by letter No. 1100011595 from the Taiwan Emerging Stock Market on October 27, 2021; Approved by letter No. 110012160600 from the Ministry of Economic Affairs on November 23, 2021.

## 1.2 Type of stock

April 19, 2025

Type of stock	Authorized Capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	139,983,060 stock	60,016,940 stock	200,000,000 stock	1.Approved for OTC stock exchange trading on March 1, 2004. 2.Approved for capital reduction and registration change on November 23, 2021.

## 2. Major Shareholders

April 19, 2025 ; Unit: Shares

Names of major shareholders	Shares	Shareholding (shares)	Shareholding (%)
Tatung Company		31,635,411	22.60%
The principal of China Electronic Investment Co., Ltd.		9,003,678	6.43%
Zhuang Wen-Yang		2,728,000	1.95%
Citigroup Custody of Barclays Capital SBL/PB Investment Account		1,644,000	1.17%
HSBC (Taiwan) Commercial Bank Ltd. — Custodian		1,458,672	1.04%
Standard Chartered Custody of DBS Bank - Private Banking Clients		1,399,000	1.00%
Liao Heng-Yi		1,188,000	0.85%
CTBC Bank Trust Custody of Trust Assets Account		923,002	0.66%
Lu Jun-Yu		888,000	0.63%
Xue Nai-Ren		872,000	0.62%

Note: The above shareholding information is recorded until the date of the suspension of shareholder registry changes for the company's shareholders' meeting.

## 3. Company's dividend policy and implementation status.

### 3.1 Dividend Policy as Stipulated in the Company's Articles of Incorporation

The dividend policy of the Company, as stipulated in Article 27 of Incorporation, states that if the Company has profits for the year, it shall set aside no less than 1% for employee compensation and no more than 2% for director compensation, unless the Company has accumulated losses, in which case it shall reserve an amount for offsetting such losses in advance. When employee compensation is distributed in the form of stocks or cash, it shall be resolved by the board of directors with the affirmative votes of at least two-thirds of the directors present, and reported to the shareholders' meeting. Employees eligible for stock or cash compensation shall include employees of subsidiary companies who meet certain conditions.

When the Company has profits in its annual financial statements, it shall first pay taxes in accordance with the law, offset accumulated losses from previous years, and then set aside 10% as legal reserve until the legal reserve reaches the total capital amount, without exceeding this limit. Special surplus reserve shall be provided or reversed in accordance with regulations, and the remaining undistributed profits at the beginning of the period shall be accumulated distributable profits for shareholders. The board of directors shall propose a profit distribution plan to the resolution of shareholders' meeting. The total amount of dividends distributed shall not be less than 60% of the accumulated distributable profits. The ratio of stock dividends to cash dividends shall be determined based on the actual profits for the year and the Company's capital planning, but the ratio of cash dividends shall not be less than 10% of the current year's profit distribution.

### 3.2 The proposed dividend distribution for the current shareholders' meeting is as follows

Due to the company losses incurred in the fiscal year 2024, no dividends were distributed. As of the date of the annual report printing, the aforementioned profit and loss adjustment plan for the fiscal year 2024 has not been resolved by the shareholders' meeting.

4. Impact of Proposed bonus shares on Company's Operating Performance and Earnings per Share: None.

5. Employee and Director Remuneration

5.1 Percentage or Range of Employee and Director Remuneration as Stated in the Company's Articles of Incorporation :

According to Article 27 of Incorporation, if the Company generates profit in any fiscal year, it should allocate no less than 1% for employee remuneration and no more than 2% for director remuneration, unless there is accumulated loss that needs to be offset. The distribution of employee remuneration in the form of stock or cash should be approved by a resolution of the board of directors with at least two-thirds of the directors present and a majority of attending directors, and reported to the shareholders' meeting. Eligible recipients of employee remuneration in the form of stock or cash may include employees of subsidiary companies who meet certain conditions. In the event of surplus in the annual financial statements, the Company should first pay taxes according to the law, offset accumulated losses from previous years, and then allocate 10% as legal reserve until the legal reserve reaches the total amount of capital. However, there is no specified percentage or range for director remuneration in the Article of Incorporation.

5.2 The estimated basis for recording the employee and director remuneration in the current period, the basis for calculating the stock-based employee remuneration in terms of shares, and the accounting treatment for any differences between the actual distribution amount and the estimated amount are as follows:

The company's payable employee and director remuneration for the fiscal year 2024 amounted to 0 thousand dollars. Due to need to offset losses in the fiscal year 2024, no provision was made for payable employee and director remuneration, and no stock dividends were distributed.

5.3 The remuneration distribution for directors is approved by the Board of Directors :

(1) If there is a difference between the actual amount of remuneration distributed to employees and directors in the form of cash or stock, and the estimated amount accrued as expense for the fiscal year, the discrepancy, reasons, and treatment should be disclosed:

The Board of Directors of the company has resolved not to distribute the compensation for employees and directors for the 2024 fiscal year.

(2) The amount of employee remuneration paid in the form of stock options and the proportion of such amount to the total net income after tax and the total amount of employee remuneration in the current period is as follows: : None

5.4 The actual distribution of employee and director remuneration for the previous fiscal year (including the number of shares distributed, the amount, and the stock price), any differences with the recognized employee and director remuneration should be disclosed, along with the reasons for the differences and the handling measures:

The company reported a net loss of NT\$140,283,761 after tax for 2023, and therefore did not distribute compensation for employees and directors. There is no difference between the actual amount and the estimated amount recognized in the expense for the year.

6. Company's Share Buyback Status: None

**(II). Issuance and Status of Corporate Bond, Preferred Shares, Overseas Depositary Receipts, Employee Stock Options, New Share Issuance for Mergers or Acquisitions, and Restrictions on Employee Rights for New Shares.**

1. Issuance and Status of Corporate Bond: None.
2. Issuance and Status of Preferred Shares: None.
3. Issuance and Status of Depositary Receipts for Overseas Listings: None.
4. Status of Employee Stock Option Certificates Issuance and Implementation : None.
5. Status of New Share Issuance for Mergers or Acquisitions of Other Companies: None.
6. Status of Restricted Stock Issuance for Employee Benefits : None.

**(III). Financing Plans and Implementation (for previously issued or privately placed securities that are not yet completed or completed within the past three years and whose planned benefits have not yet materialized):** As of the date of this annual report, the fund utilization plans for the company's previous securities issuances have been completed, and there are no plans with unrecognized benefits. The execution status will be reported at the 2025 Annual Shareholders' Meeting.

## IV. Operations Profile

### (I). Business Scope :

#### 1. Business Scope

##### 1.1 Primary Business Activities or Core Business Operations of the Company :

The Company's core business is centered on the production of optoelectronic products and electronic components, with the following main business activities:

- (1) Backlight modules: Development, manufacturing, and sales of backlight modules and components for various applications such as automotive, industrial control, aviation, medical, and gaming, including material development.
- (2) LED lighting: Development, manufacturing, and sales of LED lighting products for general or specialized purposes, landscape lighting, smart lighting, and advertising light tube, etc.
- (3) Switches: Development, manufacturing, and sales of various types of switches, including push-button, rotary, slide, detectable, LED-illuminated, and touch switches.
- (4) Variable resistors: Development, manufacturing, and sales of rotary, slide, motorized/LED variable resistors, and digital potentiometers.
- (5) Sensors: Development, manufacturing, and sales of position sensors.

##### 1.2 The main merchandise and their respective business proportion:

Unit: NT\$ thousands ; %

Merchandise	Year 2023		Year 2024	
	Operating expenses	Percentage of Operating	Operating expenses	Percentage of Operation
Optoelectronic products	226,237	31.31%	191,736	32.16%
Information Appliances and Peripherals products	168,124	23.27%	80,945	13.58%
Electronic Components products	255,430	35.35%	251,658	42.21%
Lighting products	72,786	10.07%	71,918	12.06%
Total	722,577	100.00%	596,257	100.00%

##### 1.3 The current merchandise and services of the company include

Main products	Product Categories
Optoelectronic products	Backlight modules and materials, LCD modules, LED lighting
Electronic Components products	Switches, Variable resistors, Sensors, Encoders

##### 1.4 New product and service development projects

Backlight module and products	1. Industrial LED backlight module 2. Automotive LED backlight module 3. Medical LED backlight module 4. Commercial display LED backlight module
Switches	1. PIP Process with LED Switch
Encoder	1. Dual-Axis Magnetic Inductive Hollow Encoder

#### 2. Industry overview

##### 2.1 Current Situation and Development of the Industry

###### (1) Optoelectronics Industry

The products produced by our company are backlight modules for automotive, industrial control, and medical LCD displays. With the continuous development of automotive technologies such as smart cars, autonomous driving, and new energy vehicles, as well as the increasing demand for breadth and depth of human-vehicle interaction, automotive displays have become the third largest terminal application for small and medium-sized LCD displays, following



smartphones and tablets. Currently, LCD display panels are mainly used in various applications in automotive displays, including car GPS navigation, central control units, instrument clusters, rearview mirrors with LCD displays, and rear seat entertainment screens, among others. The diversified applications and increasing importance of display screens in vehicles have led to a continuous increase in demand for automotive displays. In the future, with the further development of car networking and automotive intelligence technologies, the number of display screens inside vehicles will continue to increase, thereby driving the market demand for LCD display modules and their associated backlight modules. In addition, the rapid growth of new energy vehicles and smart cars will further expand the market space for automotive displays.

#### Commercial Displays

Driven by 5G, ultra-high-definition, and IoT, commercial displays are increasingly creating new disruptive effects in various industries and application scenarios. For example, digital signage illuminating city life, LCD advertising machines supporting human-machine interaction to enhance the technological feel of cities, LCD video walls that can be flexibly spliced to display flawless HD images, smart conference tablets that enable multi-scenario office environments, and a series of commercial display terminal products. These not only meet the modern demand for high-quality visual effects but also make the human-machine interaction experience more immersive and diverse. In today's world where everything can be displayed, smart living scenes enriched by technology incubators are expanding, and commercial displays have found more applications and greater potential.

#### Industrial Control Display

Industrial control, also known as industrial automation control, is a comprehensive technology that applies control theory, instruments and meters, computers, and information technology to achieve detection, control, optimization, scheduling, management, and decision-making in the industrial production process. The goal is to increase production, improve quality, reduce consumption, and ensure safety, involving multiple fields such as electricity, electronics, computers, artificial intelligence, communication, and electromechanical. Industrial automation control systems generally consist of programmable logic controllers (PLCs), human-machine interface (HMI), and variable frequency drives (VFDs), servo systems, machine vision, and other components, among which the HMI involves display components. Compared to ordinary displays, industrial control displays also require environmental stability and anti-interference capabilities to ensure stable operation in harsh industrial environments. In the future, with the upgrading of China's industrial structure, the acceleration of traditional industrial technology transformation, factory automation, and enterprise informatization, as well as the further implementation of Industry 4.0, the demand for industrial automation systems in China will continue to grow. Industrial control displays, as well as related LCD display modules and backlight display modules, will have great development opportunities.

#### (2) Electronic Components Products (Switches, Variable resistors, Encoders, Sensors)

Our company manufactures electronic components, including power switches, signal switches, touch switches, variable resistors, bit generators, and position sensors.

Our switches are primarily used in various electronic products, including monitors, LCD TVs, in-vehicle devices, handheld devices, mobile phones, PDA, notebooks, audio and mixers, servers, gaming consoles, medical equipment, and

other popular consumer goods. As market demands evolve, our company keeps up with the market trends and develops products that are suitable for long travel, high durability, and compact size with excellent tactile feedback for in-vehicle applications. We strive to meet our customers' needs by leveraging our solid R&D capabilities and adapting to industry changes in a timely manner.

