

Kwong Fong Industries Corporation

2025 Sustainability Report

Kwong Fong Sustainability Report

Table of Contents

0 About this Report

0-1 Message from the Management 3
0-2 Sustainability Highlights 4
0-3 Company Overview 8

1 Path to Sustainability

1-1 SustainabilityV ision and Policy 18
1-2 Stakeholder Identification and Communication 24
1-3 Materiality Assessment Process 27

2 Implementing Sustainable Governance

2-1 Corporate Governance 34
2-2 Operational Performance 66
2-3 Integrity Management 71
2-4 Regulatory Compliance 71
2-5 Product Safety 72
2-6 Customer Relationship Management 74
2-7 Sustainable Supply Chain 76

3 Building a Sustainable Environment

3-1 Green house Gas Management 79
3-2 Energy Management 83

4 Creating a Friendly Workplace

4-1 Workforce Structure 105
4-2 Employee Benefits 113
4-3 Talent Cultivation 115
4-4 Labor-Management Communication 121
4-5 Occupational Health and Safety 124

5 Appendix

5-1 GRI Content Index 128
5-2 SASB Content Index 134
5-3 TCFD Content Index 136

About this Report GRI 2-2、2-3、2-4、2-5

Welcome to the Sustainability Report published by Kwong Fong Industries Corporation (hereinafter referred to as "Kwong Fong"). This report fully discloses Kwong Fong's sustainable management strategies, initiatives, and performance in ESG (Environmental, Social, and Governance) aspects, and presents the outcomes of stakeholder communications, demonstrating Kwong Fong's commitment to pursuing sustainable development and assuming social and environmental responsibilities.

Reporting Boundary：

Kwong Fong's parent company and its consolidated subsidiaries (Kwong Fong Holding, Pao Fong Assets, MDBS Digital, Galaxy Digital, and Digital Securities Investment Consulting). Kwong Fong Group comprises the digital technology business, construction and development business, investment business, and securities investment consulting business. This report covers a total of 4 operating locations, representing 100% of the consolidated revenue for the year 2025. The reporting boundaries for each business entity are described as follows:

1. Digital Technology Business: Covers consolidated subsidiaries in which we hold a 51% equity interest—MDBS Digital Technology Co., Ltd. and Galaxy Digital Co., Ltd. These two companies are responsible for software development and application services.
2. Construction and Development Business: Covers the consolidated subsidiary in which we hold a 100% equity interest—Pao Fong Asset Management Co., Ltd. This company is responsible for our real estate development and property management operations.
3. Investment Business: Handled by our investment division, responsible for various reinvestment businesses of Kwong Fong Industries Corporation and Kwong Fong Holding, Ltd., including domestic and overseas public market financial product investments and strategic investments.
4. Securities Investment Consulting Business: Digital Securities Investment Consulting Co., Ltd., a subsidiary of Galaxy Digital, is responsible for external securities investment consulting and advisory operations.

CompanyName	Importance	Included in Sustainability Report	Included in Financial Report	Reasonsfor NotIncluding
Kwong Fong Industries Corporation	Others	Yes	Yes	N/A
Pao Fong Asset Management Co., Ltd. (Subsidiaries)	Construction	Yes	Yes	N/A
Kwong Fong Holdings Limited (Subsidiaries)	Overseas Investment	Yes	Yes	Place of registration: British Virgin Islands/ Unemployed
Galaxy Digital Co.,Ltd.(Subsidiaries)	Information Software Services	Yes	Yes	N/A
MDBS Digital Technology Co.,Ltd. (Subsidiaries)	Information Software Services	Yes	Yes	N/A
Digital Securities Investment Consulting Co., Ltd.(Subsidiaries)	Securities Investment Advisory Services	Yes	Yes	Wholly-owned subsidiaries of Galaxy Digital Co.,Ltd.



Reporting Period

January 1, 2025 to December 31, 2025

Reporting Cycle

We prepare a sustainability report on an annual basis. This report was published in August 2026; the next report is scheduled for publication in August 2027.

Information Restatement

This is our third sustainability report. Revisions have been made to the 2024 greenhouse gas emission data; please refer to page 82 for details.

Data Measurement

Financial performance data is derived from the annual report, covering all affiliated enterprises in the consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), denominated in New Taiwan Dollars (NTD), and audited by PwC Taiwan. Please refer to the financial reports for details. Non-financial data is compiled by relevant internal departments and presented in internationally recognized indicators and units; environmental sustainability data, such as water and electricity consumption, primarily covers operating locations in Taipei City.

External Assurance

This report has not undergone external assurance or verification.

Feedback

If you have any questions, comments, or suggestions regarding this report, please feel free to reach out to us through the following channels:

Kwong Fong Industries Corporation

Contact Person	JoeCheng SeniorManager
Email	joe.cheng@kfic.com.tw
Phone	02-27048111
Website	https://www.kfic.com.tw/
Address	28 F., No. 97, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106420, Taiwan (R.O.C.)

Compilation Guidelines

The data and information in this report were provided by representatives of each respective department, consolidated by the Sustainability Task Force, reviewed for accuracy by department heads, and finally approved for disclosure by the Board of Directors before publication as a formal report.

Reporting Framework

This report is prepared in accordance with the GRI Universal Standards 2021 published by the Global Reporting Initiative (GRI), the standards of the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD) framework.

Message from the Management GRI 2-22

Message from the Management-Chairman Leo Ho

In today's world of rapid global economic shifts and the growing importance of sustainability issues, a company's value is no longer measured solely by financial performance, but by how we positively impact the environment, society, and governance. Advancing ESG has become the core strategy for our sustainable operation and a key driver in maintaining our competitiveness in the global market.

Environmental

We consistently invest in energy conservation, carbon reduction, and green innovation, actively promoting the circular economy to ensure that corporate growth goes hand in hand with global sustainability.

Social

We prioritize employee well-being, champion diversity and inclusion, and proactively give back to society by supporting education, philanthropy, and underprivileged communities—ensuring corporate success is closely aligned with societal progress.

Governance

We adhere strictly to transparency, integrity, and accountability, establishing robust governance frameworks to ensure that every decision earns the trust of our investors and the public.

LIFE

In 2025, we achieved solid operational results while taking significant strides in our ESG initiatives. These efforts have not only elevated our corporate image but also garnered increasing trust and support from investors and partners.
Looking ahead, Kwong Fong will continue to deepen its ESG practices, embedding sustainability into our corporate culture. Only through this approach can we advance with greater resilience and stability in an ever-changing world, creating a brighter future for generations to come.
Our Commitment: To make ESG not just a responsibility, but our pride; to turn sustainability from a vision into everyday action.

Sustainability Highlights

2025 Key Performance Highlights

Aspect	Content
Economic Aspect	In 2025, the Group's business divisions pursued steady and robust operations. Under our lean management policy, initiatives such as working-hour performance systems and accounts receivable management contributed to continuous growth, achieving a 7.99% increase in consolidated annual revenue and a 7.59% increase in gross profit. Furthermore, key financial indicators remained strong in 2025, with a current ratio of 224%, days sales outstanding (DSO) of 23 days, and a debt ratio of 26.97%, demonstrating a sound operating structure. Digital Technology Business: Deepening Financial Applications and Expanding Platform Revenues (I)Deepening Financial AI Applications： Continuously investing in the development of application systems for securities, funds, and insurance sectors to strengthen cross-platform integration and intelligent capabilities; launched an AI-driven wealth management platform to enhance user experience and customer retention while expanding the financial client base. (II)Digital Learning and Community Tools: Established a professional financial learning platform featuring specialized courses on topics such as ESG and AI to enrich knowledge content; integrated community interactions with subscription-based revenue models to build a sustainably growing digital service ecosystem. (III)Agency Distribution & AI Application Integration： Distributing renowned international computing host systems to deliver high-performance computing (HPC) and enterprise-level solutions; integrating our proprietary AI software applications to provide a comprehensive "Hardware + Software + Service" turnkey solution, supported by robust after-sales and technical services to maximize long-term client value. 1.Operational Process Optimization: Streamlined redundant application workflows to effectively reduce total carbon emissions. 2.Infrastructure Optimization: Minimized redundant operations across multiple cloud databases to lower carbon footprint.

Continuously invested in application system development across securities, funds, and insurance sectors; launched an AI-driven platform to enhance user experience and expand the client base.

Digital Learning and Community Tools

Established a professional financial learning platform and integrated thematic courses such as ESG and AI to deepen domain knowledge.



Agency Distribution & AI Integration

Distributed international brand systems to deliver enterprise solutions and high-performance computing.

Deepening Financial AI Applications

Social Aspect

We have long been dedicated to diverse social issues. Upholding the core philosophy of "giving back to society what was taken from society," we continuously invest resources in caring for disadvantaged groups, supporting persons with disabilities, elderly care, and child development. In 2025, we collaborated with multiple charitable organizations to implement social welfare initiatives, concretely fulfilling our corporate social responsibility (CSR).

1. Support for Underprivileged Groups: we support the "Harmony Home Social Welfare Foundation." Through donations of resources and community care initiatives, we assist financially disadvantaged families and individuals in need of emergency relief, thereby strengthening the social safety net and enhancing their basic quality of life and stability.
2. Child Development and Educational Equality: we participate in programs organized by the "Children Are Us Hearing and Speech Foundation" (Children's Hearing Foundation). Through resource donations and care actions, we focus on early intervention and speech development for children with hearing impairment, helping them improve communication skills, facilitating their integration into school and social life, and advancing equal educational opportunities.


愛慈社會福利基金會

感 謝 狀

感謝廣豐實業股份有限公司

能恩水解 1 號 800g 6 罐

與愛慈攜手營造健康和諧社會，殊深感佩。

特贈此狀，以表謝忱。

董事長 張麗淑

中華民國 114 年 10 月 16 日

Support for Underprivileged Groups

We support the "The Garden of Mercy Foundation" through donations and care initiatives to assist economically disadvantaged families and emergency relief recipients, reinforcing the social safety net and improving living stability.


感謝狀

廣豐實業股份有限公司

於 114 年 8 月

捐助本會

洗碗精 8 罐，消毒用酒精 4L 共 15 桶

您的愛心與關懷

為聽損兒打開了聲音的門扉

您的參與和支持

點燃聽損兒點燃了生命的曙光

感謝您圓了聽損兒一個有聲世界的夢想

財團法人雅文兒童聽語文教基金會

董事長 鄭欽明

中華民國 114 年 8 月 21 日

Child Development and Educational Equality

We support the "Children's Hearing Foundation" to facilitate early intervention and language development for hearing-impaired children, empowering their communication capabilities and fostering educational equity.

Social Aspect

3. Addressing Aging Society Trends，we support eldercare services organized by the Huashan Social Welfare Foundation for seniors living alone. Through material supplies and daily living assistance, we help alleviate loneliness and daily inconveniences for the elderly, fostering an age-friendly environment marked by inclusion and dignity.
4. Additionally, we partner with the Eden Social Welfare Foundation to support daily living needs and employment promotion for persons with disabilities. Through resource donations and outreach initiatives, we advance the social values of diversity and inclusion.



感謝

廣豐實業股份有限公司

捐贈物資一批關懷獨居長者

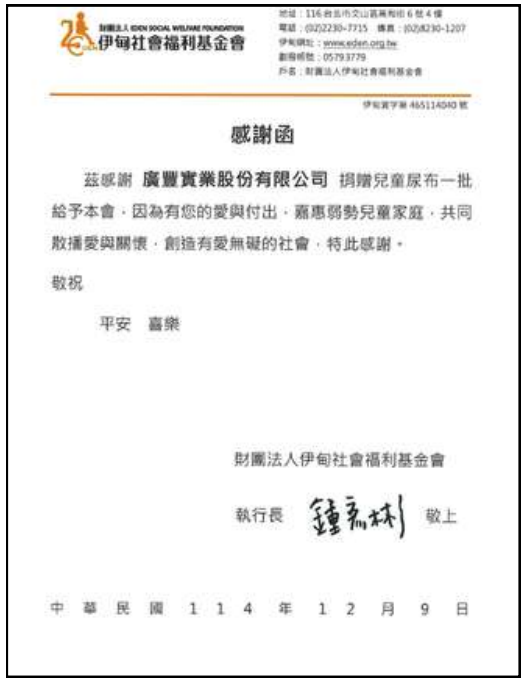
贊助支援本會
熱心公益 特申謝忱

贊助支持 2025 常年服務
「愛老人中秋 亮起來」

財團法人
華山社會福利慈善事業基金會
中華民國 114 年 7 月 19 日

Aging Society Trends

We support the Huashan Social Welfare Foundation outreach for seniors living alone, providing daily essentials and living assistance to alleviate isolation and create an inclusive, dignified, and age-friendly community.



伊甸社會福利基金會

感謝函

茲感謝 **廣豐實業股份有限公司** 捐贈兒童尿布一批給予本會，因為有您的愛與付出，嘉惠弱勢兒童家庭，共同散播愛與關懷，創造有愛無礙的社會，特此感謝。

敬祝

平安 喜樂

財團法人伊甸社會福利基金會

執行長 鍾嘉林 敬上

中 華 民 國 1 1 4 年 1 2 月 9 日

Support for Persons with Disabilities

We collaborate with the Eden Social Welfare Foundation to focus on living support and employment promotion for persons with disabilities, advancing diversity and inclusion through resource contributions and care initiatives.



感謝狀

感謝 [redacted] 熱心公益，與[redacted]合辦「我種村我馬基」大師面狀公益講座活動，並捐出課程費用新台伍萬元，協助本會推展偏遠地區之平期療育組團服務多年，覺特感荷。

臺灣兒童發展平期療育協會
理事長 張乃文

2025 5 01 8 10

Through these philanthropic actions, we consistently transform corporate resources into positive social impact and builds long-term partnerships with charitable organizations. Looking forward, we will continue to deepen our investments, expand our social impact, and advance steadily toward the Sustainable Development Goals (SDGs).

Environmental Aspect

1. In 2025, we invested in a U.S.-based company with projects spanning cutting-edge fields such as closed-loop recycling, plastic injection molding, and automated luggage manufacturing. We provide comprehensive support in technology transfer and strategic planning to drive innovative breakthroughs in the green circular economy in the United States, aiming to become an industry leader. Mass production and sales are projected to commence officially in 2026, which is expected to rapidly expand market presence and establish a stable revenue stream.
2. We are collaborating with developers on the reconstruction project of unsafe and old buildings in the Meiren Section, Songshan District, which will comply with the Regulations on Floor Area Ratio Incentives for the Promotion of Reconstruction of Urban Unsafe and Old Buildings. Architectural plans are designed to meet standards for seismic-resistant building design (Article 6), Candidate Silver-level Green Building Certification (Article 7), and Candidate Silver-level Smart Building Certification (Article 8). The project is slated to enter the substantive development stage in 2026.



Company Profile GRI 2-1、2-6



Company Basic Information

Company Name	Kwong Fong Industries Corporation
Head Office Address	28 F., No. 97, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106420, Taiwan (R.O.C.)
Company Registration Number	1416
Industry Category	Others
Establishment Date	June 28, 1968
Capital Amount	NT$1,853,421,680
Number of Issued Shares	185,342,168 shares
Number of Employees	146
Operating Locations	4 locations in Taiwan

Note: Theabove dataisas of December 2025



CompanyIntroduction andHistory

Kwong Fong Industries Corporation (TWSE ticker: 1416) was founded in 1968, initially specializing in "LIFE" brand towels, and was listed on the Taiwan Stock Exchange in 1976. In response to changing industrial dynamics, the Company proactively transformed its business model, expanding into real estate development and construction starting in 2006. In 2020, Kwong Fong further expanded into the fintech sector by investing in MDBS Digital Technology Co., Ltd. and Galaxy Digital Co., Ltd., providing real-time financial trading products, big data analytics, and financial AI platforms. Today, Kwong Fong has evolved into a diversified enterprise group with businesses spanning construction, digital technology, and property management. Key milestones and historical events of the Company are outlined below:

1968 The Company's founder, Mr. Ho Ying-Tsai, established "Kwong Fong Industries Corporation" in Bade Township, Taoyuan County, and created the "LIFE" trademark.



1969 Establishment of the towel factory.

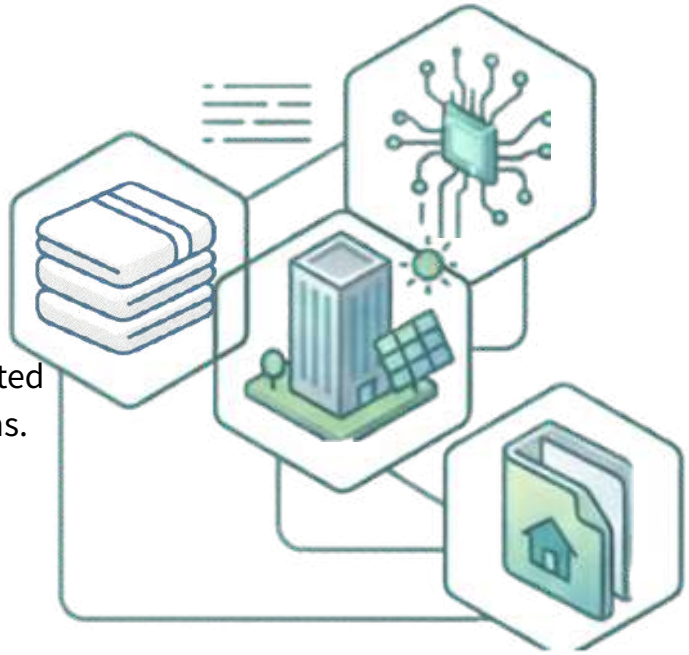
1970 Establishment of the spinning mill.

1976 Approved for public listing on the Taiwan Stock Exchange.

1979 Merged with "Le Cheng Textile Co., Ltd."

1983 Accelerated equipment upgrades, implemented integrated automated manufacturing processes, and enhanced production management information systems.





1992 Kwong Fong Overseas Development Co., Ltd. invested in the Hong Kong-listed "Great China Holdings Limited."

1997 Applied for the urban rezoning plan for the "Residential Area Rezoning Project" in Bade, Taoyuan.

1998 Expanded the towel business division into the "Home Products Division."

1999 Entered the formal military uniform market and began developing high-end bedding products in collaboration with renowned international brands such as Disney and KAFEN.



2003 Set up Pao Fong Investment Management Co., Ltd. through investment. to undertake the development of the urban land in Bade City**.**

2007 Pao Fong Investment Management Co., Ltd. launched the "Taoyuan Yangmei Apple Community" and "Tamsui Xiaopingding Westin Hilla," both receiving great acclaim.