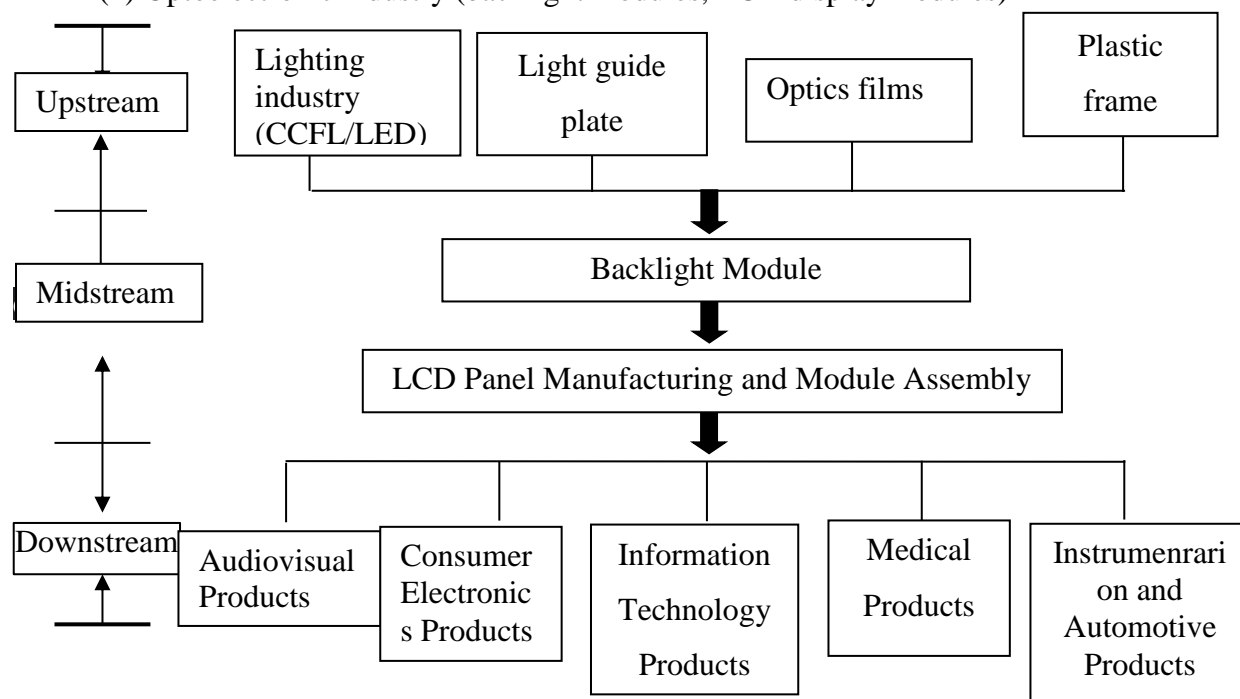
Variable resistors, also known as potentiometers, are electronic components that have a variable resistance value. They consist of a fixed resistor and a movable precision part that can be adjusted to change the resistance value. Unlike fixed resistors, variable resistors can directly affect the circuit by changing the resistance value. They are widely used in various applications such as mixers, DJ controls, lighting controls, digital audio equipment, industrial control equipment, automotive electronics, medical devices, and gaming consoles.

The digital potentiometer, also known as a digital rheostat or digital variable resistor, has replaced traditional variable resistors in many electronic products due to the digitization of electronic devices. It has become a versatile control component widely used in audio and video equipment, instruments, automotive electronics, various electronic control devices, and medical equipment.

As one of the major producers of electronic components globally, our country has a high market share in information technology, communication, home appliances, and audio/video components. The stable growth of the consumer electronics market in our country has contributed to the steady growth of the electronic component industry. In recent years, electronic component manufacturers in our country have been actively exploring new application markets, particularly in consumer electronics and automotive electronics, which have shown significant growth. This year, our company is focusing on the development of high-value electronic components, such as thin switches, switches with LED indicators, variable resistors with LED indicators, digital potentiometers with LED indicators, long-stroke switches, mini stick VR for gaming consoles, magnetic position sensors, inductive position sensors, variable resistors with motors, high-life variable resistors, high-life digital potentiometers, waterproof switches, and waterproof digital potentiometers, to capture new market opportunities.

## 2.2 The interrelationship between upstream, midstream, and downstream industries.

### (1) Optoelectronic industry (backlight modules, LCD display modules)



### (2) Electronic Components Products (Switches, Variable resistors, Encoders, Sensors)

Switches		
Upstream	Midstream	Downstream
Raw Materials and Semi-finished goods	Finished goods	Application Products
Metal Materials- Phosphor Bronze、Brass、 Beryllium Copper、Titanium Copper、Stainless Steel、Tin-plated Brass Electroplating Materials - Gold-plating、Silver- plating、Tin-plating、Tin-lead plating Plastic Materials - Halogen-free Other Materials - Ceramic for switches、Rubber 、 PCB、LED	Switches	Information appliances Audio and video products Consumer electronics products Computer multimedia products Communication products Servers game console
Variable resistors、Bit generators、Sensors		
Upstream	Midstream	Downstream
Metal molds Printed circuit boards Stamped products Terminals Resistors Plastic injection molding IC	Semi-fixed variable resistors Rotary variable resistors Slide variable resistors Position sensors Bit generators Non-contact position sensors	Audio equipment Lighting control equipment Computer multimedia products Industrial control equipment Information home appliances Automotive market Medical equipment products

## 2.3 Prospects for Industry Growth and Development Trends

### (1) Outlook for Application Markets

#### A. Outlook for Optoelectronic Products

With the increasing electrification of automobiles, the diversification of in-vehicle display products is increasing. Research data shows that in the next 1-2 years, the

average number of screens per vehicle from OEMs is expected to reach 7, with the main optional products being the front passenger entertainment screen, streaming media rearview mirror, and electronic side mirrors. According to the "Vehicle Display Value Chain Analysis Report," the global automotive display market is expected to grow at an annual rate of 7.8%, increasing from \$8.86 billion in 2024 to \$12.63 billion in 2027.

#### B. commercial display Market

The high growth rate of the commercial display market is closely linked to the demand from various terminal applications such as smart transportation, smart cities, smart security, smart offices, and smart retail. Based on current trends, the demand for commercial display devices in these industries is expected to continue to increase significantly in the foreseeable future. Emerging technologies such as e-paper, digital signage, advertising displays, and Mini LED displays are expected to become new growth drivers in the industry. Among them, the market size for typical commercial display products in China (including commercial TVs, digital signage, interactive panels, video walls, small-pitch LED screens, and projectors) has reached RMB 141 billion. The overall market size, including other innovative products, is expected to exceed RMB 300 billion. It is projected that by 2026, the market size for typical commercial display products in China will surpass RMB 220 billion, and the total commercial display market size will exceed RMB 650 billion, with a compound annual growth rate (CAGR) of 17%.

#### C. Electronic Components Markets

Due to the ongoing trend towards slim, small, and multifunctional communication and consumer electronic products worldwide, key electronic components such as switches and variable resistors still have significant growth potential. Leveraging our solid foundation in precision electronic component technology, our company has been able to innovate and rapidly develop products such as LED chip generators, LED variable resistors, LED touch switches, motorized variable resistors, and non-contact position sensors, which provide complete application and solution offerings for audiovisual equipment, mixers, LCD TVs, MP4 players, handheld devices, servers, game pads, medical equipment, digital cameras, notebooks, and automotive electronics, among others.

Our expansion efforts this year will be focused on sales and applications in markets such as audiovisual equipment (mixers), cloud computing, handheld products, Lighting control equipment, automotive electronics, health and medical care, as well as white goods appliances. This strategic approach is aimed at maximizing our market presence and capturing opportunities in these key sectors.

### (2) Product Technology Development Trends

#### A. Backlight Module:

As the automotive industry undergoes technological updates and consumer experiences are upgraded, the market for high-end automotive panels, including curved, shaped, and large-sized panels, is expected to continue to grow. This will drive demand for customized and specialized requirements, while also focusing on the development of mini LED backlighting technology, which is currently a key area of research and development in the backlight module industry

The commercial display market, primarily focused on LCD display technologies, consists of five main categories: interactive electronic whiteboards, digital signage, video wall displays, commercial televisions, and standalone displays. Among these, electronic whiteboards are mainly required in sizes of 65 inches, 75 inches, and 86 inches, which together account for nearly 70% of the market share. Other categories have varying sizes, with a trend towards narrow bezels, high brightness, and low energy consumption in their designs. As panel manufacturers increasingly focus on meeting the demands of the commercial market by developing larger-

sized and specialized panels, the corresponding backlight modules have become a key product focus for our company's future development.

#### B. Switches 、 Variable Resistors :

The future development of electronic components is closely tied to the development of end products, such as gaming consoles, automotive electronics, and mobile communications devices including smartphones, MP4 players, laptops, and tablets. These end products place a premium on being small, lightweight, and compact. The challenge for electronic components is to create competitive products while meeting the requirements for miniaturization and weight reduction. Furthermore, taking the perspective of end products, it is important to consider how electronic components can be integrated with other functionalities to increase the added value of the products. This consideration should be a key focus in the research and development of new product technologies.

#### (3) New Product Development

- A. High-life sliding variable resistor with LED and motor.
- B. Dual-Axis Magnetic Inductive Hollow Encoder.
- C. High-life magnetic induction non-contact encoder.
- D. High-life magnetic induction non-contact joystick.
- E. High-life motor-attached non-contact position sensor.

### 2.4 Product Competitive

#### (1) Optoelectronic products

Manufacturers in the Domestic Backlight Module Market

Manufacturers	Items	Operating Items
Coretronic Corporation	Backlight Module	Backlight Module 、 liquid crystal display
Radiant Opto-Electronics Corporation	Backlight Module	Backlight Module 、 Precision Optoelectronic Product
Darwin Precisions Corporation	Backlight Module	Backlight Module 、 liquid crystal display

#### (2) Electronic Component Product

Consumer electronics, communication, and information products continue to move towards being lightweight, compact, and multifunctional. Electronic components such as switches, variable resistors, and bit generators are essential in these products. Our company adheres to the spirit of continuous improvement in technology and innovation, actively developing new products such as Game Pad with Stick VR, aperture, absolute encoders, position sensors, slim touch switches with LED, touch switches with LED and variable resistors with LED, bit generators with LED, motor-driven variable resistors with LED, magnetic position sensors, and high-life waterproof bit generators to fully meet market demands. Facing market competition, in addition to establishing differentiated product designs and enhancing product added value, we are also actively developing new methods of product automation assembly, high-speed automatic punching, and INSERT/OUTSERT forming processing to effectively improve costs and enhance market competitiveness.

### 3. Technology and Research & Development Overview :

#### 3.1 The annual research and development (R&D) expenditure in the most recent year

Unit: Thousand New Taiwan Dollars ; %

Year	Year 2023	Year 2024
Research and development expenditure	16,888	14,532
Operating revenues	722,577	596,257
The proportion of research and development expenses to net revenue (%)	2.34	2.44

#### 3.2 The recent year's successful technology or product development

Items	Research and Development Achievements
Optoelectronic products ( Backlight Module、liquid crystal display )	1.Development completed for a 43-inch commercial-grade LCD module. 2. Developed a 58.5-inch commercial display LCD module. 3.Development completed for a 12.3-inch automotive backlight module.
Electronic Components products (Switches, Variable Resistors, Bit Generators, Sensors)	1.Sliding variable resistor with LED and motor attachment. 2. Micro variable resistor for dual independent stereo circuits. 3. Magnetic induction non-contact encoder with a lifespan of 10 million cycles.

### 4. Long-term and 、 Short-term business development plan

#### 4.1 Short-term plan

##### (1) Marketing strategy

- A. Professional development, on-the-job training, and case sharing for marketing personnel to enhance their product expertise and other relevant marketing knowledge.
- B.Targeting key customers in the global optoelectronics, consumer electronics peripherals, and electronic components application fields, actively seeking to become their primary supplier through referrals from EMS factories and self-marketing efforts.
- C. Through the collaborative efforts of various departments such as sales, R&D, manufacturing, and quality control, ensuring product quality and delivery schedules, establishing customer trust, and expanding individual customer transaction volumes through the introduction of new products, thereby increasing company revenue and profitability.
- D. Participating in overseas exhibitions regularly to enhance interaction with customers, stay abreast of market trends, develop products that meet customer needs, increase brand visibility, and generate business opportunities.
- E. Join well-known e-commerce platforms' marketing models to expand new types of marketing, increase brand visibility, seek ODM collaboration with end customers, and enhance product technology and revenue profitability.