2009 Consolidated the urban land (the land on which Kwong Fong’ s Taoyuan factories sat) in Bade City, Taoyuan County and completed the development of the land for the early phase of the urban land consolidation project.

2010 Launched “Kwong Fong Park NO.1” project.

2011 Launched “Kwong Fong Park NO.2” project.。

2013 Launched “Kwong Fong Park NO.3” project.。







2017 “Kwong Fong Plaza” was completed and put into operation.





2020 Sold “Kwong Fong Plaza.”、Invested “MDBS Digital Technology Co., Ltd.” and “Galaxy Digital Co., Ltd.。



1968
Kuang Feng Industrial Co., Ltd. was establi

1969
Mao Pin was established.

1970
Mao Pin Yarn Mill was established.

1976
Listed on the Taiwan Stock Exchange.

1979
Merged with Sheng Cheng Textile Co., Ltd.

1983
Planned the "One Factory with Full Automation".

1984
Taiwan's largest synthetic yarn manufacturer.

1992
Invested in the OCT Group in Hong Kong.

1997
Applied for and approved by the Eighth Redevelopment Project in Taipei City.

1998
Established the Mao Pin Business Innovation Technology Research Division.

1999
Entered the mattress market and partnered with Dunlopillo.

2003
Established Kuang Sheng Asset Management Co., Ltd.

2007
Kuang Sheng Asset Management Co., Ltd. developed "Fu Ju New Village" and "Danshui Small Town Project".

2009
Completed and put into operation the Guanyin Plant expansion project, promoting smart factory and sustainable development.

2010~2013
Kuang Sheng Asset Management Co., Ltd. constructed "Kuang Fu Park NO.1", "NO.2", and "NO.3".

2017
Kuang Feng New Material Laboratory established.

2020
Established "Kuang Feng New Material Technology Co., Ltd." and promoted digital transformation to expand in the financial technology sector.

Operating locations



Kwong Fong Industries Corporation

28F., No. 97, Sec. 2, Dunhua S. Rd., Da an Dist., Taipei City +886-2-27029139



Kwong Fong Holdings Limited

28F., No. 97, Sec. 2, Dunhua S. Rd., Da' an Dist., Taipei City

Pao Fong Asset Management Co., Ltd.

28F., No. 97, Sec. 2, Dunhua S. Rd., Da' an Dist., Taipei City

MDBS Digital Technology Co., Ltd.

8F., No. 105, Sec. 2, Dunhua S. Rd., Da' an Dist., Taipei City +886-2-27029129

Galaxy Digital Technology Co., Ltd.

18F., No. 105, Sec. 2, Dunhua S. Rd., Da' an Dist., Taipei City +886-2-27029139

Digital Securities Investment Consulting Co., Ltd.

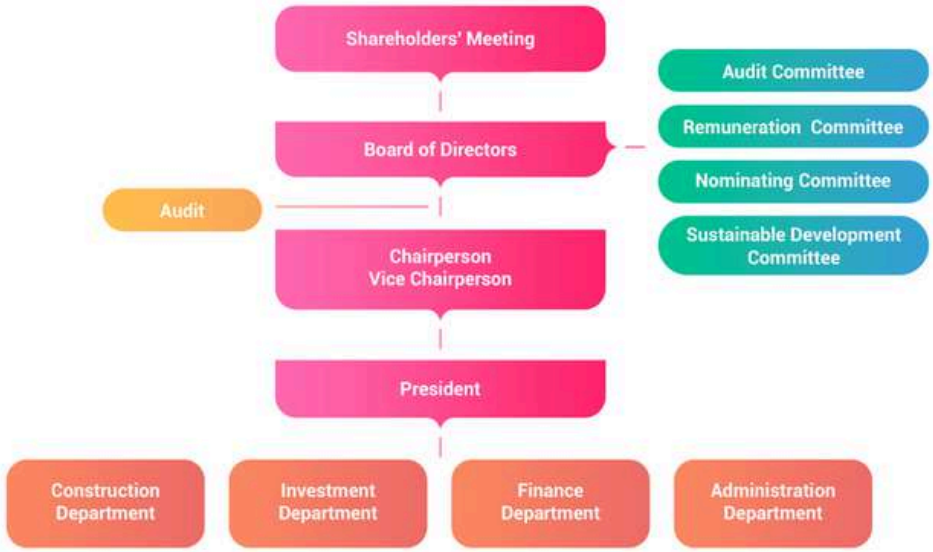
18F., No. 105, Sec. 2, Dunhua S. Rd., Da' an Dist., Taipei City +886-2-27029139



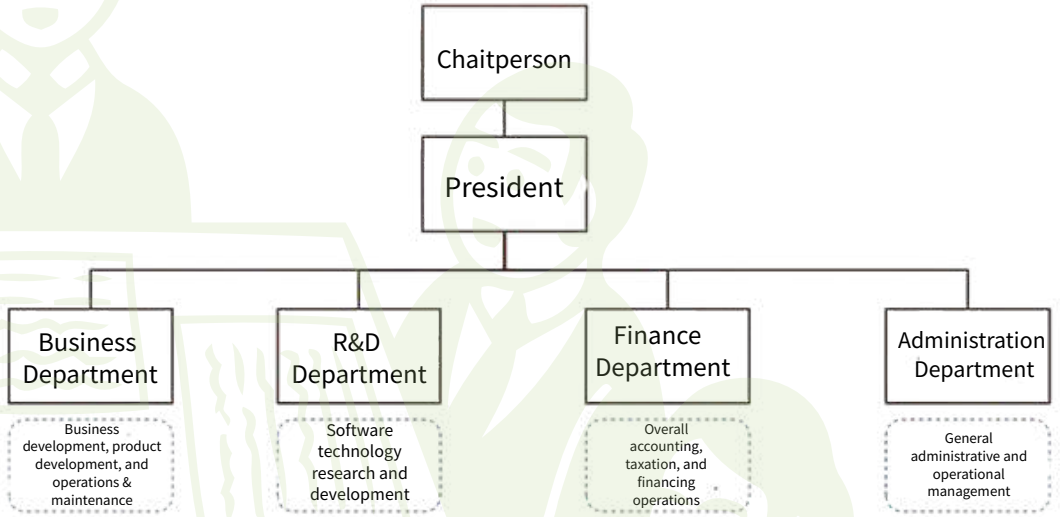


Organizational Structure

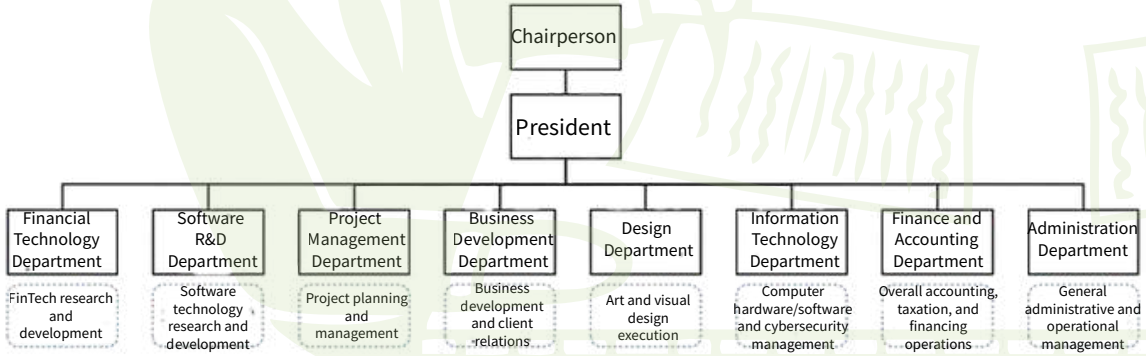
Kwong Fong Industries Corporation (Parent Company)



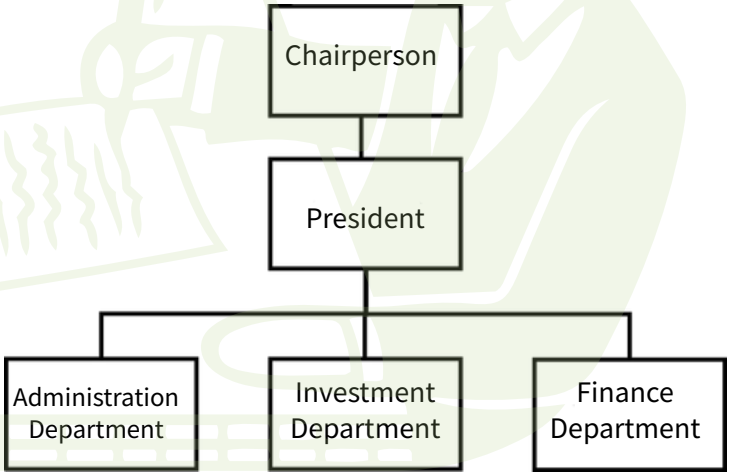
Galaxy Digital Technology Co., Ltd. (Subsidiary)



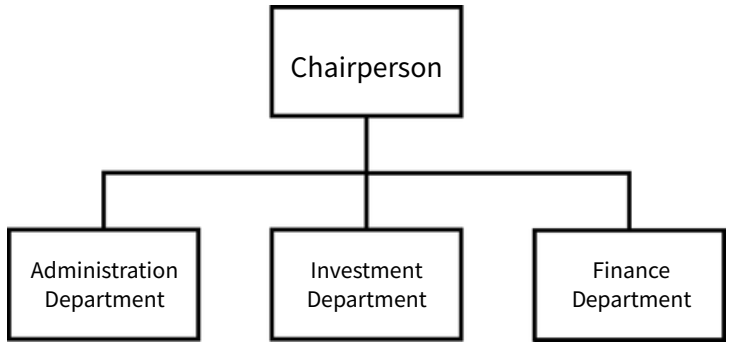
MDBS Digital Technology Co., Ltd. (Subsidiary)



Pao Fong Asset Management Co., Ltd. (Subsidiary)

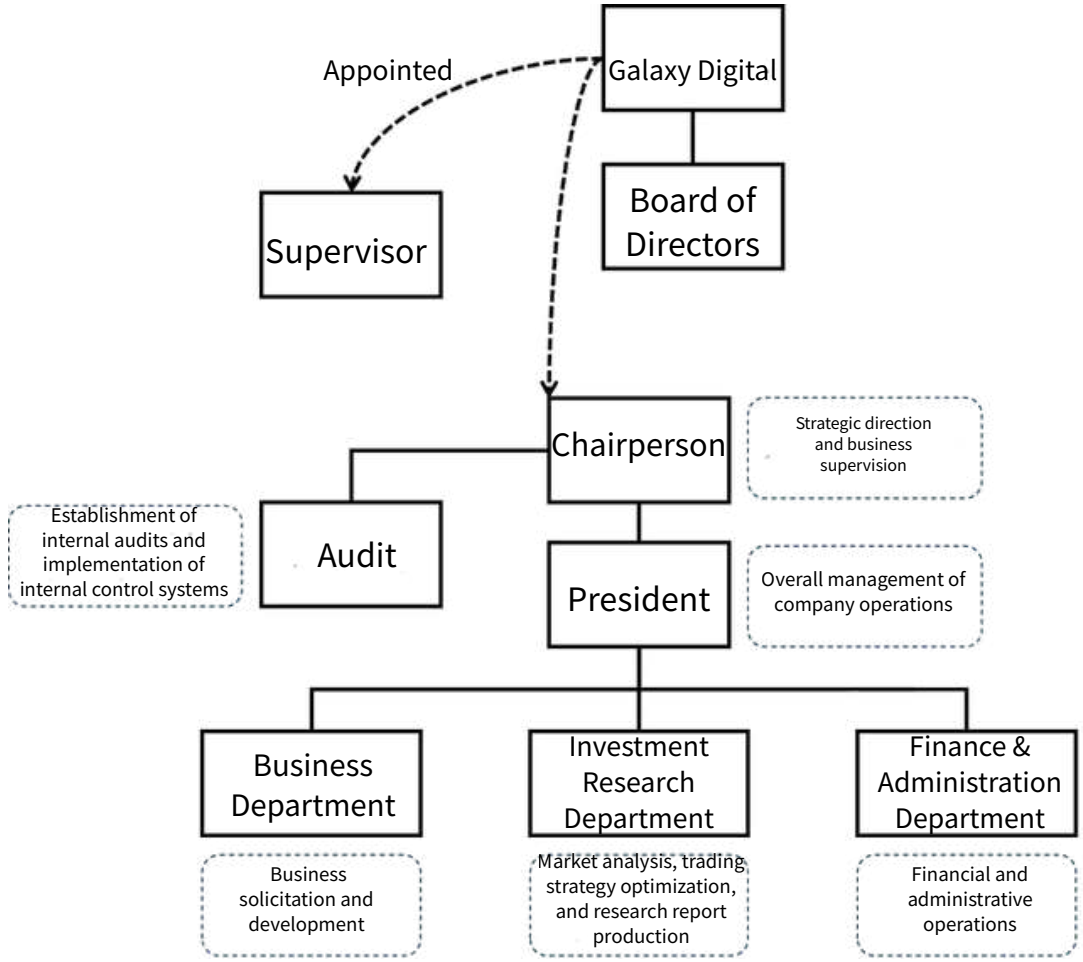


Kwong Fong Holding Limited (Subsidiary)





Digital Securities Investment Consulting Co., Ltd. (Galaxy Digital Subsidiary)



Corporate Philosophy

Corporate Philosophy

Upholding the spirit of "embracing innovation and forging ahead," we respond flexibly to industrial and economic challenges. By maintaining a diligent, pragmatic, and stable operational approach, we establish a resilient foundation for sustainable growth. Guided by principles of fairness, integrity, and transparency, we strive to continuously generate value and address diverse market demands. Kwong Fong prioritizes integrity management and fosters mutual trust with clients, partners, and employees, providing high-quality products and services across the construction, digital technology, and property management sectors.

Corporate Vision

Centered on the philosophy of "integrating resources, creating value, and sharing benefits," Kwong Fong leverages a well-defined value-creation model to harness internal and external group strengths, tap growth momentum, and drive sustainable development. We are committed to fostering employee well-being, rewarding shareholders, and elevating overarching value for our customers and enterprise. Kwong Fong firmly believes that only through long-term commitment and collective engagement can we fulfill our ultimate vision of "harmonious coexistence between humans and nature."

Product and Service Introduction

■ In 2025, total consolidated revenue amounted to NTD 360,152 thousand, with information subscription services accounting for approximately 45.77%, information system development accounting for about 36.42%, information system maintenance revenue accounting for 15.61%, consulting services accounting for about 1.78%, and rental income accounting for approximately 0.41%. Compared to 2024, the proportion of information subscription services decreased, while all other categories experienced growth.

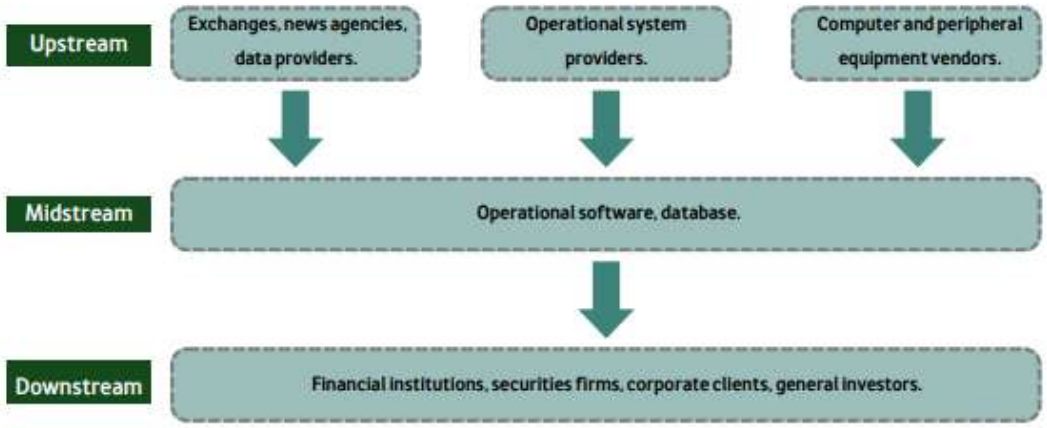
■ Digital Technology Business: Our Digital Technology Business is deeply rooted in financial systems across securities, futures, and insurance sectors. Leveraging our strengths in high system performance and seamless data integration, along with extensive cross-industry development expertise, we are dedicated to delivering high-value-added solutions and services.

- In the B2B market, our portfolio includes the "Speedy" real-time financial trading system in Taiwan, large-scale systems integration, real-time big data analytics, innovative financial AI platforms, web design, website construction, and mobile app development, serving established enterprise clients such as financial institutions and large corporations. In recent years, we have leveraged cutting-edge technologies to expand into broader applications and built a consumer-facing (C-end) product ecosystem, actively driving B2C business expansion to unlock new revenue streams.
- Our subsidiaries, MDBS Digital Technology and Galaxy Digital, focus respectively on digital services and social finance, providing versatile and innovative solutions. MDBS Digital empowers enterprise digital transformation through website building, app development, system integration, and visual design; Galaxy Digital merges social interaction with financial information by launching applications such as "Roomi Booth" and establishing the "Galaxy Investment Academy" to enhance users' financial knowledge and investment capabilities.
- MDBS Digital provides end-to-end digital services, including website and platform development, mobile app development and maintenance, multi-terminal web solutions, system integration, and professional visual design. Website development spans portals, corporate official websites, and responsive web designs (RWD) that meet modern UI/UX standards. App development emphasizes intuitive navigation, international visual standards, streamlined user flows, and agile architecture. Multi-terminal development integrates structural architecture, interactive prototyping, and seamless user experiences. System integration covers membership management, payment gateways, content management systems (CMS), and enterprise API interfacing. Visual design strictly conforms to Android, iOS, UI/UX, and micro-interaction design standards.
- Galaxy Digital launched the innovative application "Roomi Booth," integrating chat, entertainment, and financial information features. Users can host online courses within chatrooms and engage in real-time voice interactions to foster community engagement; the built-in virtual pond features a fishing mini-game allowing users to experience investment dynamics playfully while earning "R Coins." The stock discussion forum provides real-time stock quote inquiries and social sharing.
- In addition, the Galaxy Investment Academy offers a wide range of investment tools and courses (such as Taiwan Stock Academy, Momentum Stock DNA, and Stock Time Machine) spanning equities, bonds, mutual funds, and derivatives. Taught by industry professionals through hybrid online and offline learning models, these programs help users sharpen their financial literacy and investment decision-making abilities.
- Construction and Real Estate Business：Currently, Pao Fong is conducting the sales of completed residential units in a joint-development project in Tamsui District, New Taipei City, focusing on inventory liquidation in the short term to recover capital. Moving forward, it will align with government urban renewal and unsafe/old building reconstruction policies, expanding business opportunities through joint development or joint ventures.