##### (2) Production Strategy

- A. Continuous improvement of process technology to enhance production yield and reduce production costs, in order to maintain a competitive advantage in production technology.
- B. Leveraging the company's over 50 years of manufacturing experience and its advantage of being certified with quality management systems such as ISO 9001, ISO 14001, IATF 16949, and ISO 45001, to ensure excellent manufacturing quality.

- C. Accelerating the integration of upstream materials to reduce material costs, improve production efficiency, and enhance manufacturing competitiveness through increased flexibility and responsiveness.

(3) Product Development Direction

- A. In response to the increasing demand for electronic products, the trend towards higher precision and lower costs, we have leveraged our proprietary technologies extensively in the development and mass production of new models. This strategic approach enables us to adapt to the ever-expanding applications of electronic products and achieve higher levels of precision, while optimizing cost efficiency.
- B. In response to the trends of diversification, light weighting, miniaturization, and high-quality development in the fields of information peripherals, digital multimedia, and LCD applications, as well as the increasing digitization of most mechanical components, we are committed to providing lightweight, thin, short, small, versatile, and high-quality electronic products to meet the demands of downstream applications of electronic components and LCDs.

(4) Alignment of Operational Scale with Financial Management

- A. The implementation and promotion of the "Profit Center System" has been carried out, including organizational restructuring, clarification of responsibilities and obligations, revision of management systems, team consensus building, and enhancement of company competitiveness, with the ultimate goal of creating profit returns for investors and achieving sustainable business operations.
- B. By establishing an Enterprise Resource Planning (ERP) system and an e-Enterprise Information Portal (EIP) management system, as well as a B2B system, the company aims to enhance communication and information sharing among its various departments. Furthermore, these systems will serve as channels for future implementation of electronic commerce with upstream suppliers.
- C. The company aims to establish diversified fundraising channels in order to reduce the cost of capital procurement. Additionally, efforts will be made to enhance the company's brand awareness and attract top talent to join its management team.

4.2 Long-term plan

(1) Marketing strategy

- A. The company is actively engaged in training sales personnel with international and professional expertise to enhance marketing capabilities. Efforts will be made to secure orders from world-class manufacturers and establish long-term strategic alliances with customers.
- B. The company plans to establish marketing agency offices in key overseas markets to better serve existing customers and proactively engage with potential customers in those regions. This will enable the company to have timely and frequent contact with local customers, allowing for a better understanding of market dynamics and customer needs.
- C. The company aims to leverage the advantages of globalization by expanding into markets such as the United States, Japan, Mainland China, Southeast Asia, and Europe. By fully utilizing local resources and markets, the company aims to diversify its business operations and mitigate risks, thereby establishing a sustainable foundation for long-term business success.

(2) Production Strategy

- A. The company will focus on continuous integration and improvement of automation production technologies to enhance production efficiency.
- B. The company will establish long-term cooperative relationships with key component suppliers or engage in technology collaborations to secure the supply of materials and meet the demand for production capacity expansion.

- C. In response to the trend of local sourcing, the company will establish new production sites outside of Taiwan to achieve a global presence and become a world-class manufacturer.
- (3) Product Development Direction
- A. In response to the trend of local sourcing, the company will establish new production sites outside of Taiwan to achieve a global presence and become a world-class manufacturer.
- B. The company's future R&D plans will focus on developing products with long lifespan, waterproof features, and digitalization. The goal is to surpass Japanese manufacturers by developing optical technologies and ultra-high precision products. The company will also differentiate itself from low-end, low-priced products in the Chinese market.
- (4) Alignment of Operational Scale with Financial Management
- A. Continued investment in research and development will be made to maintain a leading position in product development and process technology, in order to enhance competitive advantages.
- B. Efforts will be made to strengthen product production and marketing capabilities, expand business scale, increase production capacity, and reduce unit costs, in order to consolidate market position and enhance market share.
- C. The company will adhere to a long-term and prudent financial strategy that aligns with the company's long-term business development goals. Ample financial support and flexible capital allocation will be provided to maximize the efficiency of financial operations.

## (II). Market and Sales Overview

### 1. Market analysis

#### 1.1 Sales regions and sales performance of major products

Unit: Thousand New Taiwan Dollars

Region	Year	Year 2023		Year 2024	
		Amount	Percent	Amount	Percent
Taiwan		197,195	27.30%	187,154	31.39%
China		351,857	48.69%	212,182	35.59%
Other regions		173,525	24.01%	196,921	33.03%
Total		722,577	100.00%	596,257	100.00%

#### 1.2 Market share

The products sold by our company can be categorized into two main types: optoelectronic products, such as backlight modules, and electronic component products, including switches, potentiometers, encoders, and sensors.

The Company's photonic products face competition from companies such as Ruiyi, Zhongliang Electronics, Fu Xiang, and Maolin. Since its mass production in 2000, this product has become the largest contributor to the Company's sales revenue, with a market share of approximately 10% in Taiwan. The Company now plans to target the automotive, industrial control, and medical markets by offering high-performance, cost-effective, and high-specification products to meet the needs of domestic and international customers.

In the field of electronic components, the Company faces competition from numerous domestic and international competitors. In Taiwan, there are well-known brands and specialized manufacturers such as Huashuai, Xieyi, Wuyi, Fuge, Kunying, Qunguang, Yuanguang, Aihua, Xiongmei, Meiqi, Huajie, and Yuanda, among others. In addition to competition from traditional manufacturers in countries such as Japan, South Korea,



the United States, and Europe, in recent years, competitors from mainland China have been catching up rapidly and their strength cannot be ignored. With the increasing demand for automotive applications in mainland China due to the growth of automobile sales in recent years, the Company has been gradually expanding its production lines in mainland China, aiming to further increase sales volume and competitiveness under the conditions of effective cost reduction. In addition, new products and new customers will be introduced with a comprehensive plan to strengthen the Company's capabilities in expanding its business performance and gradually increasing market share.

### 1.3 The future supply and demand situation and growth potential in the market

#### (1) Optoelectronics industry

##### A. Growth prospects for the future :

Previously, automotive displays pursued integrated designs with longer lifecycle, but now there is a trend towards separated screen designs with shorter lifecycle, similar to consumer electronics displays. This trend exhibits five major development trends.

The trend of "bigger screens" - becoming a major trend in in-vehicle displays. With the continuous development of smart driving technologies, cars will evolve from "four wheels + four sofas" to "four wheels + a mobile phone." By then, the size of in-vehicle displays will become larger, similar to mobile phone screens. In addition, in-vehicle screens can expand horizontally and vertically, providing display space for larger screens.

The trend of "high definition" - consumers demand higher resolution for in-vehicle displays. LTPS LCD (Low-Temperature Poly-Silicon) technology has higher electron mobility compared to a-Si LCD (Amorphous Silicon) technology, which can meet the demand for higher resolution displays. Additionally, LTPS displays have advantages such as narrow bezels, high brightness, and in-cell (touch panel embedded in the LCD pixels) functionality. As a result, LTPS technology is being increasingly adopted by automotive manufacturers.

Interactivity - Touchscreen technology may become a standard feature for in-vehicle displays, similar to smartphones. In-vehicle displays require higher sensitivity and lighter touch compared to traditional displays. Currently, capacitive touchscreens are widely adopted in automotive displays.

Multi-screen display - In-vehicle displays have the potential for further expansion beyond instrument clusters and infotainment displays. Multi-screen display can be viewed from two perspectives. Firstly, from 0 to 1, displays can be incorporated in areas where there were no screens before, such as rear-seat control displays, key fob displays, etc. Secondly, from 1 to n, head-up displays (HUDs) and electronic rear-view mirrors, which were previously limited to high-end vehicles, are becoming more common. This trend is driven by the need for safety and the integration of augmented reality (AR) technology. HUDs and electronic rear-view mirrors are expected to continue their development and wider adoption in automotive displays.

Multi-form display - Unlike traditional flat displays, flexible displays with various forms such as curved, flexible, and transparent screens are becoming more diverse, opening up new possibilities for interior design in vehicles. These advancements in display technology offer greater flexibility in the layout and design of in-vehicle spaces, providing users with a heightened sense of technology and innovation in the automotive experience.

In addition to automotive displays, the panel industry has significant growth potential in other areas such as smart interactive displays and commercial displays. Currently, mostly applied in the retail market of digital signage panels are used in the retail market, and the commercial retail industry is experiencing rapid growth.

B. The future supply and demand situation :

To cope with the trend of decreasing production costs in the panel industry, backlight module manufacturers have been focusing on increasing the in-house production of backlight modules or investing in material suppliers to ensure a stable supply and competitive pricing advantages. Additionally, panel manufacturers have achieved a high level of material selection and cost control for backlight modules, which has put significant pressure on backlight module manufacturers to improve their operational efficiency. Our company has been dedicating efforts to increase in-house production rates of materials and reduce costs to adapt to the development trend of the industry. Furthermore, backlight module design needs to meet the requirements of panel manufacturers for local supply, which can further enhance efficiency and reduce labor costs. This approach ensures that we provide the best quality and delivery services to maintain product competitiveness in the market.

(2) Electronic components industry

A. Growth prospects for the future :

- (a) The electronic components market in our country is primarily applied in markets such as LCD TVs, smartphones, industrial control products, computer components, home appliances, gaming consoles, etc. However, due to the introduction of substitute products and intensified market competition, the growth of electronic components products has slowed down.
- (b) Our company possesses core technologies in precision machining and automated production for key electronic components used in audiovisual equipment and digital multimedia products, such as switches, variable resistors, bit generators, position sensors, etc. In addition, our advantage of having distributors in mainland China to provide local customer service ensures the achievement of sales and profits.
- (c) Our company is also engaged in the development of new products, such as magnetic induction variable resistors and encoders, applied in products with high lifespan and precise output. The outlook for this development is promising.

B. The future supply and demand situation :

Switches and resistors are important components in the electronic components industry and are indispensable in downstream system products. Therefore, the growth of switches and resistors is closely related to the growth of the electronic components industry. As electronic components continue to improve in performance and new products become more mature and stable with better functionality, switches and resistors are widely used in various electronic products. According to various data, the future development of computer multimedia, communication, and consumer electronics products is expected to be robust, which indicates that the market demand for switches and resistors in the electronic components industry is expected to continue to grow steadily.

Furthermore, the trend towards electrification in the automotive industry is gaining momentum, and currently, the proportion of automotive electronic

components in the overall cost of automobiles is increasing. Cloud-based and connected products are also future development trends. Our company has been actively engaged in product research and development in this field, and we anticipate significant growth in our performance as a result.

#### 1.4 Competitive Advantage in Public Competition

- (1) Our company has a long-standing history, with a track record of stable quality and outstanding reputation

Our company has been established for over 50 years, and has a well-established brand reputation and image. We have adhered to a high-quality policy and are committed to improving customer satisfaction over the years. We have obtained ISO 9001, ISO 14001, IATF 16949, and ISO 45001 certifications, which demonstrate our strict requirements for product reliability and safety. In addition, our rich manufacturing experience accumulated over the years ensures that high quality becomes a powerful tool for expanding our business, as the market continues to grow steadily.

- (2) International leading manufacturers

Our company adheres to the principle of customer first and service foremost, and has established a reputation for excellent product development and manufacturing experience, which has garnered us a strong customer base including internationally renowned companies. Through long-term partnerships with these customers, we continuously enhance our international competitiveness to attract more customers.