Value Chain and Industrial Competitive Dynamics

1. Digital Technology Business

The information services industry generally encompasses providers of professional expertise and information technology that process, manage, and access diverse raw data and knowledge to build integrated, networked, and optimized information systems for internal use and diverse end-users.Our Digital Technology Business serves a broad customer base, with a primary strategic focus on the financial sector in recent years. The financial information services market is outlined below:



Upstream suppliers primarily consist of market data providers (real-time quotes and post-market data), operating system developers, and hardware infrastructure vendors—including Chunghwa Telecom Co., Ltd, SYSCOM COMPUTER ENGINEERING CO, SYSTEX Corporation, and Taiwan Futures Exchange. Our Digital Technology Business specializes in data integration, application design, and UI/UX optimization to deliver standalone products or comprehensive turnkey solutions. Downstream clients include securities firms such as (CTBC Securities Co., Ltd., Mega Securities Co., Ltd., IBF Securities Co., Ltd., First Securities Inc., KGI Securities Co., Ltd., Fubon Securities Co., Ltd.,Hua Nan Securities Co., Ltd., Capital Securities Corporation, Taiwan Cooperative Securities Co., Ltd), futures brokers such as (IBF Futures Co., Ltd., SinoPac Futures Co., Ltd., President Futures Corp), bank such as (NEXT BANK), insurance companies, financial holding companies, institutional traders, and individual investors for secondary development or direct application.

Industrial Competitive Dynamics

As the zero-touch economy gains sustained momentum, the evolution from digital transformation to cross-disciplinary innovation challenges IT service providers to adapt to shifting business models and achieve integrated application deployment. Although the IT industry is knowledge-intensive, basic software development barriers remain low in the internet era, leading numerous market entrants to compete aggressively on price. In response, large-scale software developers are transitioning from contract development into digital consulting roles, leveraging hardware-software integration to defend market share. As various sectors diversify operations in the post-pandemic era, major industry trends focus on online-merge-offline (OMO) integration, lifestyle alignment, and tailored business-model software solutions, with innovation and agility serving as core competitive advantages.

The Digital Technology Business remains dedicated to digital R&D and innovative applications, continuously sharpening core technical proficiencies while leveraging AI tools and extensive development expertise to conduct cross-platform data integration and assist clients in digital transformation. Concurrently, we heavily invest in developing and optimizing proprietary investment platforms, expanding instructional coursework and after-sales support to assist retail investors in making trading decisions and deliver an optimal investment tool experience.

2. Construction and Real Estate Business

(1) Industry Overview and Development:

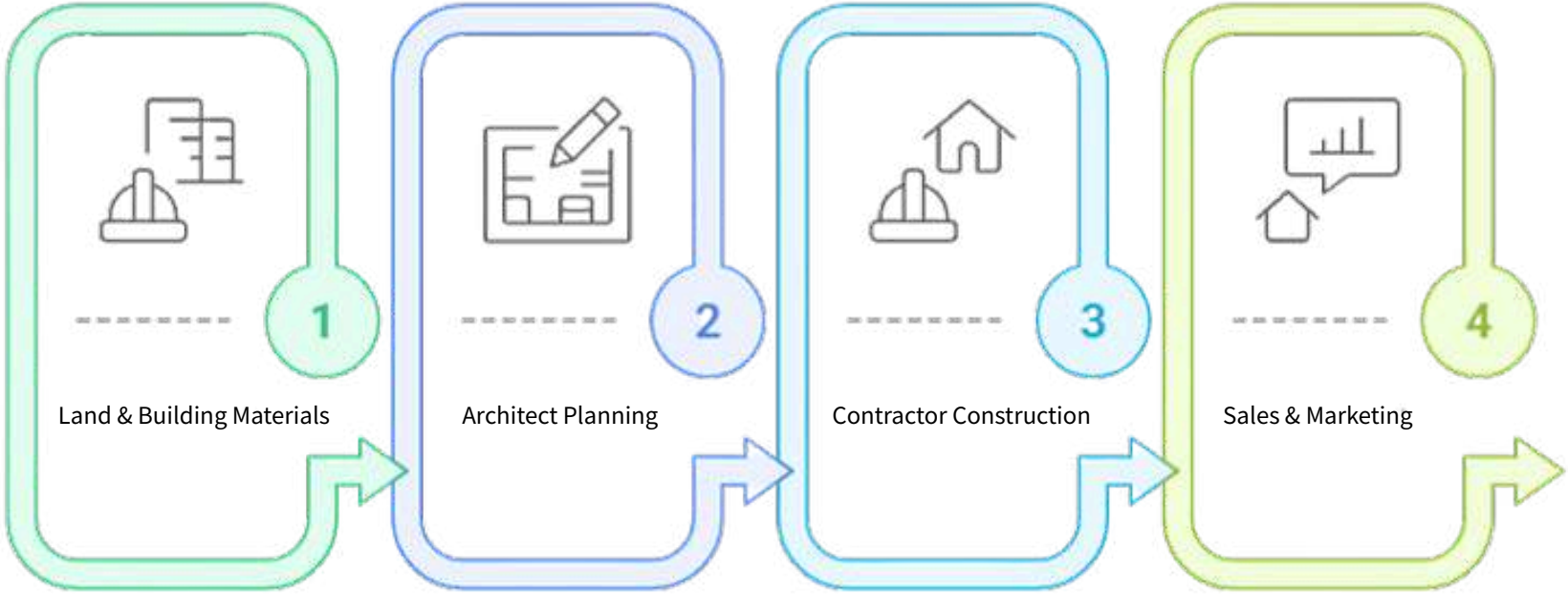
According to statistics from the Ministry of the Interior, the total number of building transfer registrations across Taiwan reached 261,300 units in 2025, a year-on-year decrease of 25.5% and a nine-year low. Consequently, Kwong Fong adopts a conservative operational outlook for its construction business, focusing primarily on inventory liquidation, capital recovery, opportunities in urban renewal and unsafe/old building reconstruction, and cost control.

(2) Upstream, Midstream, and Downstream Value Chain Relationships:

The upstream segment of the real estate industry primarily involves raw materials such as land and building materials. Once land is secured, experienced midstream architects handle project planning and design, followed by high-quality construction contractors responsible for building. Downstream sales and marketing are then executed by experienced real estate marketing agencies or brokerage firms.

(3) Development Trends and Competitive Landscape:

Acquiring land in prime locations has become increasingly challenging, while consumers are placing greater emphasis on residential product quality and spatial layout. Consequently, future project planning demands greater precision and care—not only to satisfy consumer preferences but also to craft unique product differentiation, strengthen market competitiveness, and enhance brand equity.



1-1 Sustainability Vision and Policy
1-2 Stake holder Identification and Communication
1-3 Materiality Assessment Process



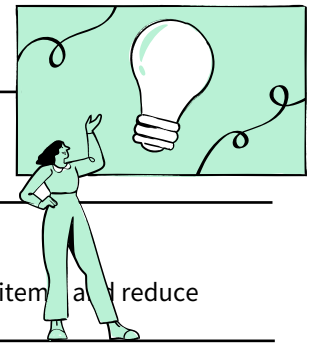
01 Towards a Sustainable Path

Sustainability Vision and Policy

GRI 2-23、2-24、2-25、2-26、2-29、3-1、3-2、3-3

Sustainability Vision	Kwong Fong Group is committed to sustainable development by pursuing operational and profitable growth, enhancing corporate governance to protect shareholder rights, reducing greenhouse gas emissions, caring for employee physical and mental health and safety, and actively engaging in social welfare initiatives to achieve long-term corporate sustainability.
Long-Term Goals	1. Enhance operating profitability and corporate value.Strengthen core technologies and market competitiveness.Expand the customer base and enhance overall operational synergies.Deepen the presence in the financial sector to drive profitability. 2. Upgrade and refresh employee knowledge and professional skills.Reduce greenhouse gas emissions.Safeguard shareholder rights and ensure the physical and mental health and safety of employees.





Implementation Strategies

Environmental Aspect	1. Align with national carbon reduction roadmap policies to lower greenhouse gas emissions. 2. Comply with the Air Pollution Control Act and Waste Disposal Act, adopt eco-friendly refrigerants, minimize the use of single-use items and reduce disposable waste year over year.
Economic Aspect	1. In financial investments, select low-risk targets to ensure capital safety and maintain stable dividend cash inflows. 2. In strategic investments, prudently invest in forward-looking and high-potential enterprises, participate in policy-making and operational decisions, continuously strengthen core technologies and competitiveness, and optimize applications to broaden the customer base and drive revenue growth. 3. Continuously invest in financial application systems to provide clients with optimal solutions.
Social Aspect	1. Plan and implement diverse training programs, offer market-competitive compensation and comprehensive employee benefits, and adhere strictly to the Labor Standards Act and relevant regulations to safeguard employees' physical and mental health and safety. 2. Proactively participate in charitable initiatives and broader ESG sustainability endeavors.



All our responsible business conduct policies are publicly disclosed on our official corporate website**.** These policies are formulated by designated task forces, approved by the Board of Directors, and implemented accordingly (as detailed in the table below). We establish these policies to facilitate stakeholder engagement and internal advocacy, enhancing stakeholders' understanding of policy contents and accelerating implementation. In 2025, relevant departments continued to facilitate execution, and no policy violations occurred during implementation across the reporting years.





Policy Name	Policy Formulation Process	Policy Implementation Process, Tracking Management, and Execution Methods (Procedures for identifying, preventing, mitigating, and describing how the organization remediates actual and potential negative impacts.)
Corporate Governance Best-Practice Principles	In reference to the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies jointly established by the Taiwan Stock Exchange and the Taipei Exchange (August 23, 2020), we formulated our Corporate Governance Principles. The code explicitly defines corporate governance principles, governance frameworks, institutional implementation and oversight mechanisms, as well as periodic review and revision procedures, which were promulgated and implemented following Board approval.	Management annually reviews self-assessment results across all departments alongside internal audit reports. The Audit Committee oversees policy execution, and Independent Directors hold regular meetings with internal auditors to track remediation progress and report to the Board of Directors, ensuring the continuous and effective operation of the internal control system. The Board of Directors places significant emphasis on shareholder engagement. The Shareholder Meeting is presided over according to rules of procedure, with material financial and operational matters submitted for shareholder resolution; designated personnel address shareholder inquiries, protecting shareholders' right to know and preventing insider trading. Furthermore, we stipulate director nomination procedures and qualifications to foster board professionalism and diversity, appoint Independent Directors and functional committees to enhance decision-making independence and supervisory effectiveness, and adopt meeting guidelines and fiduciary duty rules to reinforce board accountability. Additionally, we proactively protect stakeholder rights by establishing diverse communication channels and disclosing material information via corporate governance websites and investor conferences, enhancing information transparency and corporate trust.

Policy Name	Policy Formulation Process	Policy Implementation Process, Tracking Management, and Execution Methods (Procedures for identifying, preventing, mitigating, and describing how the organization remediates actual and potential negative impacts.)
Ethical Corporate Management Best-Practice Principles	In reference to the Sample Template for Operating Procedures and Codes of Conduct for Ethical Corporate Management for TWSE Listed Companies (February 13, 2020) published by the Taiwan Stock Exchange, we formulated our Ethical Corporate Management Principles through initial drafting, feedback gathering, Board resolution, implementation, and continuous oversight.	We established an unethical conduct risk assessment mechanism to regularly analyze high-risk operational activities, update preventive countermeasures, and evaluate their efficacy. Furthermore, we continuously monitor domestic and international regulatory developments regarding ethical management and encourage all employees to provide suggestions, constantly refining policy contents and execution results to enhance corporate integrity governance comprehensively.
Codes of Ethical Conduct	In reference to the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEx Listed Companies (June 3, 2020) published by the Taiwan Stock Exchange, we established our Codes of Ethical Conduct, which were promulgated and implemented following Board approval, serving as a standard to ensure that the conduct of Directors, Supervisors, and Managers (including the President, Vice Presidents, Assistant Vice Presidents and equivalents, heads of financial and accounting departments, and any authorized signatories and management personnel) strictly aligns with ethical benchmarks.	When affiliated enterprises of Directors and Managers engage in fund lending, loan guarantees, major asset transactions, or procurement and sales dealings with us, the involved Directors and Managers must proactively disclose and explain any potential conflicts of interest to us. Personnel are bound by confidentiality obligations regarding all proprietary information of our Company and its procurement/sales customers, except where authorized or legally mandated to disclose. Personnel shall not demand, promise, deliver, or accept any forms of gifts, entertainment, kickbacks, bribes, or other improper benefits for personal, corporate, or third-party gains.

Policy Name	Policy Formulation Process	Policy Implementation Process, Tracking Management, and Execution Methods (Procedures for identifying, preventing, mitigating, and describing how the organization remediates actual and potential negative impacts.)
Procedures for Handling Whistleblowing Cases of Illegal, Unethical, or Dishonest Conduct	To effectively implement Article 10 of our Codes of Ethical Conduct and Article 23 of the Ethical Corporate Management Best-Practice Principles, and to encourage the reporting of any illegal activities or violations of ethical codes and integrity guidelines, these procedures were established for compliance, promulgated, and enacted following approval by the Board of Directors.	We have established a whistleblowing mechanism where the Internal Audit Office handles external reports and the Administrative Department processes internal reports. Whistleblowers must disclose their names and provide necessary information (such as the reported person's name, department, job title, date of incident, and details) to facilitate investigation. Anonymous reports are generally not accepted unless verification is deemed necessary. Cases involving general employees are reported to the department head; cases involving Directors or senior executives are reported to the Independent Directors. If substantiated and verified as illegal or dishonest conduct, penalties are imposed in accordance with regulations and submitted to the Chairman for final decision, with major cases separately notified to Independent Directors. All written documentation of the handling process shall be retained for five years and preserved longer in the event of litigation. If confirmed, relevant departments must review and improve the internal control system, while safeguarding the reported party's right of appeal and preventing any retaliation.
Operating Procedures and Codes of Conduct for Ethical Corporate Management	These operating procedures and codes of conduct were established in accordance with the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies to specifically define compliance matters for our personnel during business execution, promulgated and enacted following approval by the Board of Directors. The scope of application extends to our subsidiaries and other group enterprises or legal entities under our substantial control.	To fulfill ethical corporate management, we have established explicit guidelines and procedures that strictly prohibit accepting illegitimate benefits and implement review mechanisms for facilitation payments, political contributions, donations, and sponsorships, all requiring evaluation and formal approval. Furthermore, unfair competition is strictly prohibited, and measures are enforced to prevent products or services from harming stakeholder interests. We strictly prohibit insider trading and require non-disclosure agreements (NDAs) to be signed, with all personnel declaring compliance with ethical policies. Prior to establishing business relationships, integrity assessments and briefings must be conducted, and integrity clauses must be incorporated into contracts to avoid engaging with untrustworthy parties. Any dishonest or unethical conduct, whether internal or external, is addressed in strict accordance with relevant regulations. Through advocacy and institutional frameworks, we establish reward, penalty, appeal, and disciplinary mechanisms to reinforce the implementation of an ethical corporate culture.

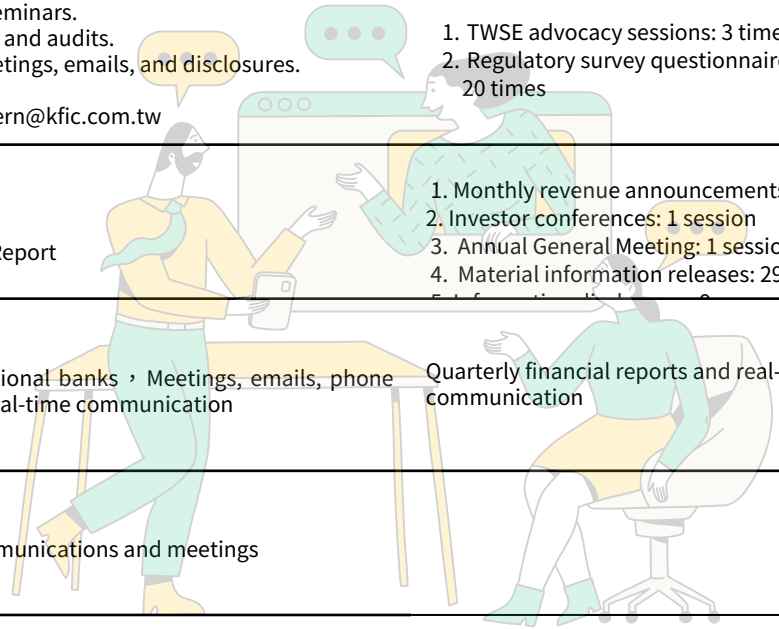
Policy Name	Policy Formulation Process	Policy Implementation Process, Tracking Management, and Execution Methods (Procedures for identifying, preventing, mitigating, and describing how the organization remediates actual and potential negative impacts.)
Risk Management Policy and Procedures 	To establish a sound risk management awareness, reasonably ensure the achievement of strategic objectives, and attain sustainable development, these procedures were specifically formulated.	Our risk management is conducted through management processes including risk identification, risk response, and risk monitoring, and is adjusted in a timely manner in response to changes in the operating environment, business, and operational activities. 1. Risk Identification: Shall include, but is not limited to, our operational risks, financial risks, investment risks, management risks, information security risks, legal risks, and other identifiable risks. 2. Risk Response: Provide status descriptions or responsive countermeasures for identified risks, confirming whether the risks fall within our acceptable tolerance range. 3. Risk Monitoring: Verify whether effective management programs are in place for identified risks, and evaluate whether to incorporate them into the internal audit department's annual audit plan to monitor implementation.
Human Rights Policy 	To safeguard and protect fundamental human rights, we recognize and support the human rights protection principles outlined in international covenants such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization (ILO) Conventions, striving to eliminate any infringements or violations of human rights.	• Compliance with Labor and Environmental Regulations  • Prohibition of Forced Labor and Child Labor  • Equal Employment Opportunities and Zero Discrimination  • Provision of a Safe and Healthy Working Environment 

StakeholderCommunication IssuesandChannels

We define "stakeholders" as any internal or external groups and individuals who influence or are influenced by us. In accordance with the five engagement principles of the AA1000 SES (Stakeholder Engagement Standard)—Dependency, Responsibility, Influence, Diverse Perspectives, and Tension—a comprehensive identification of stakeholders was conducted. Through evaluations by 13 internal senior executives, seven key stakeholder categories were identified: employees, suppliers/contractors, customers, government authorities, shareholders, financial institutions, and business partners. By establishing diverse communication channels, we actively listen to and understand the concerns of each stakeholder group, ensuring that disclosed information meets their expectations while maintaining transparency and mutual trust.