- (3) The division of labor between Taiwan and mainland China is well-coordinated, resulting in mutual benefits in terms of economies of scale

In consideration of labor costs and proximity to the market, our company has gradually established production bases in mainland China. Traditional labor-intensive products have been relocated to mainland China for production, while our domestic operations focus on product research and development and prototyping. This division of labor across the Taiwan Strait has resulted in increased efficiency and profitability for our company.

The current backlight module manufacturing industry is highly competitive, with declining gross margins. Improving production efficiency and cost control to reduce production costs has become a crucial task for industry players. Our company has achieved economies of scale in terms of production quantities, which not only improves production efficiency but also provides greater bargaining power in raw material procurement. This allows us to obtain lower prices or better payment terms for raw materials, resulting in reduced production costs. This economy of scale advantage is crucial in a price-competitive market.

- (4) Core technical capabilities and product integration

The company is committed to relentless research and development of key technologies for its products, and has achieved significant patents and achievements. In recent years, through industry-academia collaboration, we have focused on the development of new products and technologies to strengthen our core technical capabilities. In addition, the Business Planning Department pays great attention to market trends, and when collaborating with customers in product development, we emphasize the integration of technology and market to increase the practicality of research and development outcomes. We also strive to build close partnerships with customers to create long-term competitive advantages in a highly competitive market.

- (5) Constructing an integrated information platform among manufacturing sites

Constructing an integrated information platform among manufacturing sites to streamline information flow, including integrating back-end ERP information systems, establishing web-based cross-site approval process management and messaging capabilities, efficient approval and process control through WebEIP

enterprise portal, web-based ISO document management and approval management, resource sharing, etc., to facilitate faster and more transparent information exchange within the company. Additionally, the platform provides access to employee corporate information, departmental information, personal information, lifestyle information, resource sharing, and knowledge management, enabling more efficient operations and collaboration among employees.

#### 1.5 Favorable factors for future development vision and unfavorable factors

##### (1) Favorable Factors

- A. The market outlook for the optoelectronics industry is optimistic, with significant growth potential in optoelectronic products such as LED modules, LED lighting, and others.
- B. Both production bases on both sides of the Taiwan Strait possess economies of scale and flexibility in responding to market demands.
- C. Having obtained international quality management system certifications such as ISO 9001, ISO 14001, IATF 16949, and ISO 45001, as well as a proven track record of long-term transactions with renowned international manufacturers, the company possesses strong competitiveness.
- D. With expertise in precision components, information peripherals, optoelectronics, and other product technologies, as well as strong research and development capabilities, the company continuously launches new products in line with market trends.

##### (2) Unfavorable Factors and Countermeasures

###### A. The rising cost of labor

Countermeasures : (a) Developing new automated production machines  
(b) Increasing the production proportion of factories in mainland China.  
(c) Strengthening employee education and training to cultivate multi-skilled workers with flexible adaptability.

###### B. The market is highly competitive, and product innovation is fast-paced.

Countermeasures : (a) Enhancing our research and development capabilities, with an emphasis on developing niche products.  
(b) Expanding our production scale to enhance our competitiveness.  
(c) Increase our in-house interest rate of components, reduce material costs, and improve profitability

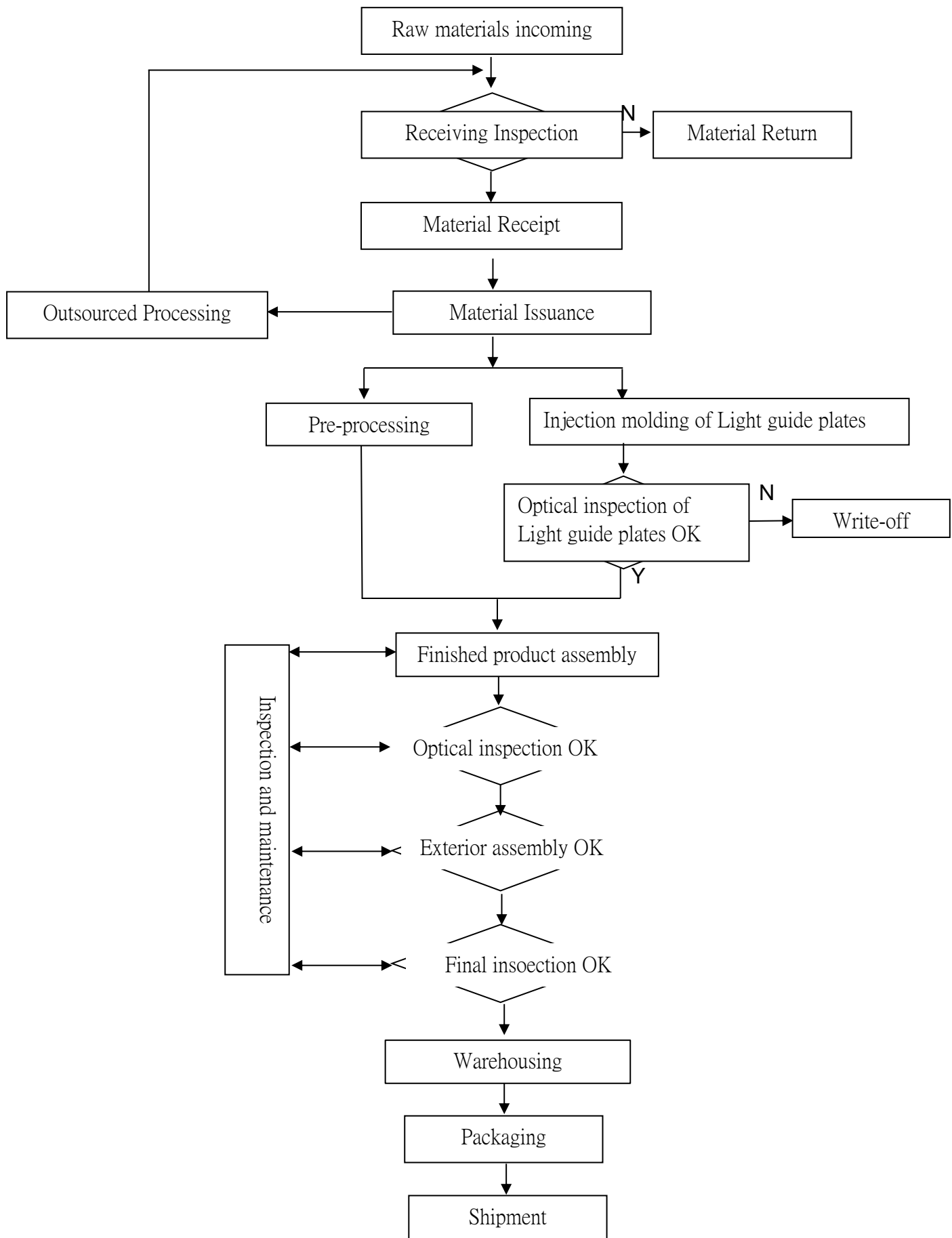
## 2. The significant applications and production processes of our main products

### 2.1 The applications of our main products

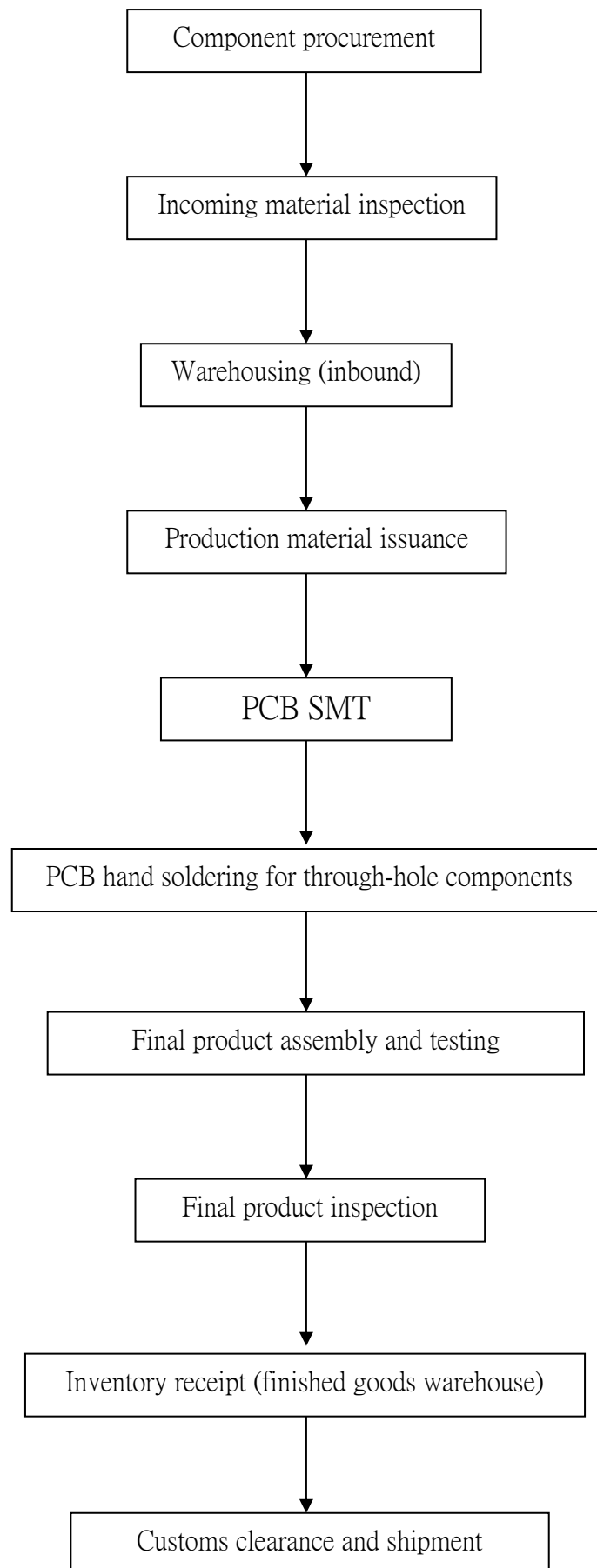
Products	Primary applications or functions
Optoelectronic products (such as backlight modules and LCD display modules)	The main functions of the products are to project, display, and provide uniform and sufficient light source for transmissive LCD panels, which are used in mobile terminals, personal computers, laptops, LCD displays, LCD TVs, and other products.
Electronic Components products (Switches, variable resistors, bit generators, and sensors)	The main functions of the products are bit generation, signal transmission, power switching, and signal sensing, which are used in applications such as audio/video equipment, lighting control, automotive electronics, medical devices, smartphones, TVs, audio systems, radios, digital cameras, power supplies, set-top boxes (STBs), servers, and gaming consoles, as well as information, communication, and electronic products.

## 2.2 The manufacturing process of the main products

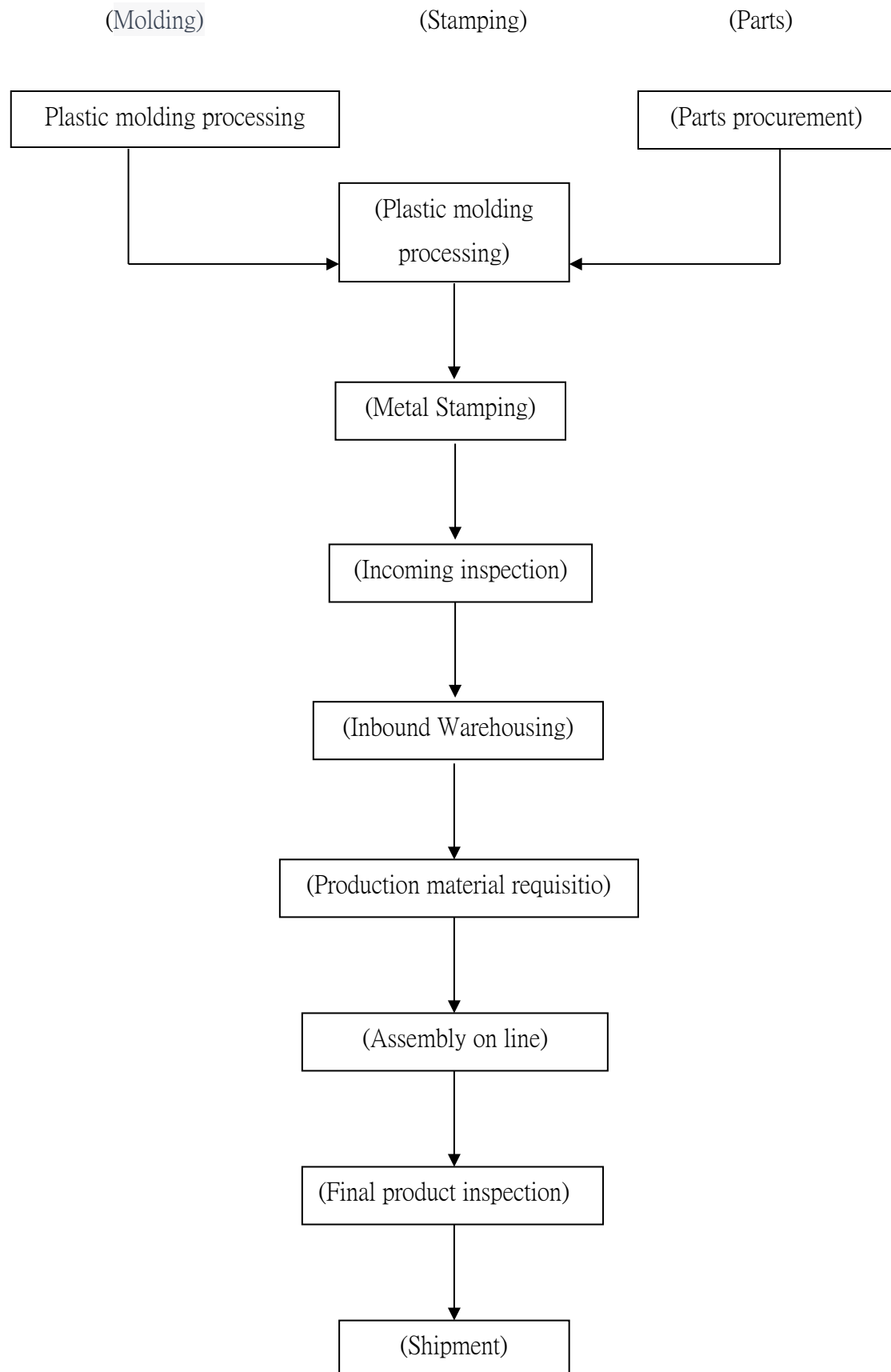
### (1) The manufacturing process of optoelectronic products



(2) Peripheral products for information appliances



### (3) Manufacturing process of electronic components





### 3. Status of supply of main raw materials

The main raw materials of our company include stamping parts, LEDs, light guide plates, frames, optical films, audiovisual ICs, etc. Except for special materials, we maintain relationships with at least two suppliers for each raw material to avoid dependence on a single source and to have negotiation leverage on raw material prices. So far, we have maintained good relationships with all our suppliers, and the supply situation is ample and stable. In addition, for higher-cost and tight-supply items such as light guide plates, frames, film cutting, and LED Light Bars, our company invests in R&D and equipment for in-house production, effectively mitigating supply constraints and reducing production costs.

### 4. List of suppliers whose purchases (sales) accounted for more than 10% of total sales (purchases) in any of the past two fiscal years, along with the purchase (sales) amount and percentage, and explanation for the changes in their purchases (sales).

#### 4.1 List of major suppliers for the past two fiscal years:

Unit: New Taiwan Dollars (NTD) per thousand units

Items	Year 2023				Year 2024			
	Name	Amount	Percentage of net purchases for the entire fiscal year (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases for the entire fiscal year (%)	Relationship with the issuer
1	Supplier A	59,133	14.54%	—	Supplier A	66,392	19.42%	—
2	Other	347,577	85.46%	—	Other	275,456	80.58%	—
3	Purchases net amount	406,690	100.00%	—	Purchases net amount	341,848	100.00%	—

Our company considers not only the price, but also the technical capabilities, product quality, production capacity, and delivery lead time when selecting our suppliers. We aim for diversified sourcing to reduce production costs and procurement risks.

#### 4.2 List of major sales customers in the past two years:

Unit: New Taiwan Dollars (NTD) per thousand units

Items	Year 2023				Year 2024			
	Name	Amount	Percentage of net purchases for the entire fiscal year (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases for the entire fiscal year (%)	Relationship with the issuer
1	Customers A	163,201	22.59%	—	Customers A	76,196	12.78%	—
2	Other	559,376	77.41%	—	Other	126,944	21.29%	—
3				—		393,117	65.93%	—
4	Purchases net amount	722,577	100.00%	—	Purchases net amount	596,257	100.00%	—

Our company has a diversified and stable customer base, and maintains good cooperative relationships with our customers. We also strive to deepen our core technologies, develop new products and explore new markets in order to reduce customer concentration risk.

**(III). Employee data for the past two years and as of the date of printing of the annual report**

Unit: Persons

Year		Year 2023	Year 2024	2025.3.31
Number of Employees	Staff	49	51	50
	Technicians	178	163	160
	Total	227	214	210
Average age per year		46.78	46.78	48.65
Average years of service		9.46	9.46	10.93
Educational attainment distribution ratio	PhD	0.4%	0%	0%
	Master's degree	1.3%	1.4%	1.4%
	Bachelor's degree	25.1%	26.6%	27.1%
	Senior high school	55.5%	54.2%	54.3%
	Below senior high school	17.6%	17.8%	17.1%

**(IV). Environmental Expenditure Information**

Our company is committed to implementing pollution prevention and environmental protection measures in our factory in response to international environmental trends and government environmental regulations. We strive to enhance the quality of the working environment for our employees and create a better living environment for the general public, fulfilling our responsibility as global citizens.

1. In the 2024 fiscal year, the company's Sanxia plant violated Article 36, Paragraph 1 of the Waste Disposal Act and was fined NT\$60,000 by the Environmental Protection Bureau. Additionally, the plant was required to attend a 2 hour environmental training session.
2. Future Countermeasures and potential expenses:  
Company's current emissions of waste gases and wastewater, as well as the removal and treatment of waste, comply with regulatory requirements. It is estimated that the company's environmental expenses as a percentage of its operating income will remain low in the next three years, which will not affect its operational effectiveness and competitive position. However, it will have a positive impact on reducing the environmental pollution impact.

Projected environmental expenditure information for the next three years :

Unit: New Taiwan Dollars per thousand units

Equipment name	Projected annual acquisition			Purpose
	Year 2025	Year 2026	Year 2027	
Air pollution control equipment	128	128	128	Compliance with regulations for waste gas treatment
Air pollution control fee	90	90	90	
Operating expenses for air pollution control equipment	870	500	500	Compliance with regulations for waste gas treatment
Waste disposal fee	73	73	73	Compliance with regulations for waste gas treatment
XRFAnalyzer for Hazardous Substances Analysis	15	15	15	Testing for hazardous substances regulated by the EU RoHS Directive

3. According to the EU RoHS Directive, the following information is provided by our company:  
Since 2004, our company has been committed to meeting the requirements of customers' green procurement and the EU RoHS directive to ensure smooth domestic and international sales. Starting from the product design, procurement, and manufacturing processes, we have

avoided the use of hazardous substances to become a comprehensive green supply enterprise. Currently, we regularly update relevant regulations in response to the EU environmental directive to ensure that our products comply with RoHS and REACH regulations.

4. Company's environmental performance is as follows:

4.1 Our company continues to implement ISO 14001 environmental management system and maintains the validity of the verification certificate.

4.2 We collaborate with our parent company, Tatung, in implementing the "Pollution Prevention Pays" (3P) program, which incorporates the concept of clean production into our company culture, allowing for simultaneous development and environmental protection.

**(V). Labor Relations**

1. Employee welfare measures

Our company established the "Forward Electronics Co., Ltd. Employee Welfare Committee" in August 1972, responsible for implementing all employee welfare measures.

Employee welfare measures	Status of implementation
1. Employees shares	Since the establishment of the Employee Stock Ownership Committee in December 2005, we have encouraged employees to accumulate small amounts of savings on a continuous basis, aiming for long-term savings, wealth accumulation, and ensuring a stable future for employees' livelihoods.
2. Subsidy	We provide education subsidies for high school and university education of employees' children, funeral subsidies for employees or their spouses and immediate family members, wedding subsidies for employees or their children, as well as childbirth subsidies and funeral subsidies for employees.
3. Social activities	Upbringing, recreation, hiking, and travel, etc.
4. Employee safety and security measures	Labor insurance, health insurance, group insurance, and free health check-ups.

2. Training, and Development programs

We have a team of professional instructors and collaborate with external professional organizations to offer various in-service training courses, foreign language courses, computer courses, and second specialty development programs to enhance the professional competence of our employees. The company also encourages employees to participate in external professional education and training programs, and provides full subsidies. In addition, employees can utilize the company's library and online databases for self-study and personal growth.

Training, and development programs	Status of implementation
1. Management Training Programs	Total training hours for the year 2024 amounted to 36 hours, with a total of 6 participants.
2. Job Skills Training Training	Total training hours for the year 2024 amounted to 690 hours, with a total of 367 participants.
3. Business Knowledge and Skills Training	Total training hours for the year 2024 amounted to 105 hours, with a total of 27 participants.
4. Compliance and Regulatory Training	Total training hours for the year 2024 amounted to 988 hours, with a total of 823 participants.

3. Retirement system

Our company has established an employee retirement system, which has been in effect since May of 1999, in accordance with the provisions of the "Labor Standards Act". Each month, 15% of the total salary of employees is allocated as retirement reserve fund, which is deposited and utilized in a special account supervised by the Labor Retirement Reserve Fund Supervisory Committee.

The "Labor Pension Act" was implemented on July 1, 2005, and adopts a defined contribution system. After the implementation, employees may choose to apply either the retirement pension provisions under the "Labor Standards Act" or the retirement pension system under the "Labor Pension Act" while retaining their accumulated years of service

under the original "Labor Standards Act". For employees subject to the "Labor Pension Act", our company contributes 6% of their monthly salary as the retirement pension reserve fund, and recognizes the retirement pension allocated for each period as an expense based on the obligation and responsibility incurred.

4. Work Environment and Personal Safety Protection Measures

The company is committed to providing a healthy and safe working environment for employees. Specific measures are as follows:

Implement a smoking ban throughout the workplace, and regularly replace water dispenser filters, as well as maintain water towers and air conditioning systems.

Implement access control at the company's main entrance and arrange for 24-hour security personnel to ensure safety.

Provide necessary occupational injury protective equipment for employees.

Establish emergency disaster response procedures and ensure relevant emergency equipment is available.

Regularly conduct fire drills to improve employees' ability to respond to emergencies.

Obtain ISO 45001:2018 Occupational Health and Safety Management System certification and undergo external audits annually.

5. Agreements between labor and management and the status of measures to protect employees' rights and benefits

Since its establishment, our company has adhered to the concept of sustainable management and is committed to enhancing employee well-being. We have set up physical and online suggestion boxes to provide channels for employees to voice their opinions, and hold regular labor-management meetings for communication and collaboration. We have also established an Employee Welfare Committee to safeguard and promote employee rights, fostering harmonious labor-management relations.

6. The company has not incurred any losses due to labor-management disputes in the recent fiscal year and up to the date of printing of the annual report. There are no estimated amounts or measures to disclose regarding current or future potential losses related to labor-management disputes. If there are no reasonable estimations, the fact of being unable to make reasonable estimations shall be disclosed: None.

**(VI). Cyber security management:**

1. Information Security Risk Management Framework, Information Security Policies, Management Plans, and Resources Invested.