Stakeholders	Stakeholders' Importanceto Kwong Fong
Employees	Employees represent Kwong Fong's core human capital; both short-term operational execution and long-term innovation and profitability depend directly on the quality, capability, and efficiency of our workforce.
Suppliers/ Contractors	A stable and diverse supplier network directly impacts the platform's product matrix and conversion rates. Original manufacturers serve as the foundation of our technology and product quality; maintaining sound partnerships ensures access to cutting-edge technical support and high-grade materials, reinforcing product competitiveness.
Customers	A stable and diverse supplier network directly impacts the platform's product matrix and conversion rates. Original manufacturers serve as the foundation of our technology and product quality; maintaining sound partnerships ensures access to cutting-edge technical support and high-grade materials, reinforcing product competitiveness.
Government Authorities	Establishing robust regulations on fair trade, returns/after-sales services, and e-commerce enhances consumer confidence and platform transaction rates. Streamlined cross-border customs clearance, tariff incentives, and e-invoicing reduce cross-border costs and lead times. Policy support in broadband infrastructure, data centers, national payment interoperability, and electronic identification (eID) lowers platform onboarding costs, while clear data privacy and cybersecurity standards provide regulatory certainty and foster market trust.
Shareholders / Investors	Shareholders and investors provide essential seed and growth capital alongside commercial and technological resources. Upholding sound corporate governance and transparent financial reporting strengthens investor confidence, securing steady capital inflows and sustainable value appreciation.
Financial Institutions	Financial institutions support liquidity and working capital needs, offering subscription billing, invoice factoring, and cross-border collection solutions for SaaS and platforms to enhance revenue predictability and collection efficiency, while providing cybersecurity, product liability, and freight/credit insurance coverages.
Business Partners	Payment service providers, banks, and acquiring institutions deliver seamless payment experiences and robust risk management. Channel expansions and B2B collaborations enable technological integration and the joint development of a comprehensive business ecosystem.

Stakeholder	Priority Topics	Channels, Response Methods & Frequency	Engagement Performance
Employees	1. Occupational Health & Safety 2. Compensation & Benefits 3. Talent Attraction & Retention 4. Human Rights Policy	1. All-hands meetings: Weekly,OHS meetings: Quarterly 2. Employee suggestion box, internal mail, bulletin board: Anytime 3. Training: Ad hoc 4. Labor-management meetings: Quarterly 5. Department meetings, 1-on-1 performance & development reviews, workshops	1. All-hands weekly meetings: 46 sessions/Executive weekly meetings: 42 sessions 2. Performance appraisals: 3 rounds/Training: 185 hours
Suppliers/ Contractors	Information Security	Annual information security reports，Semi-annual cybersecurity training/seminars，Email notices, video conferences, report updates, platform bulletins	Conducted ad hoc information security reviews on primary suppliers at least once annually
Customers	1.Managing System Disruptions 2.Customer Privacy 3.Customer Relationship Management	1. Technical Disruption Management: Prepare annual system risk assessment reports and contingency drills; communicate risk updates via email, customer platforms, and instant messaging. 2. Customer Privacy: Communicate via email, website notices, hotline, and newsletters. 3. CRM: Foster engagement via email surveys, CRM systems, and customer interviews.	1. Assisted clients with ad hoc and pre-launch vulnerability scans and remediation. 2. Participated in client database recovery drills (~2 times/year). 3. Facilitated on-site client cybersecurity audits with necessary documentation and briefings on an ad hoc basis.
Government Authorities	1. Regulatory Compliance 2. Corporate Governance 3. Risk Management	1. Attend regulatory policy forums and seminars. 2. Cooperate with regulatory supervision and audits. 3. Regular and ad hoc official letters, meetings, emails, and disclosures. 4. Designate a liaison contact 5.Chief Financial officer Ms. Chern: s.j.chern@kfic.com.tw	1. TWSE advocacy sessions: 3 times 2. Regulatory survey questionnaires completed: 20 times
Shareholders	1. Operational Performance 2. R&D and Outlook	1. Quarterly financial reports 2. Institutional investor conferences 3. Annual General Meeting / Annual Report	1. Monthly revenue announcements: 12 times 2. Investor conferences: 1 session 3. Annual General Meeting: 1 session 4. Material information releases: 29 filings
Financial Institutions	1. Operational Performance 2. Financial Reports & Corporate Reputation	Engaged with 16 domestic and international banks，Meetings, emails, phone communications，Quarterly reports & real-time communication	Quarterly financial reports and real-time communication
Business Partners	1. Collaborative Operational Performance 2. R&D and Outlook	Quarterly financial reports，Ad hoc communications and meetings	



Note: The stakeholder communication status is reported to the Board of Directors once a year, and was presented to the Board on November 11, 2025 for the 2025 reporting period.

To ensure that stakeholder grievances and reports are handled in a prompt, fair, and effective manner, our grievance and whistleblowing mechanisms are outlined in the table below. Through these grievance handling procedures, we are committed to resolving stakeholder concerns in a timely manner, safeguarding sound relationships with all stakeholders, and advancing corporate sustainability.

Grievance /Whistleblowing Mechanisms

Grievance Issue	Reporting Channels	Stakeholder Category	Grievance Handling Process	Reporting Period Grievance
Sexual Harassment Prevention	**Hotline**： 02-27061858 Email： kfic@kfic.com.tw **PostalMail:** InternalAudit Office/ Administration Dept., 28 F., No. 97, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106420, Taiwan (R.O.C.)	Employees	1. We provide multiple reporting channels (such as phone, email, and written mail) and permit anonymous grievances to safeguard stakeholder rights and privacy. Grievances are received and logged by dedicated departments—recording complainant information, case details, and submission time—followed by an acknowledgment receipt explaining the handling process and expected timeline. 2. Upon receiving a grievance, an initial assessment is conducted to assign the case to relevant units based on its nature and severity; urgent cases are prioritized and prompt measures are initiated. The investigation is conducted by a dedicated team to ensure impartiality and independence, communicating with complainants and relevant parties while collecting evidence. 3. Remedial measures are formulated based on investigation findings and communicated back to the complainant. If policy or procedural deficiencies are identified, corrective improvements are implemented. Following case closure, execution progress is continuously tracked, and data analysis is utilized to identify systemic issues and elevate overall management quality. 4. We periodically compile grievance handling status reports for submission to senior management and the Board of Directors, continuously refining the grievance process to enhance handling efficiency and stakeholder satisfaction.	N/A
Insider Trading Prevention		All Stakeholders		N/A





Materiality Assessment Process

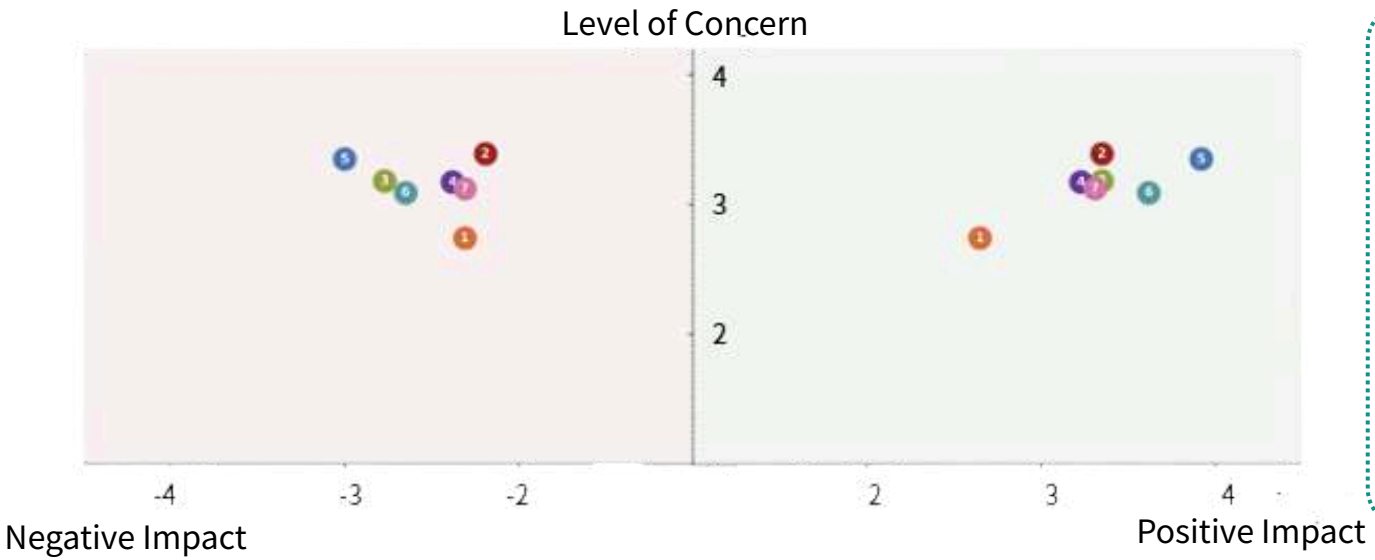
In accordance with the GRI Standards, we conduct our materiality assessment through four systematic steps: collecting sustainability topics, assessing stakeholder concerns, analyzing material topics, and review and discussion. This process serves as the guiding principle and disclosure foundation for compiling the sustainability report while evaluating our current sustainable development status.

1	Comprehensive Identification of Sustainability Topics	The Sustainability Task Force conducted a comprehensive scan of sustainability issues, identifying 54 sustainability topics across Kwong Fong's operations and value chain, global sustainability trends, international ESG rating benchmarks, industry dynamics, and peer disclosures.
2	Impact Identification & Assessment	Through 13 impact assessment questionnaires completed by internal senior executives, the positive and negative impacts and their likelihood of occurrence were evaluated to prioritize the impact levels of each sustainability topic.
3	Stakeholder Engagement & Prioritization	A total of 111 stakeholder survey questionnaires were collected to gauge their level of concern. By cross-analyzing stakeholder interests and impact significance, 6 material topics were identified and ranked.
4	Material Topic Analysis & Boundary Definition	Based on the materiality analysis results, internal discussions were conducted to define the internal and external boundaries for each material topic, formulate management approaches, and disclose corresponding performance metrics within this report.





Materiality Matrix



Material topics reflect our significant impacts on the economy, environment, and society, or those that substantively influence the assessments and decisions of various stakeholders. By defining the boundaries of these material topics, we identify the scope of impact and evaluate our positive and negative contributions to sustainable development.

1. Climate Change
2. Privacy Protection
3. Talent Attraction and Retention
4. Corporate Governance
5. Information Security
6. Managing Systemic Risks from Technical Disruptions
7. Customer Relationship Management (CRM)

Management Approaches for Material Topics



Negative Impact Mitigation and Remediation

Negative Impact Topics	Management Approaches for Mitigating / Remedying Negative Impacts
Climate Change	Reduce the Company's operational greenhouse gas emissions and carbon intensity, support low-carbon supply chains and energy transition, and enhance organizational resilience against extreme weather and environmental changes through supply chain redundancy, operational resilience, insurance coverage, and carbon offset mechanisms.
Privacy Protection	Establish a privacy incident response team to promptly manage data breach incidents and notify affected clients, reinforce data encryption and access controls, and promote employee privacy protection training and policy updates.
Talent Attraction & Retention	Respond swiftly with compensation, knowledge preservation, and temporary substitution to restore operations during turnover events; classify roles into critical talent and fungible functions, implement robust retention and succession mechanisms for core positions, and strengthen knowledge management, SOPs, and process automation to mitigate the risk of operational disruptions caused by employee departures.
Corporate Governance	Uphold the core tenets of "prevention first (institutionalization, decentralization, transparency), rapid response (incident management, reporting), and fundamental remediation (institutional/cultural enhancement)," guided by three foundational pillars: compliance & risk control, internal controls & process optimization, and information transparency & stakeholder communication.
Information Security	Form an information security emergency response team, conduct routine drills against cyberattacks and data breaches, establish transparent communication and notification channels, reinforce firewall defense and cryptographic security, and enhance employees' cybersecurity awareness and technical capabilities.
Managing Systemic Risks from Technological Disruptions	Establish a technical emergency response team, simulate handling procedures for system disruptions, ensure real-time status reporting, implement redundancy and disaster recovery architectures, train technical personnel, and continuously elevate system reliability and uptime.
Customer Relationship Management	Implement swift damage control and customer compensation to mitigate GMV losses and brand degradation; enforce manual audits and AI model governance for high-value accounts to prevent commercial and compliance risks; establish a robust incident cycle: "Rapid Detection → Temporary Mitigation → Root Cause Remediation → Compensation & Trust Rebuilding → Recurrence Prevention (PDCA Cycle)."

● : Direct Impact ○ : Indirect Impact

Pillar	Material Topic	Description of Topic Significance & Impacts	Internal		External			GRI Standards	Report Section
			Company	Employees	Customers	Original factory	supplier		
Social	Privacy Protection	The cornerstone of consumer and enterprise trust, essential for regulatory compliance, brand reputation defense, and mitigating heavy resource expenditures on technical remediation, security hardening, and notification procedures following data breach incidents.	●	●	○	○	○	GRI 3、GRI 401	Sustainability Strategy, Employee Care, Employee Benefits
	Talent Attraction & Retention	Human capital serves as the carrier of organizational capability, directly determining operational execution (short term), innovation speed and product/service quality (medium-to-long term), as well as corporate culture and brand equity (long term).	●	●	○	○	○	GRI 3、GRI 404、GRI 403	Sustainability Strategy, Talent Development, Employee Care, Employee Benefits, Occupational Safety
	Customer Relationship Management	More than just a repository of customer data and interaction logs, it serves as a critical strategic foundation influencing retention, customer lifetime value (LTV), marketing efficiency, and product roadmap decisions.	●	●	○	○	○	GRI 3、GRI 418	Sustainability Strategy, Customer Relationship Management
Governance	Corporate Governance	Proactively engage and respond to feedback, continuously optimize products and services, and cultivate robust stakeholder relationships.	●	●	●	○	○	GRI 3	Sustainability Strategy
	Information Security	Pursuing operational and financial performance to achieve profitability goals serves as the bedrock of sound and sustainable enterprise operations.	●	●	●	●	●	GRI 3、GRI 201	Sustainability Strategy
	Managing Systemic Risks from Technological Disruptions	Strengthen cybersecurity governance and defense capabilities to ensure regulatory compliance and seamless integration into daily operations.	●	●	●	●	●	GRI 3、GRI 418	Sustainability Strategy, Customer Relationship Management
Environmental	Climate Change	Extreme weather, energy price volatility, and carbon pricing policies impact costs, revenues, and CapEx; energy conservation, decarbonization, and green products/services emerge as new revenue streams and competitive cost advantages.	●	●	●	●	●	GRI 102	Environmental Sustainability

Material Topic Management Approaches

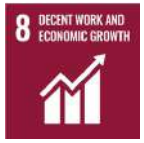
Deepening SDGs Linkages and Grounding Sustainability Actions



Pillar	Material Topic / GRI Topic	Responsible Unit	Evaluation Mechanism	Short-Term Targets	Medium-to-Long-Term Targets	Corresponding SDGs / Sub-Targets
Social	Privacy Protection	All Business Units	Number of data breach incidents,customer complaints,andprivacy policy update frequency. Monitorandlogdata breach eventsandcustomer complaints; regularly review and update privacy policies.	Elevate customer satisfaction regarding privacy protection.	Establisha comprehensive data protection framework.Ensure strict compliance with privacy protection policies across all business units.	SDG 9 Industry, Innovation and Infrastructure 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. 9.b Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities.
	Talent Attraction & Retention	Human Resources Department	Training hours, retention rate, training implementation status, benefit participation rate, health screening participation rate, and occupationalillness/injury statistics. Conductregularemployee satisfaction surveys and analyze workforce turnover dynamics.	Increase employee training participation rates. • Conduct regular employee satisfaction surveysto assess retention dynamics.	Build a comprehensive talent training and professional development framework. Continuously refine curriculum quality to elevate employee core competencies.	SDG 8Decent Work and Economic Growth 8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
	Customer Relationship Management	All Business Units	Customer satisfaction, retention rate, and complaint resolution turnaround time. Conduct regular customer satisfaction surveys and evaluate customer retention metrics and dispute resolution logs.	Improve customer satisfaction scores and reduce complaint resolution turnaround time.	Cultivateenduring, solidcustomer relationships. Enhancecustomer retention and lifetime value.	SDG 17Partnerships for the Goals 17.6.3: Enhance cooperation on and access to science, technology and innovation and enhance knowledge sharing, including through a global technology facilitation mechanism. 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.





Pillar	Material Topic / GRI Topic	Responsible Unit	Evaluation Mechanism	Short-Term Targets	Medium-to-Long-Term Targets	Corresponding SDGs / Sub-Targets
Governance	Corporate Governance	Board of Directors	Establishacomprehensive informationsecurity management system (ISMS). ・Regularly review and update cybersecurity policies.	Achieve female director representation of over one-third (≥ 1/3).	The board of directors comprises members of all age groups and has ICT and digital backgrounds.	SDG 5: Reduce inequality SDG 16:Peace, Justice and Strong Institutions SDG 8: Decent Work and Economic Growth   
	Information Security	Information Security Department	Numberofcybersecurity incidents, employee security training participation rate, and securitypolicyupdate frequency. Monitor and record security events; periodically review and update information security policies.	Increase the employee participation rate in cybersecurity training programs.	Establish a comprehensive information security management system. Regularly review and update cybersecurity policies.	SDG 16: Peace, Justice and Strong Institutions 16.4 Reduce illegal and digital crimes 16.6 Establish effective, accountable, and transparent systems. 16/10 Establish effective, accountable, and transparent systems.   
	Managing Systemic Risks from Technological Disruptions	All Business Units	Number of system outages, contingency drill success rates, and mean time to recovery. Track and log system outages, conduct regular business continuity/ DR drills with post-mortem analyses, and measure system recovery time.	Elevate emergency response drill success rates. Shorten system recovery time.	Build a robust risk management framework. Continuously enhance disaster recovery and contingency plans to ensure reliable system operations.	SDG13: Climate Action 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. 13.b Promote mechanisms for raising capacity for effective climate change-related planning and management.  