1.1 Information Security Management Organizational Structure

Department/Title	Responsibilities
General Manager	1. Define the scope of the information security management system, organizational structure, resource allocation, continuous improvement, and decision-making. 2. Appoint a dedicated information security officer.
Information Security Officer	1. Responsible for promoting the company's information security management operations. 2. Ensure the establishment and maintenance of processes within the information security management system. 3. Oversee the effectiveness of the information security management system and identify areas for improvement. 4. Supervise internal audit activities. 5. Appoint one information security officer.
Information Center	1. Coordinate all activities related to the information security management system. 2. Coordinate training activities related to the information security management system. 3. Responsible for the procurement and management of information software, including intellectual property management. 4. Responsible for the establishment and operation of the company's network and information systems. 5. Responsible for managing and maintaining the information data center. 6. Conduct internal audits of information security. 7. Handle information security incidents, initiate and track corrective actions. 8. Appoint one information security staff member.
Human Resources Department	1. Personnel management. 2. Training and development.
All Departments	1. Execute activities, use information equipment, and maintain information security environments according to company information security regulations. 2. Manage and maintain information security for departmental information software and hardware, information systems, physical environments, personnel, and data. 3. Supervise and manage the information security of relevant suppliers.

The company established the "Forward Electronics Information Security Management Measures" on September 12, 2019. The measures specify the company's information security risk management organizational structure and responsibilities, information security policies, software and hardware access control procedures, information operations management, network communication management, human resources security, and other related operational standards for compliance and control.

In 2023, the company appointed a dedicated information security officer and staff responsible for overseeing information security protection, executing and auditing related policies, and ensuring the protection of personal data, operational data, information software and hardware, and network security.

## 1.2 Information Security Policies, Specific Management Plans, and Resources Invested

Utilize information technology to protect the company's information asset security.

Provide information services ensuring confidentiality, integrity, and availability.

Create an information environment that benefits the company, customers, and society.

In terms of organizational control:

- The cybersecurity policy serves as the highest guiding principle for managing cybersecurity risks, while also establishing a management mechanism in accordance with domestic cybersecurity control guidelines to ensure the effectiveness and continuity of business operations.
- In addition to implementing cybersecurity protections, the company collaborates with external organizations or agencies (e.g., Taiwan CERT/CSIRT Alliance, Trend Micro) to receive threat intelligence, share relevant cybersecurity information, and take appropriate defensive measures to mitigate potential exposure risks.
- A cybersecurity committee meeting is held every quarter, with an annual cybersecurity training session conducted each year.
- Audit activities include periodic audits of the information environment and cybersecurity by the digital audit departments of external accounting firms. Additionally, annual cybersecurity internal control checks are conducted by the audit department to assess the implementation and achievement of information security objectives. The audit report is then submitted to the Chairman.
- Employees sign a personal data consent form and are informed about the purpose, categories, and their rights regarding the collection of personal data, in compliance with personal data protection regulations. Additionally, an annual training session on personal data protection laws is held to raise awareness.
- Before providing services, external contractors must sign a confidentiality agreement and a personal data notification consent form, and comply with relevant information security requirements.
- For significant transactions with sales customers, a Non-Disclosure Agreement (NDA) should be signed to bind the parties to agree not to disclose any sensitive information related to the commercial activities, thereby providing crucial protection for the transaction information.
- Cybersecurity Personnel: There are a total of two cybersecurity staff members, including the cybersecurity manager. The total expenditure for this year on firewall, antivirus software, SSL certificates, ERP/NAS backup devices, and other related costs is approximately \$900,000.
- The cybersecurity management report for this year will be presented at the Board of Directors meeting on November 21, 2024.

#### In Technical Control:

- Based on the PDCA (Plan-Do-Check-Act) management cycle, implement the information security policy effectively.
- Implement daily checks of the information data center, focusing on key servers, firewall CPU load, email sending/receiving, dedicated line traffic, virtual machine system operations, and load checks.
- Establish an antivirus central control system to provide proactive security protection, and integrate third-party cybersecurity monitoring mechanisms to prevent computer virus invasion risks.
- Upgrade network firewalls to achieve network protection and segmentation, meeting internal needs while adopting the principle of minimal port exposure to strengthen the security control of critical infrastructure services.
- Apply the principle of least privilege to manage operating permissions for information systems, preventing unauthorized access to data and protecting personal/business information from theft, alteration, damage, or leakage.
- The operation of information systems follows the principle of least privilege in managing operational permissions to prevent unauthorized personnel from accessing data, and to protect personal and business data from theft, tampering, damage, or leakage.

Develop backup plans and conduct periodic failover availability tests, such as ERP system restore drills, to ensure system integrity and high availability, providing continuous operation services for the business.

2. In the most recent year and up to the date of this annual report, the company has not suffered any form of loss due to information security incidents.

For reporting and handling information security incidents, the company has established a clear information security reporting and processing procedure, which is disclosed during employee security training. Upon receiving a report, the Information Center is required to resolve and address the information security incident within the target handling time. After the incident is resolved, a root cause analysis is conducted, and corrective actions are taken to prevent the recurrence of similar incidents.

3. To implement personal data protection, the company has established the "Forward Electronics Co., Ltd. Personal Data Protection Management Guidelines" in accordance with the "Personal Data Protection Act." The company adheres to the principle of good faith and legally collects, processes, and uses personal data within the necessary scope for specific purposes, while respecting the rights and interests of the individuals involved.

#### 3.1 Designated Management Contact:

Management Item	Designated Contact
Personal data file security maintenance	Human Resources Department, Personnel Section
Point of contact for major personal data breaches	Highest-level supervisor of each unit
Prevention of damage and crisis management notification	Highest-level supervisor of each unit
Consultation on personal data protection laws and regulations	Legal Department
Enhancement of personal data protection awareness and training for employees	Human Resources Department, Personnel Section
Development and revision of personal data protection policies and procedures	Human Resources Department, Personnel Section

### 3.2 Personal Data Protection Law and Regulation Advocacy:

Year	Course Name	Advocacy Date	Number of Participants	Duration	Other Advocacy Channel
2023	Implementation of Personal Data Protection Management	2023.03.17	16 people	1 hour	Course content announced on the company's internal website, advocated to all employees.
2024	Implementation of Personal Data Protection	2024.03.29	17 people	1 hour	

### (VII). Important Contracts:

Contract Type	Parties	Contract Start and End Date	Main Content	Restrictions
Sales Agreement	Asia Asset Developments Co., Ltd(Samoa)	2024/3/23~ 2034/3/21	Joint development of Indonesia forest carbon credit WSRAFP1 project	Transfer of rights and obligations in this case is prohibited without the consent of the other party.
Sales Agreement	Asia Asset Developments Co., Ltd(Samoa)	2024/7/13~ 2034/7/12	Joint development of Indonesia forest carbon credit WSRAFP2 project	Transfer of rights and obligations in this case is prohibited without the consent of the other party.
Long-term Loan	Chang Hsin Bank	2021/5/6~ 2028/5/6	Single use (7 years), amount of NTD 750 million	None
Long-term Loan	Chang Hsin Bank	2023/12/1~ 2028/12/1	Single use (5 years), amount of NTD 280 million	None
Short-term Loan	Chang Hsin Bank	2023/12/23~ 2025/12/23	Revolving use (1 year), amount of NTD 100 million	None



## V. Review and analysis of financial condition and performance, and identification of risk factors

### (I). Financial Status

Unit: NTD thousand

Item \ Fiscal year	Fiscal year 2024 ①	Fiscal year 2023 ②	Difference	
			Amount (①－②)	% (①－②)/②
Current assets	1,504,983	1,442,674	62,309	4.32%
Fixed assets	549,982	557,869	(7,887)	-1.41%
Other assets (including investments in equity method)	1,188,867	1,130,062	58,805	5.20%
Total assets	3,243,832	3,130,605	113,227	3.62%
Current liabilities	321,321	247,146	74,175	30.01%
Long-term liabilities	1,191,609	1,208,299	(16,690)	-1.38%
Total liabilities	1,512,930	1,455,445	57,485	3.95%
Capital	1,399,830	1,399,830	0	0.00%
Capital reserve	48,716	48,716	0	0.00%
Retained earnings	(17,111)	35,674	(52,785)	-147.96%
Other equity	299,467	190,940	108,527	56.84%
Total shareholders' equity	1,730,902	1,675,160	55,742	3.33%

Explanation of Significant Changes in Percentage:

1. The increase in long-term liabilities is to increase short-term loans for operational use.
2. The decrease in retained earnings is mainly due to the net loss incurred in 2024.

### (II). Financial Performance

Unit: NTD thousand

Item \ Fiscal year	Fiscal year 2024	Fiscal year 2023	Increase (decrease) amount	Variable %
Net operating income	596,257	722,577	(126,320)	-17.48%
Operating costs	568,642	721,991	(153,349)	-21.24%
Operating margin (loss)	27,615	586	27,029	4612.46%
Operating expenses	215,043	154,587	60,456	39.11%
Operating income (loss)	(187,428)	(154,001)	(33,427)	21.71%
Non-operating income and expenses	84,723	13,328	71,395	535.68%
Income from continuing operations before income tax(loss)	(102,705)	(140,673)	37,968	-26.99%
Income tax expense (benefit)	17,646	(390)	18,036	-4624.62%
Net (loss) profit for the period	(120,351)	(140,283)	19,932	-14.21%
Other comprehensive income	176,093	140,022	36,071	25.76%
Other comprehensive income for the period	55,742	(261)	56,003	-21457.09%

1. Explanation of significant changes in proportion:

- 1.1 Reduction in operating costs and increase in gross profit: This is mainly due to the reduction in leased area and streamlining of manpower at Suzhou Forward, resulting in benefits..

- 1.2 Increase in operating expenses and operating loss: This is primarily due to the increase in carbon credit-related technical service fees and management personnel salaries.
- 1.3 Increase in non-operating income and expenses, decrease in pre-tax net loss and net loss for the period: This is mainly due to the increase in foreign exchange gains and the decrease in impairment losses of non-financial assets.
- 1.4 Income tax benefit turned into income tax expense: This is mainly due to the assessment that some of the current period's losses may not be used to offset future income, thus the deferred tax assets were reversed.
- 1.5 Increase in other comprehensive income for the period and total other comprehensive income for the period: This is mainly due to the increase in exchange differences arising from the translation of financial statements of foreign operations.

2. Expected sales volume and its basis, possible impact on the company's future financial business, and response plan: No significant impact.

### (III). Cash Flow

Unit: NTD thousand

Beginning balance of prepaid rent ①	Annual net cash flows from operating activities ②	The net cash flows from investing and financing activities for the entire year ③	The impact of exchange rate fluctuations on cash and cash equivalents ④	Cash surplus (deficiency) amount ①+②+③+④	Measures to remedy the cash deficiency	
					Investment Plan	Financial Plan
1,132,328	(126,677)	(174,251)	27,448	858,848	-	-

#### 1. Analysis of Changes in Cash Flows for the Year 2024

- 1.1 Operating Activities: The net cash inflow from operating activities was 27,339 million units in 2023 and 126,677 million units in 2024. The decrease in 2024 was mainly due to increase in advance payments operational activities, resulting in no pre-tax net profit, which caused the cash outflow from operations to rise compared to 2023.
- 1.2 Investing Activities: The net cash inflow from investing activities was 404,067 million units in 2023 and 214,383 million thousand in 2024. The decrease in 2024 was primarily due to the maturity proceeds from financial assets measured at amortized cost in 2023 and the acquisition of financial assets measured at fair value through profit or loss in 2024.
- 1.3 Financing Activities: The net cash inflow from financing activities was NTD 240,711 thousand in 2023 and NTD 40,132 thousand in 2024. The decrease in 2024 was mainly due to the increase in long-term bank borrowings in 2023 compared to 2022.