Pillar	Material Topic/ GRI Topic	Responsible Unit	Evaluation Mechanism	Short-Term Targets	Medium-to-Long-Term Targets	Corresponding SDGs / Sub-Targets
Environmental	Climate Change	Sustainable Development Committee	Integrate into corporate risk management framework and KPIs. Conduct climate scenario analysis and quantify financial exposure. Disclose in alignment with TCFD/ISSB standards to address customer and investor concerns.	Implement short-term resilience measures (e.g., insurance coverage, system and operational redundancy).	Formulate medium-to-long-term decarbonization pathways (e.g., energy transition, SBTi alignment). Translate corporate capabilities into market competitive advantages (e.g., offering energy-efficiency tools or carbon monitoring services).	SDG13: Climate Action 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning 13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management.  





2-1 Corporate Governance
2-2 Operational Performance
2-3 Ethical Management
2-4 Regulatory Compliance
2-5 Product Safety
2-6 Customer Relationship Management
2-7 Sustainable Supply Chain

02 Implementing Sustainable

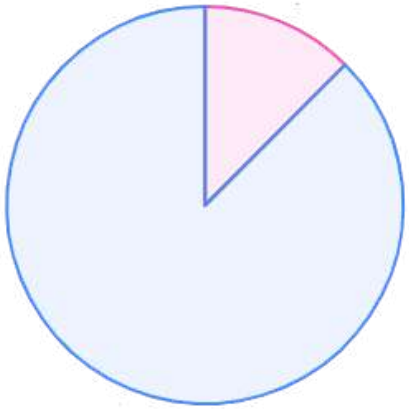
Corporate Governance GRI 2-9、2-10、2-11、2-15、2-16、2-17、2-18、2-19、2-20、2-21、2-28

Board Structure and Mechanisms

The 19th Board of Directors comprises 8 members (including 3 Independent Directors). The board members possess diverse professional backgrounds spanning legal, industry, accounting and finance, marketing, and financial services. Leveraging these interdisciplinary backgrounds, they demonstrate complementary strengths across operational management and leadership decision-making, operational judgment and crisis management, accounting and financial analysis, industry knowledge, and global market perspectives.

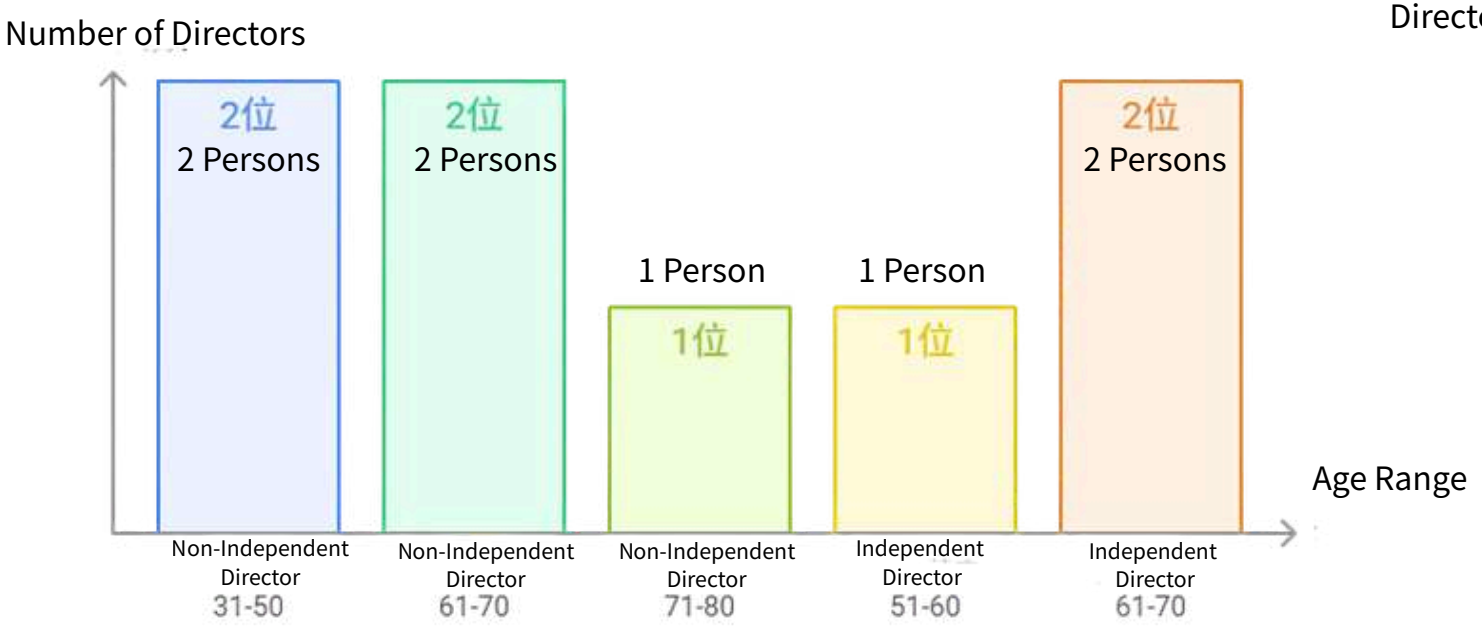
The current 8-seat Board consists of 5 Non-Independent (General) Directors and 3 Independent Directors. Among the 5 Non-Independent Directors, 2 concurrently serve as Company employees. Female representation on the Board stands at 12.5%. Regarding the age distribution of the 5 Non-Independent Directors, 2 are aged 31–50, 2 are aged 61–70, and 1 is aged 71–80; among the 3 Independent Directors, 1 is aged 51–60 and 2 are aged 61–70. The average shareholding ratio among the 5 Non-Independent Directors is 9.22%. In terms of educational attainment across all directors, 37.5% hold Bachelor's degrees, 50.0% hold Master's degrees, and 12.5% hold Doctorate (Ph.D.) degrees.

Board Gender Diversity



12.50% Female Directors

87.50% Male Directors



Board Age Distribution

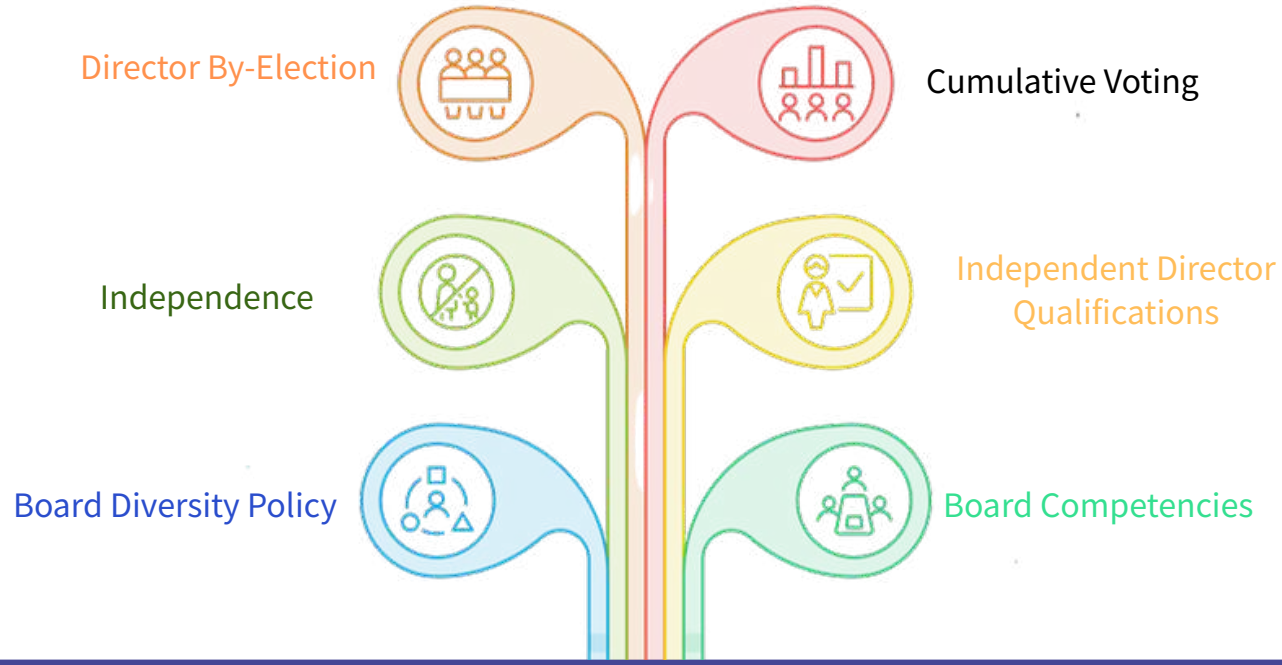
Director Nomination and Election Procedures

Our director election procedures are established in accordance with Articles 21 and 41 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. Unless otherwise provided by laws, regulations, or our Articles of Incorporation, the election of directors shall adhere strictly to these procedures.
In the selection and election of directors, we comprehensively evaluate the overall composition and diversity of the Board of Directors, formulating a Board Diversity Policy aligned with operational models and development needs that encompasses:

1. Basic requirements and value dimensions: Gender, age, nationality, and cultural background;
2. Professional knowledge and skills: Expertise and industrial experience across law, accounting, industry, finance, marketing, and technology.

Board members must collectively possess essential core competencies to ensure the effective fulfillment of their duties, including operational judgment, accounting and financial analysis, management execution, crisis management, industry knowledge, global market perspectives, leadership, and decision-making capabilities. Furthermore, more than half of the board seats shall not be held by individuals with spousal or second-degree kinship relationships, thereby safeguarding board independence.
The qualifications and election of Independent Directors strictly comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and relevant provisions of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. The nomination and election of Non-Independent Directors are conducted in accordance with the candidate nomination system under Article 192-1 of the Company Act. If the number of directors falls below five, a by-election shall be held at the next shareholders' meeting; if vacancies reach one-third of the total board seats stipulated in the Articles of Incorporation, an extraordinary general meeting shall be convened within 60 days to conduct a by-election. If the number of Independent Directors falls below regulatory requirements under the Securities and Exchange Act, a by-election shall likewise be held at the next shareholders' meeting or at an extraordinary general meeting convened within 60 days. The company adopt a cumulative voting system, where each share carries voting rights equal to the number of directors to be elected, allowing votes to be concentrated on a single candidate or distributed across multiple candidates to protect the rights of minority shareholders.

The current Board of Directors comprises eight seats (including Independent Directors), with member backgrounds spanning business administration, finance, architecture, and legal professions. The Chairman of the Board serves as the head of the highest governance body and does not concurrently hold other executive management positions within our Company. In matters involving potential conflicts of interest, relevant directors and supervisors recuse themselves, step out of the meeting room, and refrain from participating in discussions or voting pursuant to applicable regulations; employees who identify conflicts of interest may likewise report them directly to immediate supervisors. The Board periodically reviews and adjusts its composition based on annual performance evaluations to maintain optimal governance efficacy.



Board of Directors Information

Professional Qualifications of Directors and Independence of Independent Directors

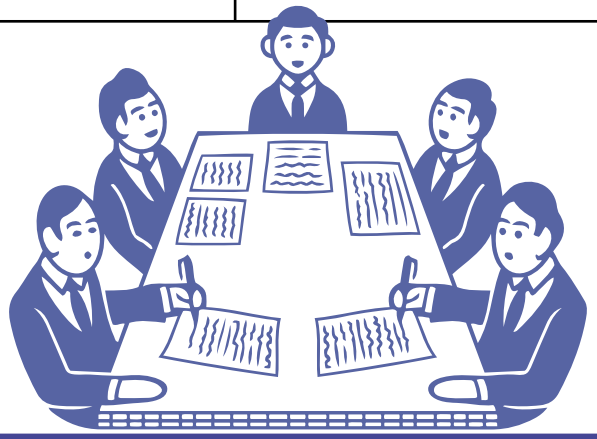
Title	Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies in Which the Director Concurrently Serves as an Independent Director
Director	Leo Ho	Graduated with a Bachelor's degree in Applied Mathematics from the University of California. Joined Kwong Fong Group in 2008, served as Vice President, and was promoted to Chairman in 2021. Actively involved in Group operations and the management of "Kwong Fong Plaza," while concurrently serving as an Independent Director of East Tender Optoelectronics Corporation. Possesses practical experience in accounting, finance, strategic management, and business operations, fulfilling the requisite professional expertise and literacy for directorship while actively contributing to corporate governance.	1. Chairman of the Company; non-independent director. 2. Director of affiliated enterprises (100% owned subsidiaries) of the Company. 3. Ranked among the top 10 natural person shareholders of the Company. 4. Chairman of corporate shareholders holding 5% or more of the Company's total issued shares: Fu-Feng Enterprises Co., Ltd. and De-Feng Investment Co., Ltd. 5. Verified in accordance with the independence criteria set forth in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies promulgated by the Financial Supervisory Commission (FSC); meets relevant independence requirements for non-independent directors.	None
Director	Ho Ming-Hong	Holds an MBA from the University of Washington. Previously served as Chairman of the Taiwan Securities Association, Chairman of Yuanta Futures, and Chairman of Yuanta Securities. Possesses extensive industry and managerial experience spanning financial accounting, commercial operations, and securities and futures markets, while holding directorships across multiple relevant enterprises. Demonstrates essential expertise to fulfill board responsibilities and continually reinforce corporate governance.	1. Vice Chairman of the Company; non-independent director. 2. Director of affiliated enterprises (100% owned subsidiaries) of the Company. 3. Representative of corporate director (Luo Sheng Tai Co., Ltd.); non-independent director. 4. Verified in accordance with the independence criteria set forth in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies promulgated by the FSC; meets relevant independence requirements for non-independent directors.	None
Director	Lee Ming-Huei	Holds a Master of Science in Management from Stevens Institute of Technology. Previously served as senior executive and director across multiple securities firms. Possesses solid financial practice, strategic management, and business operations experience, with expertise in finance, marketing, and operational management.	1. Representative of corporate director (Luo Sheng Tai Co., Ltd.); non-independent director. 2. Verified in accordance with the independence criteria set forth in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies promulgated by the FSC; meets relevant independence requirements for non-independent directors.	None
Director	Liu Shiang	Holds a Bachelor of Arts from Harvard University. Formerly served as Managing Director of Tiffany & Co. Asia. Brings comprehensive sales and managerial experience, specializing in strategic planning, finance, marketing, and operational management.	1. Representative of corporate director (Han-Feng Investment Co., Ltd.); non-independent director. 2. Verified in accordance with the independence criteria set forth in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies promulgated by the FSC; meets relevant independence requirements for non-independent directors.	None
Director	Huang Szu-Ying	Holds a Master's degree in International Logistics and Transportation Management from National Taiwan Ocean University. Formerly served as Corporate Governance Officer and Acting Spokesperson at China Container Terminal Corp. Possesses extensive industry expertise and corporate governance experience across strategic management, finance, marketing, and operational planning.	1. Representative of corporate director (Han-Feng Investment Co., Ltd.); non-independent director. 2. Verified in accordance with the independence criteria set forth in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies promulgated by the FSC; meets relevant independence requirements for non-independent directors.	None
Independent Director	Ho Chin-Chih	Holds an MBA from the University of Illinois. Formerly served as Vice President of Yuanta Futures and President of Fubon Futures. Possesses deep practice and governance experience in the securities and futures sector, with strengths in strategic management, finance, and operational planning.	During the two years prior to nomination and throughout their term of office, all three independent directors listed meet the qualification requirements set forth in Article 14-2 of the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies promulgated by the Financial Supervisory Commission (FSC). Furthermore, pursuant to Article 14-3 of the Securities and Exchange Act, all independent directors have been granted full authority to participate in decision-making and express opinions, thereby exercising their duties independently.	None
Independent Director	Kuan Chi-Jui	Graduated from the Department of Architecture at National United University. Previously served as Chief Consultant for Te chang Construction and Concord Construction. Brings substantial experience in the construction and real estate sectors along with strategic capabilities in commercial operations and industry management.		None
Independent Director	Cheng Yu-Wei	Holds an S.J.D. (Doctor of Juridical Science) from the University of Pennsylvania. Currently serves as Associate Dean and Professor at the School of Management, National Central University. Brings extensive legal and commercial practice, combined with strategic leadership and expertise in corporate law, commerce, and business administration.		2

Note: None of the Directors or Independent Directors are subject to any conditions stipulated in Article 30 of the Company Act.

During 2025, the Board of Directors convened a total of 6 meetings. The key resolutions and their implementation status are summarized in the table below:

Date	Meeting	Key Resolutions	Implementation Status
2025.01.14	The 19th Board, 6th Meeting	1. Approved the Company's 2025 Annual Business Plan 2. Approved credit line facilities with financial institutions 3. Approved matters concerning convening the 2025 Annual General Meeting of Shareholders 4. Approved matters regarding acceptance of shareholder proposals	1. Independent Directors expressed no objections or reservations. 2. Executed in accordance with the board resolutions.
2025.03.14	The 19th Board, 7th Meeting	1. Approved the 2024 Internal Control System Statement and relevant attachments 2. Approved the 2024 distribution of director and employee remuneration 3. Approved the 2024 Business Report, Financial Statements, and Consolidated Financial Statements 4. Approved the 2024 Earnings Distribution Proposal 5. Approved amendments to the Articles of Incorporation 6. Defined the scope of entry-level / non-managerial employees 7. Approved fund lending to subsidiaries 8. Approved credit line facilities with financial institutions 9. Evaluated the independence of the Company's CPA firm for financial statements 10. Approved the 2025 Pre-Approval Policy for Non-Assurance Services by the Appointed CPA Firm	1. Independent Directors expressed no objections or reservations. 2. Executed in accordance with the board resolutions.
2025.05.13	The 19th Board, 8th Meeting	1. Approved the Q1 2025 Financial Statements 2. Approved credit line facilities with financial institutions	1. Independent Directors expressed no objections or reservations. 2. Executed in accordance with the board resolutions.
2025.05.22	The 19th Board, 10th Meeting	Determined the ex-dividend record date for 2024 earnings distribution (June 16, 2025)	1. Independent Directors expressed no objections or reservations. 2. Executed in accordance with the board resolutions.

2025.08.12	The 19th Board, 10th Meeting	1. Approved the Q2 2025 Financial Statements 2. Approved the enactment of the Organizational Charter of the Sustainable Development Committee 3. Established the Sustainable Development Committee and appointed committee members 4. Approved the compilation and publication of the 2024 Sustainability Report 5. Approved credit line facilities with financial institutions	1. Independent Directors expressed no objections or reservations. 2. Executed in accordance with the board resolutions.
2025.11.11	The 19th Board, 11th Meeting	I.Reporting Matters 1. Implementation status of the Intellectual Property Management Plan 2. Implementation status of Ethical Corporate Management 3. Risk management policies, scope, organizational structure, and operational status 4. Stakeholder engagement and communication status 5. Information security management implementation status 6. Sustainable development implementation status 7. Scheduled 2026 Board meeting calendar (including briefings on blackout periods prohibiting director stock trading prior to quarterly financial disclosures) II. Approved the Q3 2025 Financial Statements III. Approved amendments to the Internal Control System IV. Approved the 2026 Annual Internal Audit Plan V. Approved credit line facilities with financial institutions	1. Independent Directors expressed no objections or reservations. 2. Executed in accordance with the board resolutions.