2. Measures to remedy expected cash deficits and liquidity analysis: None.

#### 3. Analysis of Future Cash Liquidity for the Coming Year

Unit: NTD thousand

Beginning balance of prepaid rent ①	Annual net cash flows from operating activities ②	The net cash flows from investing and financing activities for the entire year ③	The impact of exchange rate fluctuations on cash and cash equivalents ④	Cash surplus (deficiency) amount ①+②+③+④	Measures to remedy the cash deficiency	
					Investment Plan	Financial Plan
858,848	913	(114,000)	-	745,761	-	-

**(IV). The impact of significant capital expenditures on financial operations in the recent year:** The primary focus of Forward Corporation's operations in 2024 is to expand the manufacturing of niche products, particularly precision components. Capital expenditures will be allocated towards the independent development of automation equipment and process improvement. Additionally, the company will continue to invest in carbon credit development in response to the burgeoning global opportunities for carbon initiatives.

**(V). Re-investment Policy in the Past Year, the Main Reason for Its Profit or Loss, the Improvement Plan and Investment Plan in the Next Year:**

**1. Re-investment Policy in the Past Year**

To meet the demands of customers in electronic components and backlight modules, we have established local production facilities through our subsidiary, FORWARD DEVELOPMENT CO., LTD, and indirectly invested in two subsidiary companies, Suzhou Forward Electronics Technology Co., Ltd. and Forward Electronics Equipment (Dongguan) Co., Ltd., with the main purpose of integrating the establishment of production bases in Taiwan and mainland China to achieve the optimal integration and utilization of resources across the Taiwan Strait. On July 12, 2023, the company established its subsidiary Forward Intelligent Co., Ltd., focusing on global net-zero carbon emissions and green innovation industry development. As the urgency to combat climate change increases globally, governments and enterprises are setting net-zero carbon emission targets. The company is actively responding to this international trend and has been continuously expanding its carbon credit development business in recent years. Currently, the main business operations include the development of natural carbon sink projects and carbon market trading advisory services.

**2. The main reasons for Re-investment profit or loss and improvement plans**

As of the end of 2024, the book value of Suzhou Forward Electronic Technology Co., Ltd. was NTD 554,395 thousand. Due to the provision for student card bad debt, the business has impacted the profitability performance of Suzhou Forward Electronics Technology Co., Ltd. The company will accelerate focus on the sales of new-generation backlight modules for automotive, industrial control, and medical products, and strengthening the sales of key components, the company was able to maintain profitability. The investment losses for 2024 was NTD 50,587 thousand. The book value of Forward Electronic Equipment (Dongguan) Co., Ltd. was NTD 223,183 thousand as of the end of 2024. The investment income for 2024 was NTD14,758 thousand.

Forward Intelligent Co., Ltd. reported an investment loss of NTD 30,370 thousand in 2024. In 2024, the company developed a forest carbon sink project in the Maluku Province of Indonesia (Verra Certification No. 4381), marking a significant milestone for the company. The total area of the project exceeds 140,000 hectares, with an expected annual production of approximately 1 million tons of high-quality carbon credits certified by international professional organizations.

To assist enterprises in effectively implementing carbon management strategies, the company established a professional subsidiary, Forward Intelligent Co., Ltd., which provides comprehensive carbon reduction strategy consulting services. Through the assistance of the company's professional team, businesses can successfully develop and implement energy-saving and carbon-reduction action plans, achieving excellent reduction performance. Furthermore, the company is actively participating in helping businesses achieve their renewable energy usage targets, enhancing their ESG performance, promoting energy transformation, and supporting sustainable business development.

In addition, the company plans to invest in digital technologies, including blockchain and artificial intelligence (AI), to establish a more transparent and efficient carbon credit trading platform. This platform will improve the traceability and credibility of the trading process, helping businesses achieve their sustainability and ESG goals. To strengthen professional capabilities, the company will continue collaborating with renowned academic institutions, research organizations, and industry experts both domestically and internationally. This

collaboration will ensure a leading position in carbon credit management and sustainable development strategies, aiming to become a highly influential carbon credit development and trading service provider in the Asia-Pacific region and globally, achieving sustainable operations and creating long-term value for all stakeholders.

### 3. Investment Plan for the Next Year

Our company continuously evaluates future market conditions and corporate demands concerning our existing precision component products. We allocate resources towards expanding production capacity and enhancing the automation level of production assembly. Additionally, we will explore opportunities to expand our contract manufacturing business, taking into account industry cyclicalities and market positioning.

Regarding our investment in subsidiary Forward Intelligent Energy Co., Ltd., we will focus on the following projects:

- 3.1 Carbon Credit Development Projects: Investment in projects aimed at reducing carbon emissions, such as focus on forest conservation and forestry management, the goal is to reduce greenhouse gas emissions while providing international carbon credit allowances.
- 3.2 Carbon Market Trading: Participation in carbon market trading, including buying and selling carbon credits. This involves engaging in carbon credit trading on public markets or engaging in bilateral transactions with other companies to realize profits.
- 3.3 Carbon Quota Management: Providing carbon quota management services to clients, including carbon emission monitoring, carbon quota purchase and management, carbon market analysis, and risk management.
- 3.4 Carbon Emission Capital and Technology Investment: Investment in the development of carbon emission measurement and monitoring technologies, as well as the development of low-carbon or zero-carbon technologies, will help companies reduce carbon emissions.

## (VI). Risk Analysis and Evaluation

### 1. Risk Management Framework

The company's Board of Directors approved the "Risk Management Policy" on October 31, 2024. The "Risk Management Group," established under the "Sustainable Development Working Group," considers the company's size, business characteristics, risk nature, and operational activities to promote and execute risk management. This aims to enhance corporate governance, reduce potential operational risks, and ensure the company's sound operations and sustainable development. The Risk Management Group reports to the Board of Directors at least once a year on its operations. On December 23, 2024, the Risk Management Group presented the risk management operation status to the Board of Directors, and the information is disclosed on the company's website under the "Investor Information" → "Corporate Governance" → "Corporate Governance Operations and Information" section.

#### 1.1 Organization

**Board of Directors:** The highest risk governance body, responsible for approving risk management policies and systems and overseeing the execution of risk management to ensure the effective operation of the risk management mechanism.

**Audit Department:** Under the Board of Directors, responsible for auditing risk management. It provides timely insights to the management on existing or potential risk issues in internal controls to ensure compliance with established regulations and control procedures.

**Risk Management Group:** Established under the Sustainable Development Working Group, this group is composed of various risk management units and is responsible for executing risk management duties. It reports the results of risk management to the Sustainable Development Working Group on a regular basis each year.

**Risk Management Units:** Each business execution unit within the company is responsible for clearly identifying the risks they face. The unit head is accountable for

risk management, supervision, and control of related risks within their respective unit, ensuring that the company's risk management system effectively controls the associated risks.

## 1.2 Risk Management Process

The company's risk management process includes risk identification, risk analysis, risk monitoring and response, and risk reporting and disclosure.

(1) Risk Identification: The risk management process identifies and analyzes risks based on their materiality. It considers the potential impact of risks on the company's operations, financials, compliance, integrity, emerging risks, and other hazardous events. The various risk categories are explained as follows:

### A. Operational Risks

1. Business Continuity Risks
2. Supply Chain/Commodity Price Risks
3. Market Demand & Capacity Expansion
4. Increased Competition/Innovation Deficit/Concentrated Sales
5. Human Resources
6. Information Security

### B. Financial Risks

1. Exchange Rate & Interest Rate Fluctuations
2. Liquidity Risks:
3. Derivatives Trading:

### C. Compliance and Integrity Risks

1. Corporate Governance
2. Anti-Corruption and Fraud
3. Environmental Regulations

### D. Emerging Risks and Other Hazardous Events

1. Climate Change
2. Health and Safety
3. Natural Disasters

(2) Risk Analysis: For the identified risks, a comprehensive evaluation should be conducted considering the risk appetite and tolerance level to serve as the basis for risk management decisions.

(3) Risk Monitoring and Response: Risk management indicators should be established, and the risk management unit will continuously monitor these risks. They should report to the risk management team at appropriate intervals. In response to risks, mitigation strategies or risk deferral plans should be implemented, and, as necessary, preventive, contingency, crisis management, and business continuity plans should be developed to effectively control risks. Relevant records should be created and maintained.

(4) Risk Management and Disclosure: The risk management team should present a risk management report to the Sustainable Development Working Group at least once a year and provide a report to the board of directors. The risk management report or the annual risk management performance will be disclosed publicly on the company website, annual report, or sustainability report and regularly updated.

## 2. Impact of interest rate, exchange rate fluctuations, and inflation on the company's income statement and future response measures

### 2.1 Explain the impact of recent year's exchange gains/losses and interest income/expense on the company's profit and loss statement:

(1) Description of the company's foreign exchange gains or losses and interest income and expenses in the recent year

Unit: NTD thousand

Fiscal year 2024	Operating Revenue①	Interest income (expense) ②	②/①	Exchange loss, net③	③/①
Amount	596,257	12,298	2.06%	26,479	4.44%

## 2.2 Interest rate fluctuations

After the company's transformation and reorganization plan, the operational and financial structure has continued to improve, and the company has also obtained more favorable borrowing rates from banks.

## 2.3 Exchange rate

The company primarily adopts natural hedging in foreign exchange operations related to import and export. We utilize various hedging tools according to the net positions of foreign currency assets and liabilities to mitigate the risks that may arise from exchange rate fluctuations.

The company also keeps a close eye on the trends of major world currencies and takes the following measures in response to exchange rate fluctuations:

- (1) The finance staff refers to the daily exchange rate fluctuations and professional advice from banks to keep track of the trend of exchange rates.
- (2) Sales and purchases denominated in foreign currencies are settled directly in the respective foreign currency to reduce the risk of currency conversion and exchange rate fluctuations.
- (3) The company has established a "derivative trading processing program", and currently has not applied for forward foreign exchange transaction quotas from banks. In the event of significant changes in exchange rates in the future, relevant hedging tools will be planned accordingly.

## 2.4 Inflation

The stable inflation rate in recent years has had no significant impact on the operations and profitability of the company. The company will continue to carefully evaluate the trend of raw material prices and adjust procurement and sales strategies as needed to meet operational demands.

3. Policy, main reasons for profit or loss, and future response measures regarding high-risk, high-leverage investments, lending funds to others, endorsement guarantees, and derivative commodity trading:

- 3.1 In 2024, the company did not engage in high-risk, high-leverage investments, lending to others, or derivative transactions (forward foreign exchange contracts).
- 3.2 The company did not provide any guarantees for subsidiary companies in 2024.
- 3.3 Subsidiary companies did not provide any guarantees for our company in 2024.
- 3.4 The company has established "Lending to Others Operation Procedures" and "Guarantee Endorsement Operation Measures" as the guidelines for such activities.
- 3.5 The purpose of our company's forward foreign exchange contracts is mainly to hedge against the risks associated with foreign currency debts and liabilities caused by exchange rate fluctuations. The primary hedging strategy is aimed at achieving the ability to avoid most market price risks.

## 4. Future research and development projects and the expected R&D expenses to be invested

R&D project items	Current Status	Investment in R&D	Expected completion time	R&D content
Magnetic Induction Dual-Axis Encoder	Proceeding according to plan	3 million	Expected to be completed in Q3 of 2025	1. Precision mechanism R&D design. 2. Magnetic induction control technology development. 3. Expected to be completed in Q3 2025.
Long-life slide potentiometer with LED and motor	Proceeding according to plan	3 million	Expected to be completed in Q4 of 2025	1. Precision mechanism R&D design. 2. LED light guide structure R&D design. 3. Expected to be completed in Q4 2025.