Audit Committee

Our the Audit Committee comprises three members—Ho Chin-Chih 、Kuan Chi-Jui and Cheng Yu-Wei each bringing relevant professional backgrounds and industry expertise. Their term of office spans from May 30, 2024 to May 29, 2027. The Committee is primarily tasked with supervising the fair presentation of financial statements, the appointment, dismissal, and independence assessment of certifying CPAs, the effective implementation of internal control systems, regulatory compliance, and the execution of risk management mechanisms. In 2025, four meetings were convened. An annual self-evaluation was conducted across five key dimensions—operational participation, role awareness, decision-making quality, composition and election, and internal controls—thereby strengthening committee governance and operational efficacy.



Title	**Name**	**Attendance Rate (%)**
Convener	Ho Chin-Chih	100
Member	Kuan Chi-Jui	100
Member	Cheng Yu-Wei	25

Date / Meeting	**Key Resolutions**	**Independent Directors' Opinions & Company Follow-up**
2025.03.14 2nd Term, 4th Meeting	1. Approved the 2024 Business Report and Financial Statements. 2. Approved the 2024 Earnings Distribution Proposal. 3. Approved the independence assessment of certifying CPAs.	N/A
2025.05.13 2nd Term, 5th Meeting	Approved the Q1 2025 Financial Statements.	N/A
2025.08.12 2nd Term, 6th Meeting	Approved the Q2 2025 Financial Statements	N/A
2025.11.11 2nd Term, 7th Meeting	1. Approved amendments to the Internal Control System. 2. Approved the 2026 Annual Internal Audit Plan.	N/A

Remuneration Committee

Our the Remuneration Committee comprises 3 members possessing professional qualifications and work experience across commerce, construction, securities, finance, law, and corporate business operations. This ensures that the Committee members maintain the necessary expertise and capabilities to fulfill their fiduciary duties. The current 6th-term members serve from May 30, 2024 to May 29, 2027, ensuring operational continuity and governance stability. In 2025, the Remuneration Committee convened a total of 2 meetings.

Title	Name	Attendance Rate (%)
Convener	Ho Chin-Chih	50
Member	Kuan Chi-Jui	100
Member	Cheng Yu-Wei	100

The 6th Remuneration Committee



Remuneration



1. Remuneration Policy and Structure

The remuneration of ourthe Company's Directors and Supervisors includes fixed base compensation and earnings-distributed remuneration stipulated in the Articles of Incorporation. In addition to base salary, the President and Executive Vice Presidents are entitled to performance bonuses and employee compensation, with amounts determined based on their job responsibilities, corporate contributions, and prevailing market benchmarks.

2. Establishment Procedures

The remuneration packages for Directors, Supervisors, and executive managers are evaluated annually and recommended by the Remuneration Committee, subject to review and final approval by the Board of Directors prior to implementation.





3. Linkage to Performance and Risk Management

The compensation framework for managerial officers fully integrates corporate strategic goals, financial condition, and assigned duties, while balancing long-term risk exposures to ensure that executive rewards remain closely aligned with operational performance.

4. Remuneration Committee Self-Evaluation Mechanism

The Remuneration Committee conducts an internal self-evaluation annually (covering the evaluation period from January 1 to December 31) across the following key operational dimensions to assess governance efficacy:





During 2025, the members of the Remuneration Committee deliberated and resolved on relevant proposals across multiple meetings. On January 14, 2025, the 6th-term 6th meeting reviewed the 2024 executive year-end bonus distribution, the 2024 appropriation of remuneration for directors and employees, and the Investment Department's performance bonus; all attending members approved the proposals unanimously without objection. On August 12, 2025, the 6th-term 7th meeting reviewed the 2024 executive remuneration distribution proposal, which was likewise approved unanimously without objection. We submitted the committee's opinions and resolutions to the Board of Directors pursuant to regulatory procedures, ensuring decision-making transparency and fairness.

Date / Meeting	Proposals	Resolution Results	Resolution Results
2025.01.14 6th Term, 6th Meeting	1. Review of the 2024 executive year-end bonus distribution 2. Review of the 2024 appropriation of director and employee remuneration 3. Deliberation on the Investment Department's performance bonus	Approved unanimously as proposed after the Chair consulted all attending members.	Submitted to the Board of Directors and approved by all attending directors.
2025.08.12 6th Term, 7th Meeting	Review of the 2024 executive remuneration distribution proposal		



Nomination Committee

Our Nomination Committee comprises 5 members, including 3 Independent Directors and 2 Directors. All committee members possess over 5 years of professional experience across commerce, law, finance, and corporate management, having previously held senior executive positions or attained professional technical qualifications. This ensures that the Committee maintains solid expertise and discerning judgment when executing nomination and selection duties. The term of office for the current committee spans from May 30, 2024 to May 29, 2027.

1. Formulating diversity (professional expertise, technical skills, experience, gender) and independence standards for board members, and actively seeking, vetting, and nominating director candidates accordingly.
2. Structuring and developing the organizational architecture of the Board and its functional committees.
3. Formulating and reviewing continuing education plans for directors alongside succession planning for directors and senior management.
4. Reviewing and updating the Company's Corporate Governance Best Practice Principles and Director Election Procedures.
5. Serving as the executive unit responsible for evaluating the performance of the Board and its functional committees.

In 2025, the Nomination Committee held two regular meetings, demonstrating a high degree of responsibility and commitment. The resolutions reached at these meetings included:

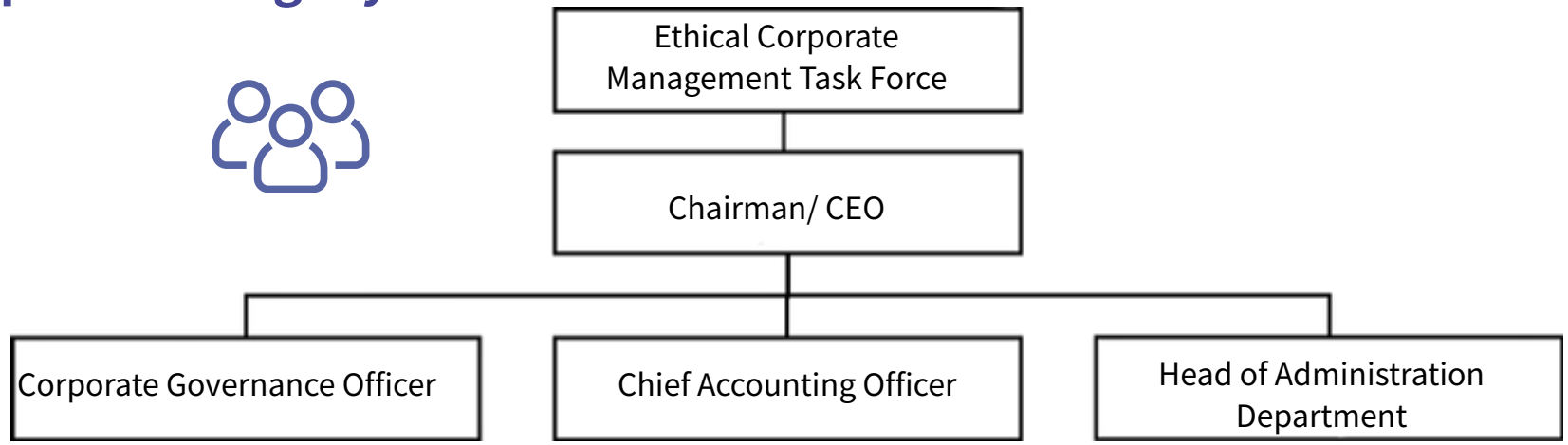
1. Annual performance evaluation of the Board of Directors and functional committees
2. Review and deliberation of nominations for Directors and Independent Directors
3. Formulation of implementation guidelines and plans for continuing education of Directors
4. Election of the Convener of the Committee
5. Amendments to the Operating Procedures for Financial and Business Matters between Related Parties
6. Enactment of the Company's Sustainable Development Best Practice Principles



Title	Name	Attendance Rate (%)
Convener	Cheng Yu-Wei	50
Member	Ho Chin-Chih	100
Member	Kuan Chi-Jui	100
Member	Leo Ho	100
Member	Ho Ming-Hong	100

Date / Meeting	Proposals	Resolution Results	Follow-up on Member Opinions
2025.03.14 2nd Term, 3rd Meeting	1. 2024 performance evaluations for the Board of Directors and functional committees 2. Formulation of the 2025 Director Continuing Education Plan	Approved unanimously as proposed after the Chair consulted all attending members.	-
2025.08.12 2nd Term, 4th Meeting	1. Enactment of the Organizational Charter of the Sustainable Development Committee 2. Establishment of the Sustainable Development Committee and appointment of its members		

Corporate Integrity Promotion Team Structure



To reinforce the corporate integrity framework, we have established the dedicated "Corporate Integrity Promotion Team." Chaired by the President, the task force convenes heads from corporate governance, accounting, and administrative management departments. The team is charged with formulating ethical management policies, designing preventive mechanisms, and overseeing execution effectiveness. The Chairperson reports annually to the Board of Directors on team operations and governance outcomes to ensure implementation efficacy. Upholding the core values of integrity, transparency, and accountability, we conduct communication and enforcement in accordance with the Board-approved Employee Code of Conduct, Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct, establishing robust corporate governance and risk management mechanisms to foster a sustainable operating environment.

I、Ethical Corporate Management Policy

We conduct all business activities under the principles of fairness, honesty, trustworthiness, and transparency. To enforce our ethical corporate management policies and prevent any improper conduct, we have established the "Ethical Corporate Management Best Practice Principles" in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and relevant local laws and regulations where we operate. This policy sets clear guidelines and operational compliance requirements for all personnel during business execution. Anchored by the operating philosophy of integrity, transparency, and accountability, we establish a sustainable operating environment through well-rounded corporate governance and risk management mechanisms.

II、Programs for Preventing Unethical Conduct

Our dedicated unit periodically organizes internal training and promotional campaigns, arranging for the Chairman, President, or senior executives to communicate the vital importance of business ethics to directors, employees, and mandataries. Ethical management is integrated into employee performance evaluations and human resource policies, accompanied by clear and effective reward, penalty, and grievance mechanisms. To prevent unethical practices, we have enacted the Procedures for Handling Whistleblowing of Illegal, Unethical, or Dishonest Conduct and the Procedures for Ethical Management and Guidelines for Conduct. A formal whistleblowing system is instituted—with reports received directly by our Spokesperson and the Head of Internal Audit—under clearly defined investigation and handling procedures.

III、Implementation Status of Ethical Corporate Management in 2025



1. Grievance and Whistleblowing Channels: We provide dedicated grievance channels for employees. External stakeholders—such as customers, suppliers, or investors—can utilize accessible reporting channels, including the official website contact inbox.

2. Whistleblowing Incidents in 2025: A total of 0 whistleblowing cases were received and processed in 2025.

Sustainable Development Committee

Title	Name	Attendance Rate (%)
Convener	Huang Szu-Ying	100
Member	Lui Chia-Cheng	100
Member	Chen Su-Ching	100

The Sustainable Development Committee comprises three members: Huang Szu-Ying、Lui Chia-Cheng、Chen Su-Ching, with their term of office spanning from August 12, 2025 to May 29, 2027. The Committee is primarily responsible for formulating, promoting, and strengthening corporate sustainable development policies, annual plans, and ESG strategies, as well as reviewing, tracking, and refining implementation progress and performance. In 2025, two meetings were convened to elect the Convener of the 1st Term Sustainable Development Committee, and to review and propose recommendations regarding the 2025 execution status of corporate governance, ethical management, and sustainable development initiatives.



I. Governance

Sustainable related organization diagram



Core Duties and Responsibilities

Responsible for regulatory compliance incorporate governance, formulating reasonable remuneration policies and employee performance appraisal systems, conducting educational training, and establishing stakeholder engagement mechanisms to achieve corporate sustainable development goals.

Responsible for environmental management systems, compliance with environmental regulations and international standards, evaluating sustainability transformation, enhancing resource efficiency, implementing climate change response mechanisms, and designating dedicated environmental management units or personnel to achieve environmental sustainability targets.

Responsible for human rights management policies and procedures, compliance with human rights regulations and international frameworks, establishing internal and external communication across all organizational levels (e.g., employees, subsidiaries, joint ventures) and key value chain partners, assessing related risks and management mechanisms, and fostering community and cultural development to realize sustainable operations.

Responsible for sustainability information management policies, ensuring compliance with disclosure regulations and international reporting standards, and disclosing relevant, reliable sustainability data to enhance corporate ESG transparency.

(I) Operational Model of the Sustainability Promotion Task Force

The Sustainability Promotion Task Force reports material topics based on stakeholder feedback and comprehensive assessments of economic, environmental, and social impacts. Its operational framework comprises four core stages:

(1) Strategic Planning: Establish corporate sustainability strategies and define short-, medium-, and long-term targets.

(2) Program Implementation: Drive initiatives across environmental sustainability, corporate governance, employee well-being, and social engagement.

(3) Performance Evaluation: Track ESG key performance indicators and compile annual sustainability reports.

(4) Continuous Improvement: Gather stakeholder feedback and formulate continuous improvement plans.

Date	Course	Hours	Participa	Total Person-
2025.2.11	Sustainability Report Compilation Training	2	11	22
2025.2.11	GHG Inventory Training	2	11	22
2025.4.29	Introduction to ESG Information Disclosure and Recent Initiatives	2	9	18
2025.7.29	Sustainability Report First Draft Review Meeting	3	9	27
2025.10.20	Sustainability Topic Data Collection & Implementation Status Review	2	9	18
2025.12.12	Climate Risk Adaptation and Mitigation Transition Plan	2	9	18
2025.12.30	Sustainability Report Optimization & GHG Inventory Training	3	9	27

(II) Sustainable Development Committee

To embed corporate sustainability across operations, the Board of Directors established the Sustainable Development Committee on August 12, 2025 as the governing body responsible for driving sustainability initiatives. Chaired by Director Huang Szu-Ying as Convener, the Committee enacted the Organizational Charter of the Sustainable Development Committee. The President concurrently serves as the Chief Sustainability Officer (CSO) leading the primary sustainability task force, coordinating four functional working groups: the Corporate Governance Task Force, Environmental Sustainability Task Force, Social Welfare Task Force, and Sustainability Information Disclosure Task Force. The CSO oversees project execution efficacy and facilitates inter-departmental collaboration on ESG matters. Dedicated and concurrent sustainability personnel report progress to the CSO on an ad-hoc basis, and the Sustainable Development Committee formally presents annual sustainability progress reports to the Board of Directors.



In advancing sustainability initiatives, our Sustainable Development Committee formulates sustainability policies and targets based on stakeholder engagement outcomes and material economic, environmental, and social impacts, submitting them to the Board of Directors for approval. Following Board approval, corresponding management policies and targets are delegated to respective departments for execution. Department heads are required to report implementation progress periodically, and the Chief Sustainability Officer (CSO) delivers an annual consolidated report to the Board. We continuously drive low-carbon operational initiatives to support the national target of Net-Zero Emissions by 2050. The Chairman and the Sustainability Promotion Task Force review, guide, and assume accountability for climate-related risks, annually approving climate risk limits, business operation plans, and budgets allocated for climate action initiatives, while providing strategic recommendations for managerial adjustments.

Date / Meeting	Proposals	Resolution Results	Follow-up on Member Opinions
2025.08.12 1st Term, 1st Meeting	Election of the Convener for the 1st Term Sustainable Development Committee	Elected Member Huang Szu-Ying as the Convener for the current term.	None
2025.11.07 1st Term, 2nd Meeting	Review and recommendations regarding the 2025 implementation status of Corporate Governance, Ethical Management, and Sustainable Development	Approved unanimously as proposed after the Chair consulted all attending members.	Submitted to the Board of Directors as a reporting matter.

(III) Sustainability-Related Board Resolutions and Reports

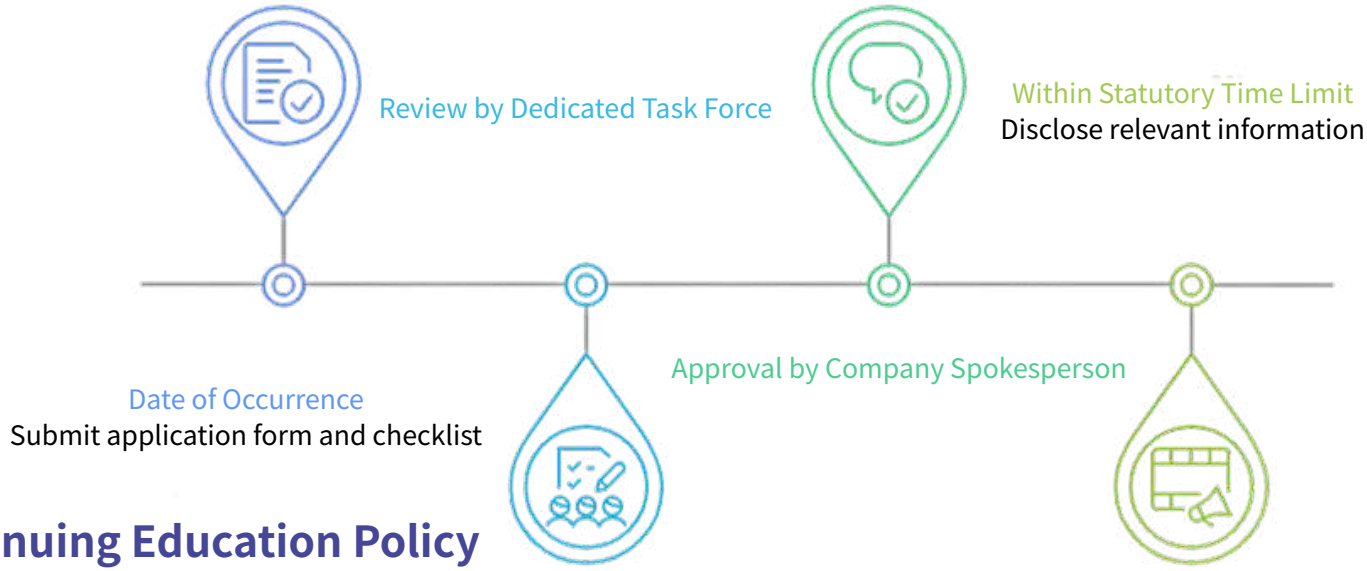
Date	Topics
March 1, 2025	Board Meeting Report Report on the GHG Inventory and Third-Party Verification Schedule Planning
March 1, 2025	Board Meeting Report Report on the GHG Inventory and Third-Party Verification Schedule Planning
August 12, 2025	Board Meeting Report 1. Approved the enactment of the Organizational Charter of the Sustainable Development Committee 2. Approved the establishment of the Sustainable Development Committee and appointment of its members 3. Approved the compilation and publication of the 2024 Sustainability Report
November 11, 2025	Board Meeting Report 1. Report on Risk Management Policies, Scope, Organizational Structure, and Operational Status 2. Report on Stakeholder Engagement and Communication Status 3. Report on Information Security Management Implementation Status 4. Report on Sustainable Development Implementation Status



Material Information Disclosure Procedures

When releasing material information, we strictly adhere to relevant laws and regulations, the Taiwan Stock Exchange's Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities and its Q&A guidelines, alongside internal operational procedures to ensure timeliness, accuracy, and completeness of information dissemination.

When a corporate decision or event meets the criteria for material information, the responsible unit must complete the Material Information Disclosure Application Form and the Material Information Assessment Checklist on the date of occurrence. Following department head approval, the documents are submitted to the Material Information Task Force for review and finalized by our Spokesperson for authorized release, ensuring public disclosure within statutory deadlines. In 2025, we had no extraordinary material events or announcements; all routine disclosures were executed in accordance with established regulatory standards.



Director Continuing Education Policy

Board training programs are structured into two main components based on director functional competency requirements: Core Courses and Professional Courses.

1. Core Courses: Focus on directors' fiduciary duties and responsibilities, board structure and functions, meeting procedures, and collaboration with executive management, assisting directors in gaining a profound understanding of their governance roles and effectively implementing corporate governance mechanisms.
2. Professional Courses: Structured in accordance with the three core curriculum scopes stipulated in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies and tailored to each director's professional background. Coursework spans financial analysis, risk management, corporate and commercial strategy, legal and accounting practices, corporate social responsibility (CSR/ESG), internal controls, and financial reporting oversight. Guided by statutory training hour requirements, the curriculum prioritizes core fundamentals complemented by corporate governance and sustainable development topics, aiming to empower directors to exert pivotal influence over decision-making and governance culture while bolstering corporate competitiveness on the global stage.

Continuing Education Hour Requirements：1. Newly appointed directors: At least 12 hours of training in the year of assumption of office.
2. Re-appointed directors: At least 6 hours of training annually during their term of office.

Title	Name	Date	Organizer	Course Title	Hours
Chairman	Leo Ho	2025.04.15	Taiwan Corporate Governance Association	Case Studies and Analysis on Corporate Control Contests	3
		2025.05.16	Taiwan Corporate Governance Association	Information Security Governance and Management under Geopolitical Dynamics	3
Vice Chairman	Ho Ming-Hong	2025.08.07	Financial Arbitration and Crime Prevention Center	Trends in AML/CFT and Practical Insights into Insider Trading Prevention	3
		2025.09.02	Taiwan Securities Association	ESG: Charting the New Future of the Securities Industry & Gender Equality; Corporate Governance: Business Opportunities for Brokerages Amid the Rise of Family Offices	6
		2025.09.18	Taiwan Securities Association	Financial Consumer Protection Act, Treating Customers Fairly (TCF), and Financial Accessibility under CRPD	3
		2025.10.16	Taiwan Securities Association	Security Challenges and Future Trends of AI under Digital Technology Risks	3
Director	Lee Ming-Huei	2025.07.25	Taiwan Corporate Governance Association	Effective Board Meetings: Practical Insights on Common Operational Deficiencies for Listed Companies	3
		2025.08.12	Taiwan Corporate Governance Association	Optimizing Sanctions Compliance and Innovation to Bridge Sustainable Governance in the Digital Era	3
Director	Liu Shiang	2025.10.21	Taiwan Corporate Governance Association	Corporate Crisis Management and Strategic Communication	3
		2025.10.23	Securities and Futures Institute (SFI)	Fostering a Diversity, Equity, and Inclusion (DEI) Workplace: The Imperative of DEI and Leadership Elevation via Workplace Bullying Case Insights	3
Director	Huang Szu-Ying	2025.07.09	Taiwan Stock Exchange (TWSE)	2025 Cathay Sustainable Finance and Climate Change Summit	6

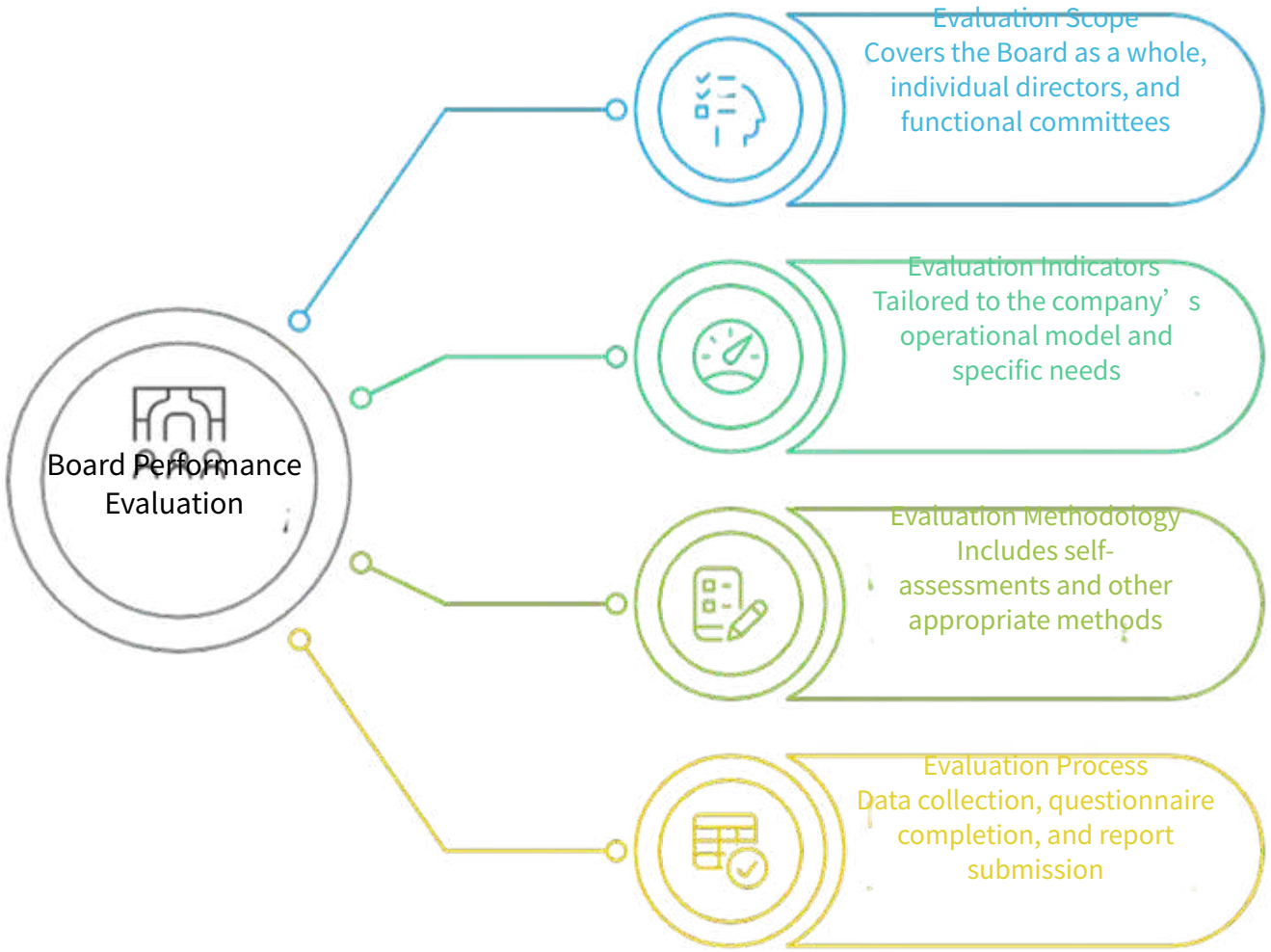
Title	Name	Date	Organizer	Course Title	Hours
Independent Director	Ho Chin-Chih	2025.07.04	Taiwan Corporate Governance Association	The Path of Sustainable Succession and AI-Driven Transformation	3
		2025.09.02	Taiwan Securities Association	ESG: Charting the New Future of the Securities Industry & Gender Equality; Corporate Governance: Business Opportunities for Brokerages Amid the Rise of Family Offices	6
Independent Director	Kuan Chi-Jui	2025.05.13	Taiwan Corporate Governance Association	Strategic Analysis of Sustainable Enterprises: Renewable Energy Case Studies	3
		2025.05.20	Taiwan Corporate Governance Association	Practical Analysis of Sustainability Report Assurance	3
Independent Director	Cheng Yu-Wei	2025.03.14	Taiwan Corporate Governance Association	Circular Economy Benefits and Sustainable Finance Business Opportunities	3
		2025.04.15	Taiwan Corporate Governance Association	Case Studies and Analysis on Corporate Control Contests	3



BoardPerformance Evaluation Mechanisms

Pursuant to the Company's newly revised Rules Governing Board Performance Evaluation, we periodically disclose the annual evaluation results of the Board of Directors. The evaluation scope encompasses the Board of Directors as a whole, individual board members, and all functional committees. The evaluation metrics are tailored to corporate operational models and strategic requirements, with periodic reviews and enhancement recommendations proposed by the Remuneration Committee.

Evaluation methodologies include internal board self-evaluations, individual director self-evaluations, and other appropriate approaches. Designated executive units are responsible for collecting board activity records and distributing questionnaires, including the Self-Evaluation Questionnaire for Board Performance, Self-Evaluation Questionnaire for Individual Board Members, and Self-Evaluation Questionnaire for Functional Committees. Evaluated subjects complete the questionnaires against defined benchmark criteria. The results are consolidated into a formal evaluation report, which is submitted to the Board of Directors for review and serves as a strategic foundation for continuous governance improvements.



Internal self-assessment



Evaluator	Conducted via internal self-evaluations by board members using the "Board Performance Self-Evaluation Questionnaire," "Individual Board Member Performance Self-Evaluation Questionnaire," and "Functional Committee Performance Self-Evaluation Questionnaire."
Frequency	Conducted annually.



Assessment content

(I) The performance evaluation criteria of our Board of Directors include the following five aspects:
1. Degree of participation in corporate operations
2. Improvement of the quality of board decision-making
3. Composition and structure of the Board
4. Director election and continuing education
5. Internal control

(II) The performance evaluation of board members includes the following metrics:
1. Understanding of corporate goals and missions
2. Perception of board responsibilities
3. Level of involvement in corporate operations
4. Internal relationship management and communication
5. Board members' professional development and continuing education
6. Internal control

(III) The performance evaluation criteria for the Compensation Committee include the following:
1. Level of involvement in corporate operations
2. Understanding of the responsibilities of functional committees
3. Improving the quality of decision-making by the Compensation Committee
4. Composition and structure of the Compensation Committee
5. Selection of committee members

(IV) The performance evaluation criteria for the Audit Committee include the following:：
1. Level of involvement in company operations
2. Understanding of the responsibilities of functional committees
3. Improving the quality of Audit Committee decision-making
4. Composition and structure of the Audit Committee
5. Selection of committee members

(V) The performance evaluation criteria for the Nomination Committee include the following:
1. Level of involvement in company operations
2. Understanding of the responsibilities of functional committees
3. Improving the quality of Nomination Committee decision-making
4. Composition and structure of the Nomination Committee
5. Selection of committee members

(VI) The performance evaluation criteria for the Sustainability Committee include the following:
1. Level of involvement in company operations
2. Understanding of the responsibilities of functional committees
3. Improving the quality of Sustainability Committee decision-making
4. Composition and structure of the Sustainability Committee
5. Selection of committee members

Self-Evaluation Results	In January 2026, we completed the performance evaluations for the (I) Board of Directors, (II) Individual Board Members, (III) Remuneration Committee, (IV) Audit Committee, (V) Nomination Committee, and (VI) Sustainable Development Committee. The evaluation scores for the 2025 fiscal year ranged between 5 points ("Strongly Agree") and 4 points ("Agree"). Directors expressed high satisfaction across all operational metrics, evaluating the overall governance functioning as sound, compliant with corporate governance standards, and effective in bolstering board oversight while safeguarding shareholder rights. Evaluation Options: Strongly Agree (5 points), Agree (4 points), Neutral (3 points), Disagree (2 points), Strongly Disagree (1 point).

External Evaluation：None.

Guild

To drive industry advancement, we proactively join and participate in industry associations and their organized activities, acting as an advocate for key industry issues and collaborating with domestic and international partners to promote industrial development. Through active involvement in various initiatives and projects, we not only foster deeper exchanges with industry peers and value chain partners, but also extend the social impact of our sustainability vision. In line with this commitment, we became a Board Member (Director Member) of the Taiwan Spinners' Association in 2005, continually dedicating resources and expertise to industry progression.

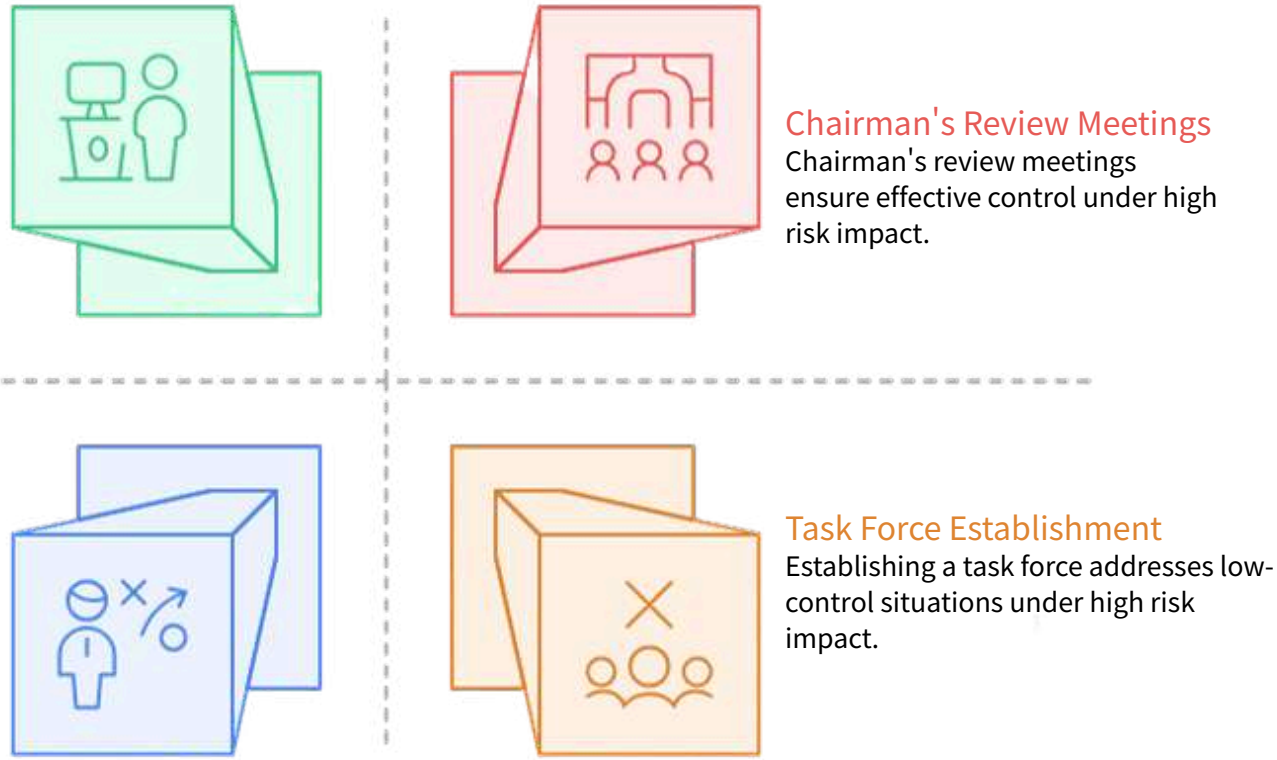


Risk Management

I. Risk Management Organizational Structure and Responsibilities To safeguard shareholder rights, ensure asset quality and financial security, and strictly comply with relevant laws and regulations, we established the Risk Management Policies and Procedures on November 11, 2022, as the supreme guiding principles for risk governance.

1. The Chairman serves as the highest-ranking executive for risk management, while the President and department heads serve as primary (first-level) risk management personnel.
2. Primary risk management personnel are responsible for identifying various risks, formulating mitigation strategies, and reporting the results to the Chairman.
3. Depending on the nature and materiality of the risks, the Chairman may convene meetings to review response measures and establish specialized response task forces when necessary.
4. The Internal Audit Unit audits the implementation of key internal controls pursuant to the annual audit plan and submits audit reports to the Audit Committee and the Board of Directors.

II. Scope of Risk ManagementOur multi-tiered risk management scope encompasses Operational Risk, Financial Risk, Investment Risk, Credit Risk, Management Risk, Information Security Risk, Legal & Compliance Risk, and other identifiable risks. This scope is dynamically reviewed and adjusted in response to changes in the operating environment, business models, and corporate activities.



Audit Reports
Audit reports provide high control assurance under low risk impact.

Chairman's Review Meetings
Chairman's review meetings ensure effective control under high risk impact.

Unit Head Risk Identification
Risk identification by unit heads serves as the starting point for low-impact and low-control scenarios.

Task Force Establishment
Establishing a task force addresses low-control situations under high risk impact.