5. Impact of important domestic and foreign policies and legal changes on the company's financial business and corresponding measures: The company has taken appropriate measures to cope with recent important policy and legal changes both domestically and internationally during the past fiscal year, and they have not had a significant impact on the company's financial business.
6. Impact of technological changes and industry transformations on the company's financial operations and corresponding measures: There have been no significant changes in the technology used in our product sales. However, to cope with intense market competition, our primary response measures will be to enhance product functionality and reduce product costs.
7. Impact of corporate image changes on corporate crisis management and response measures: The company has always adhered to the spirit of "integrity, diligence, thrift," serving customers, shareholders, creditors, and the general public, and moving towards sustainable growth. Adhering to "integrity, diligence, and thrift" is the highest standard of our company's operations.
8. Expected benefits, potential risks, and corresponding measures for the merger and acquisition: None.
9. Expected benefits, potential risks, and coping measures for the expansion of factory building: The expansion and construction of our company's plant are subject to feasibility assessments conducted by the relevant teams, and appropriate benefit evaluations and risk management will be carried out in accordance with the company's internal control procedures.
10. Risks and mitigation measures for concentrated procurement or sales: If the company plans to expand or construct additional factory facilities, a dedicated team will conduct feasibility assessments. Additionally, appropriate benefit evaluations and risk mitigation strategies will be carried out in accordance with the company's internal control procedures.
11. The impact, risks, and response measures of a significant transfer or replacement of shares by directors, supervisors, major shareholders holding more than ten percent of the shares on the company will be evaluated and addressed in accordance with the company's internal control procedures: None.
12. Impact, risks, and response measures regarding the change in management control of the company: None.
13. Litigation or non-litigation events:
  - 13.1 The company is currently involved in significant litigation, non-litigation, or administrative disputes that are pending: None.
  - 13.2 The major litigations, non-litigation, or administrative disputes involving the current directors, supervisors, and major shareholders owning ten percent or more of the shares of the Company are pending and their outcomes may significantly affect the Company's operations or shareholder interests: None.
14. Other significant risks and corresponding measures: None.

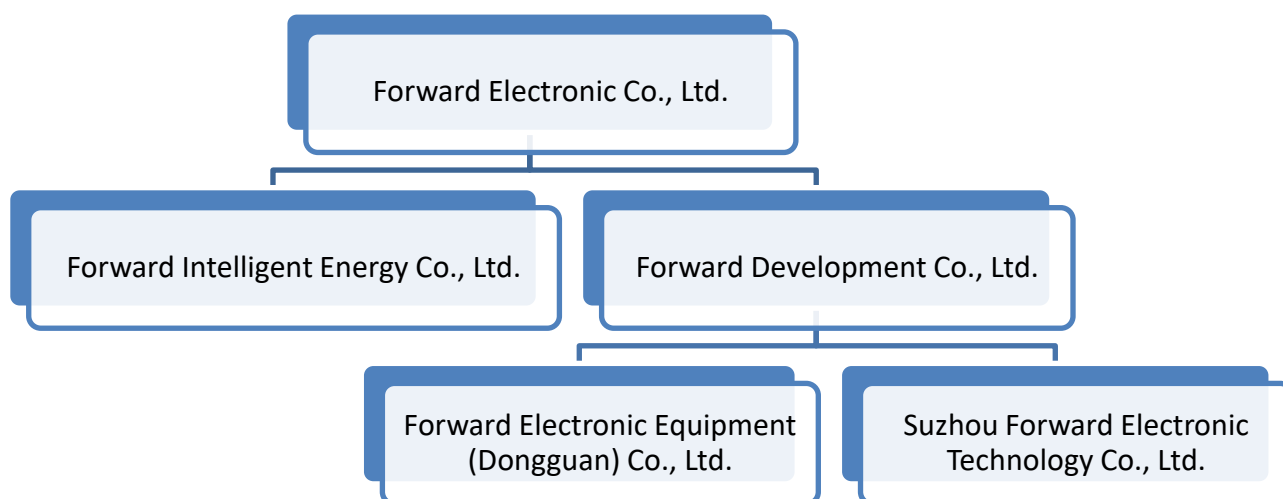
**(VII). Other important matters: None.**

## VI. Special notes

### (I). Information about the company's affiliates

#### 1. Organizational Chart and Shareholding Structure of company's affiliates

As of December 31, 2024, the main equity investment and shareholding ratio of the company is shown in the following table:



#### 2. Basic information of company's affiliates

Expressed in thousands of New Taiwan Dollars, foreign currency is expressed in yuan

Company name	Date of Establishment	Address	Paid-in capital (Note)	Main business or production items
FORWARD DEVELOPMENT CO., LTD.	1998.11.10	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.	US 19,298,479	Invested businesses.
Forward Electronic Equipment (Dongguan) Co., Ltd.	1999.2.3	Yangkengtang Village, Dalang Town, Dongguan City	US 4,600,000	Lease of factory buildings business.
Suzhou Forward Electronic Technology Co., Ltd.	2002.6.5	Economic Development Zone, Wujiang City, Jiangsu Province	US 12,200,000	Production and sales of TFT LCD backlight modules, driver boards, tuners, keyboards, mice, switches, socket connectors, etc.
Forward Intelligent Energy Co., Ltd.	2023.7.12	393, Section 1, Zhongzheng Road, Sanxia District, New Taipei City	NT290,000	Domestic and international carbon trading, carbon neutrality asset management services, and carbon credit development projects.

#### 3. Assumed to have control and subsidiary relationships, same shareholder information: None.



#### 4. Operation Relationship Description:

##### 4.1 The industries covered by the overall business operations of company's affiliates:

Company name	Main business and production items
FORWARD DEVELOPMENT CO., LTD.	Development, manufacturing and sales of switches, variable resistors, sensors, encoders, and other related products, as well as sales of information appliances, peripheral products, and lighting products.
FORWARD DEVELOPMENT CO., LTD.	Investment business.
Forward Electronic Equipment (Dongguan) Co., Ltd.	No production, revitalization through factory rental business.
Suzhou Forward Electronic Technology Co., Ltd.	Development, manufacturing, and sales of backlight modules and materials, LCD display modules, and related products.
Forward Intelligent Energy Co., Ltd.	domestic and international carbon trading, carbon neutrality asset management services, and carbon credit development projects.

##### 4.2 Each related company operates interrelated businesses and has a division of labor in their transactions:

Forward Electronic Equipment (Dongguan) Co., Ltd. and Suzhou Forward Electronic Technology Co., Ltd. are companies indirectly invested by Forward Electronics Co., Ltd. through the investment company FORWARD DEVELOPMENT CO., LTD. They mainly aim to comply with our company's sales policy, that is, to produce on-site close to the market, and to integrate the layout of production bases in Taiwan and mainland China, with JIT delivery to meet customer needs.

## 5. Information of Directors, Supervisors, and General Managers of company's affiliates

Company name	Job title	Name or Representative Person	No. of shares held	
			No. of shares	Shareholding ratio
FORWARD DEVELOPMENT CO., LTD.	Chairmen	The representative person of Forward Electronic Co., Ltd.: Sui, Feng-zhi	19,298,479	100%
Forward Electronic Equipment (Dongguan) Co., Ltd.	Chairman and General Manager Director Director Director Director Supervisor	The representative person FORWARD DEVELOPMENT CO., LTD. :  Sui, Feng-zhi Sui Feng-zhi Lin Chien-Hong Huang Xiu-hua Lin Qing-feng Zeng Zhen-rong Sung Cheng-Xi	—	100%
Suzhou Forward Electronic Technology Co., Ltd.	Chairman and General Manager Director Director Director Director Director Supervisor	The representative person FORWARD DEVELOPMENT CO., LTD. :  Sui, Feng-zhi Sui Feng-zhi Lin Chien-Hong Huang Xiu-hua Lin Qing-feng Zeng Zhen-rong Sung Cheng-Xi	—	100%
Forward Intelligent Energy Co., Ltd.	Chairman General Manager Director Director Director Supervisor	The representative person Forward Electronic Co., Ltd. :  Hong Chi-Chang Ma Jin-Yao Wang Guang-Xiang Wang Ya-Hsuan Ma Jin-Yao Zhang Guo-Cheng	29,000,000	100%

## 6. Overview of the business operations of each related company

Unit: NTD thousand

Company name	Capital	Total assets	Total Liabilities	Net worth	Operations revenue	Operating income (loss)	Net Income (After Tax) for the Current Period	Earnings per share (EPS) (after tax)
FORWARD DEVELOPMENT CO., LTD. and subsidiaries	632,701	855,343	77,326	778,017	289,810	(86,307)	(35,808)	(0.57)
Forward Intelligent Energy Co., Ltd.	290,000	280,313	25,257	255,056	0	(36,272)	(30,453)	(1.05)

Note: The financial statements for the fiscal year 2024 have been audited and certified by accountants.

## 7. Consolidated Business Report of Related Companies

### Declaration Letter

The relationship report of our company for the year 2024 (from January 1, 2024 to December 31, 2024) is prepared in accordance with the "Guidelines for the Preparation of Related Party Merger Business Reports, Related Party Merger Financial Statements, and Related Party Reports" and the information disclosed therein is not materially inconsistent with the relevant information disclosed in the financial statement footnotes for the aforementioned period.

Hereby declared

Company Name: Forward Electronics Co., Ltd.

Representative: Hong Chi-Chang

March 3, 2025

## 8. Overview of the relationship between subsidiary and controlling companies

Unit: Shares; %

Name of the controlling company	Reasons for Control	Shareholding and pledge status of the controlling company			Involvement of representatives from the controlling company as directors, supervisors, or managers	
		No. of shares held	Shareholding ratio	Pledged shares	Job title	Name
Tatung Company	The single largest shareholder of the company holds the remaining interests, which are widely held by many other shareholders. Without contractual rights, they are able to acquire proxy votes with relative majority voting power and appoint key management personnel capable of leading critical activities within the company.	31,635,411	22.60%	-	Chairman Director Director Director Director	The representative person of Tatung Company : Hong Chi-Chang Wang Guang-Xiang Ho Ching-Ming Chang Yao-Yung Wang Ya-Hsuan Ma Jin-Yao

## 9. Transaction and business dealings

### 9.1 Purchase and Sales Transactions

2024

Terms and conditions of transactions with the controlling company				Terms and conditions of transactions with the controlling company		General trading terms and conditions		Reasons for the difference	Accounts receivable/payable and notes receivable/payable		Overdue accounts receivable		
Purchase (Sales)	Amount	The percentage of total purchases (sales)	Gross profit on sales	Unit price (NTD)	Payment Terms	Unit price (NTD)	Payment Terms		Balance	The ratio of the balance of accounts receivable (payable) and bills to the total amount of accounts receivable (payable) and bills	Amount	Processing method	Allowance for doubtful accounts
(Sales)	(70)	0.01%	-	-	Payment terms of 90 days	-	-	-	0	0	0	-	0

9.2 Property transaction situation: None.

9.3 Capital financing situation: None.

9.4 Asset leasing status:

2024

Transaction Type (Leasing or Leasing Out)	Subject Matter		Lease Period	Lease Nature (Note 1)	Basis for Determining Rent	Payment (Receipt) Method	Comparison with Standard Rent Levels	Total Rent for the Period (in thousands)	Payment Status for the Period (in thousands)	Other Agreed Terms (Note 2)
	Name	Location								
Rent	Factory	No. 393, Section 1, Zhongzhen Road, Sanxia District, New Taipei City	2024.01.01 ~ 2025.05.31	Operating lease	Negotiated between both parties	Bank transfer	Approximately equal to market rent	5,678	4,259	-

Note 1: The nature of the lease should specify whether it is a capital lease or an operating lease.

Note 2: If there are any other rights set, such as superficies rights, pledge rights, or easements, they should be specified.

9.5 Other significant transactions and business relationships: Tatung Co., Ltd. provides administrative support services to the company, resulting in an expense of 3,000 thousand.

10. Endorsement and guarantee situations: None.

**(II). Private Securities in the Past Year and as of the Date of Publication of the Annual Report:** None.

**(III). Other Necessary Supplementary Notes**

Failure of Over-the-Counter (OTC) listed company to fulfill the promises made during its application process to list on the OTC market, and incomplete commitments as of the printing date of the latest annual report: None.

**VII. Matters in the Past Year and as of the Date of Publication of the Annual Report Which Have a Substantial Impact on Owner's Equity as Stipulated in Item 2, Paragraph 2 of Article 36 of the Securities Exchange Law: None.**

**FORWARD ELECTRONICS CO., LTD**

**Chairman Hong Chi-Chang**