IV、Risk Management Operations in 2025

Risk Category	Responsible Unit	Risk Description	Preventive Measures	Risk Management Operations
Operational Risk	President's Office	Achievement of operational targets	1. Implementation of a comprehensive budget management system. 2. Periodic variance analysis between budget and actual results.	Managing and reviewing annual strategic directives and target achievement via regular executive management meetings.
Financial Risk	Finance Department	Foreign exchange rate fluctuations	1. Monitoring and controlling foreign currency positions to mitigate FX losses. 2. Weekly foreign exchange reporting to track FX exposure and impacts.	1. Monitor FX market trends and assess currency exposures and P&L impacts across assets and liabilities. 2. Formulate hedging strategies and execute FX hedging operations. 3. Manage FX risk on capital transfers affecting foreign currency positions. 4. Maximize risk-adjusted returns by keeping market risks within acceptable threshold
	Finance Department	Interest rate fluctuations	1. Strengthening capital controls, minimizing idle funds, and lowering cost of capital. 2. Weekly borrowing reports compiling bank interest quotes to secure optimal financing terms.	1. Monitor interest rate trends, oversee short- and long-term debt positions, and utilize financial instruments to lock in borrowing costs. 2. Evaluate diverse financing instruments based on annual budget needs to optimize capital costs. 3. Maintain strong banking relationships to negotiate competitive borrowing and deposit rates.
Investment Risk	Investment Department	Market volatility & investment fluctuations	1. Executing authorized investments pursuant to the Procedures for the Acquisition or Disposal of Assets. 2. Daily and weekly investment equity reports to track NAV fluctuations.	1. Monitor market dynamics, manage short- and long-term investment portfolios, and adjust strategies dynamically. 2. Disclose derivative transactions in strict accordance with statutory requirements.
Credit Risk	Finance Department	Accounts receivable collection risk	1. Compiling Aging Analysis of Accounts Receivable. 2. Establishing overdue receivables tracking and control reports.	Conducting thorough customer credit evaluations and closely monitoring collection schedules to minimize default and delinquency risks.

Risk Category	Responsible Unit	Risk Description	Preventive Measures	Risk Management Operations
Management Risk	Administrative Management Dept.	Personnel turnover & labor-management relations	1. Compensation and benefits exceeding statutory Labor Standards Act requirements. 2. Working hours review and staffing adequacy assessments. 3. Employee education, training, and development planning.	1. Strengthen labor-management communication channels to foster harmonious relations. 2. Enhance recruitment pipelines, training management, execution, and oversight. 3. Ensure all human resource procedures and administrative operations strictly comply with labor regulations.
	Administrative Management Dept.	Employee misconduct / unethical behavior	1. Awareness sessions and compliance seminars. 2. Establishing formal whistleblowing systems and channels.	Enacted the Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Employee Code of Conduct to instill integrity values, cultivate an ethical culture, and ensure compliance with legal and governance standards.
InfoSec Risk	Administrative Management Dept.	Cybersecurity & information security	1. Upgrading antivirus software and firewall capabilities. 2. Enhancing information security governance. 3. Information security education and training. 4. Cybersecurity incident response drills.	1. Conduct regular internal network vulnerability scans. 2. Enforce user authorization control mechanisms and employee info-sec awareness campaigns. 3. Perform periodic data backup and disaster recovery routines.
Legal Risk	Administrative Management Dept.	Business & management legal risks	1. Legal review for material contracts. 2. Enforcing seal and corporate chop management rules. 3. Legal compliance training and seminars.	1. Mitigate contractual exposures via centralized contract lifecycle management. 2. Control corporate chop issuance, usage, and deactivation to minimize legal liabilities. 3. Organize internal legal training to heighten compliance awareness and reduce transaction risks.
	Internal Audit	Regulatory non-compliance & penalties	1. Regulatory compliance briefings. 2. Engagement of external legal counsel.	The Internal Audit unit oversees legal risk governance, providing legal advisory and procedural recommendations across internal systems, regulatory compliance, litigation/disputes, investments, and intellectual property management.

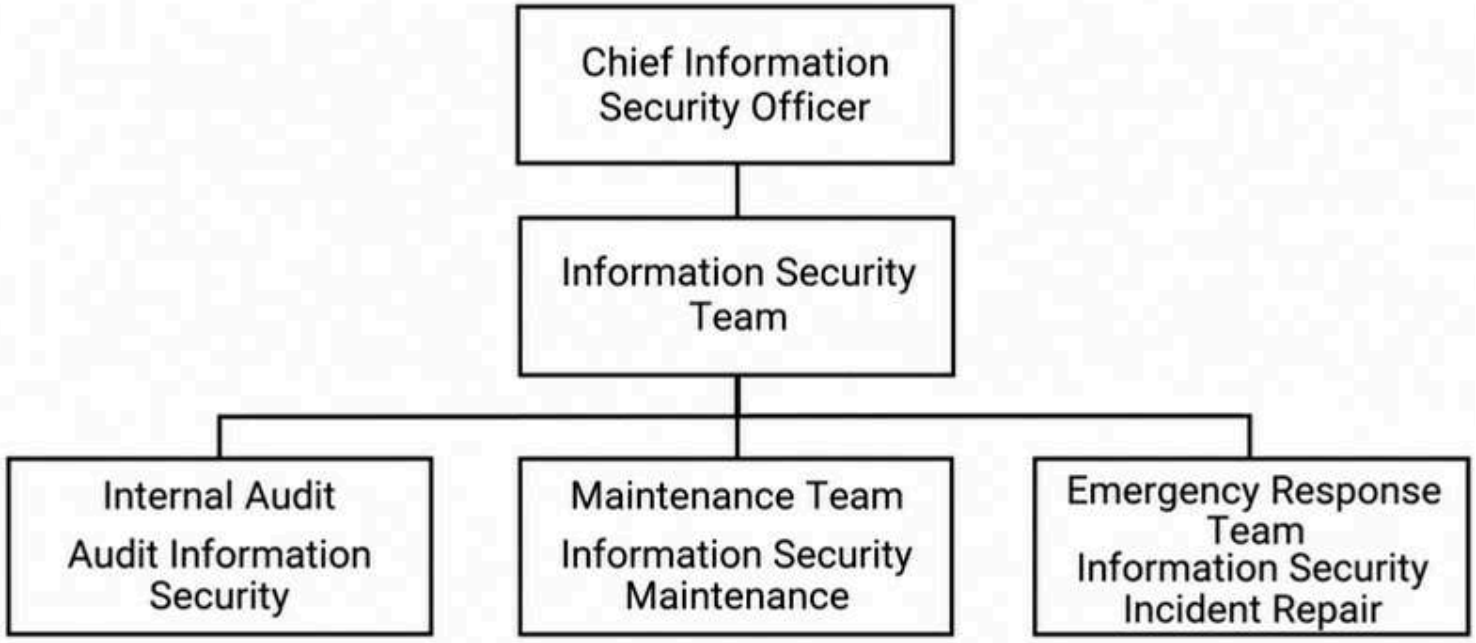
Note: The risk management policy, scope, organizational structure, and operational status are reported to the Board of Directors annually, and were formally presented at the Board meeting on November 11, 2025.

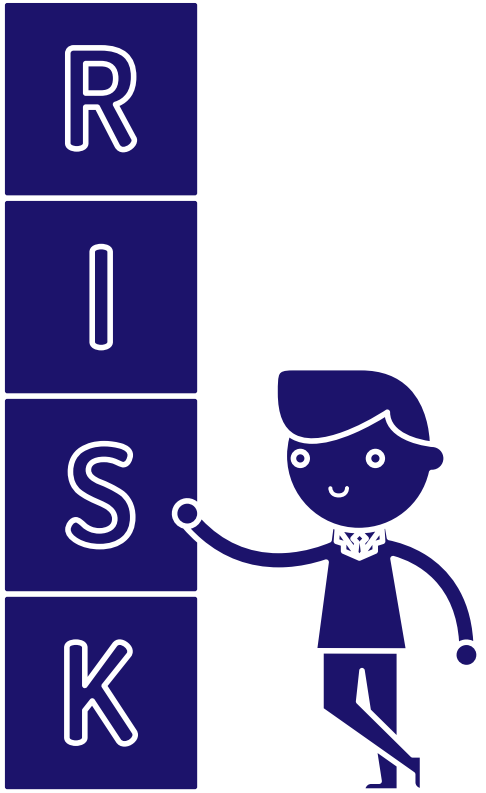
Information & Product Security Risk Management Framework

The Information Security Task Force is designated to oversee information security risks. In 2025, we introduced the ISO/IEC 27001 standard to establish a comprehensive information security risk management framework and formulate stringent cybersecurity policies, safeguarding customer privacy and preventing confidential internal data leaks.

I. Information security governance and verification system

Both we and consolidated subsidiaries have jointly established a dedicated Information Security Task Force. Led by the Chief Information Security Officer (CISO), the team is responsible for integrating and executing information security policies, disseminating cybersecurity updates, enhancing employee security awareness, and adopting technologies, products, or projects to optimize the performance and efficacy of our Information Security Management System (ISMS). Internal auditors conduct annual cybersecurity audits within the internal control framework to evaluate the effectiveness of IT controls. The internal audit unit executes regular annual audits on information security management operations, issues formal audit reports, and presents audit findings and progress reports periodically to the Audit Committee and the Board of Directors.

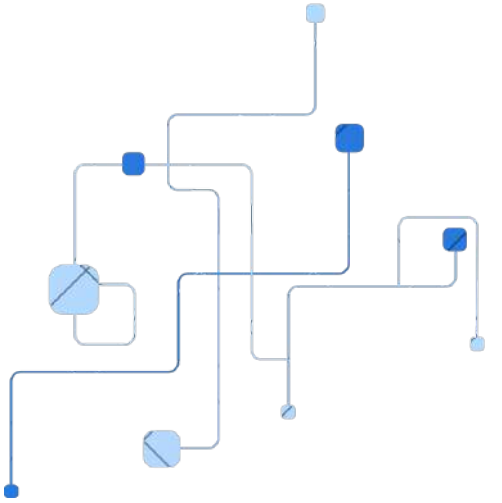




II. Cyber & Information Security Policy

1. Purpose: To enhance the security and stable operation of Group-wide information systems, deliver reliable ICT services, ensure the confidentiality, integrity, and availability (CIA) of information assets, and facilitate seamless business operations in compliance with cybersecurity management standards, we have formulated this Cyber & Information Security Policy (hereinafter referred to as "the Policy") as the supreme guiding principle for cybersecurity governance.
2. Scope: The Policy applies to all personnel of our Company and our affiliated enterprises, as well as contractors, vendors, and third parties who access corporate business information or provide contracted services.
3. Objectives:To ensure the confidentiality of information related to the company's business and to protect the company's business secrets and personal data. (1) To ensure the integrity and availability of information related to the company's business and improve work efficiency and quality. (2) To enhance the company's information and communication security capabilities. (3) To achieve the goal of continuous operation of the company's business.
4. Strategies:(1)Assess ICT operational security requirements against legal mandates and business needs, establishing standard operating procedures to safeguard information asset confidentiality, integrity, and availability.(2)Establish a dedicated cybersecurity organization and define governance roles and responsibilities to drive cybersecurity operations effectively.(3)Implement mandatory compliance items in accordance with cybersecurity responsibility classification regulations.(4)Establish an incident reporting and emergency response mechanism to ensure proper response, containment, and remediation of security events.(5)Conduct regular cybersecurity audits to ensure the effective implementation and continuous enforcement of security controls.
5. Review: The Policy is approved by the Chairman of the Board. The Information Technology Department reviews it at least once a year, or reassesses it upon significant organizational changes (e.g., corporate restructuring, material business transitions). Revisions are made dynamically based on review findings and the latest developments in applicable laws, technologies, and business practices.





III. Concrete Information Security Management Measures

Item	Concrete Management Measures
 Firewall Protection	• Configure and enforce strict firewall connection rules and access policies.
	• Require formal application and approval procedures for exceptional network connection requests. ◦
 Web Browsing & Internet Access Controls	• Deploy automated web security filtering systems to monitor and manage user web browsing activities.
	• Automatically block and filter access to malicious websites containing Trojan viruses, ransomware, or malware.
 Antivirus Protection	• Install centralized enterprise antivirus software with automated virus definition updates to minimize viral infection risks.
 Operating System Updates & Patch Management	• Enforce automated OS updates; devices failing automated updates are remediated directly by the IT Department.
 Email Security Controls	• Deploy automated email scanning and threat protection to intercept insecure attachments, phishing emails, spam, and malicious links prior to inbox delivery.
	• Perform secondary client-side endpoint scans on received attachments via desktop antivirus software.
 Data Backup Mechanism	• Execute automated daily backups for all mission-critical databases and core information systems.
 Server File Storage & Centralized Backup	• Mandate the storage of departmental critical files on centralized servers, managed and backed up uniformly by the IT Department.

IV. Information Security Management Operational Procedures



1. Purpose: To maintain the security of corporate information systems and strengthen information security defense mechanisms, these regulations are established to serve as operational guidelines for company-wide implementation.
2. Scope of Control: Host computer systems, computer equipment and hardware, computer programs and applications, database files, and computer display screens, printed reports, and electronic storage media.
3. Operational Management Procedures：

(1) Server Room Regulations

a. Unauthorized non-IT personnel are strictly prohibited from entering the server room without approval; authorized visitors must sign the server room access log upon entry and exit.

b. Flammable materials are strictly prohibited inside the server room, and fire protection and suppression facilities must be inspected regularly by qualified vendors.

(2) Equipment Procurement & Installation Regulations

a. Upgrading or purchasing equipment requires a formal purchase requisition, which must be approved by the department supervisor before procurement and installation by the IT Department.

b. Installation of computer equipment must be assisted by IT personnel. Installing unauthorized or pirated software is strictly prohibited. Certified antivirus software must be installed, with regular virus scans and automated signature updates.

c. Upon employee resignation or offboarding, portable computer equipment and peripherals must be formally handed over and accounted for.

d. Host servers are protected by firewalls; all remote and external connections accessing internal systems must be routed and authenticated through the firewall.

(3) Operational Controls

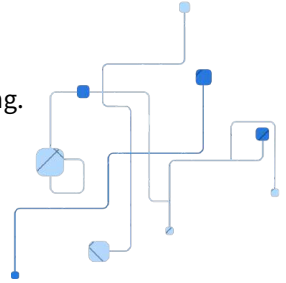
a. Users must log off after using computers, and workstations must be powered down when not in use for extended periods.。

b. Unauthorized use of IT infrastructure or equipment for activities unrelated to official business duties is strictly prohibited.

c. Access to host systems during non-working hours or holidays requires prior approval of the purpose and duration by designated department heads, with advance notification to the IT Department to implement corresponding security measures.

d. The IT Department must continuously monitor system exception logs (Job Logs) and execute prompt remediation actions.

e. The IT Department must perform regular data backups, maintain off-site storage copies, and conduct periodic data restoration drills and recovery testing.



(4) Password & Access Control : Each user is assigned a unique user ID and password.

a. Authorized password users must be registered in a managed roster; personal credentials must not be shared or loaned to others.

b. Upon employee departure or role transfer, associated user IDs and access privileges must be revoked or adjusted immediately.

c. All live production files must be maintained via authorized applications, and all applications must be subject to strict role-based access control.

d. Passwords must be changed at least every 3 months, with a minimum length of 6 characters and the first character required to be an English letter.

e.Initial account setup and permission requests must be submitted via an IT service requisition form, approved by the department head, and provisioned by the IT System Security Administrator.

(5) Access and Authorization Controls

a. Users are granted system access and functional privileges strictly in accordance with authorized approval levels.

b. Data access privileges are governed by a multi-tiered authorization hierarchy; internal auditors and administrative personnel are strictly barred from modifying production databases.

c. Unauthorized or non-designated financial personnel are prohibited from accessing financial reporting systems.

d. General end-users are restricted to authorized application features and have no privileges to access host operating system utilities, developer tools, or system commands.

e. System developers and programmers are prohibited from accessing production programs and live operational data files.

f. Dedicated vendor accounts established for hardware/software maintenance are disabled by default to prevent unauthorized access and enabled only upon approved service requests.

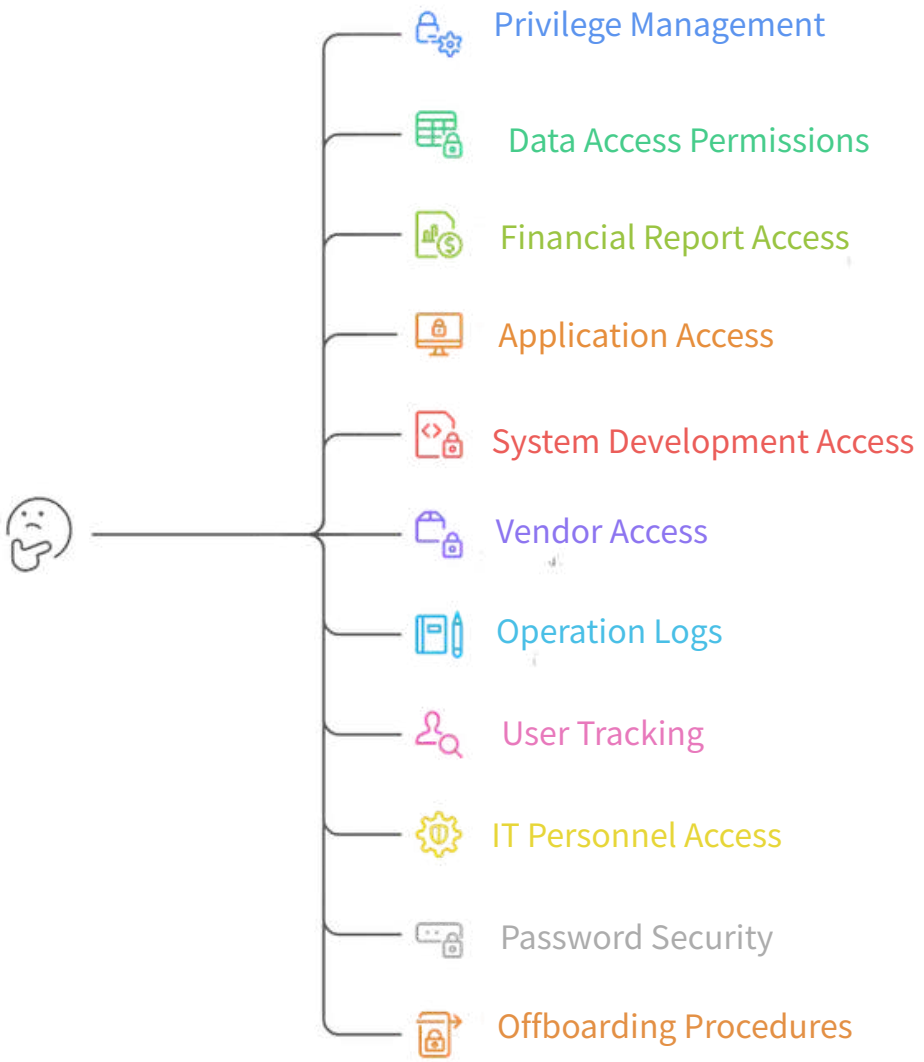
g. System operator logbooks are maintained to record operational events and server conditions, subject to regular supervisory reviews and sign-offs.

h. User activities and access logs are recorded automatically, with syste administrators periodically reviewing access records and tracking or deactivating dormant accounts.

i. IT infrastructure personnel are restricted from direct access to production-level application programs unless explicitly authorized.

j. Passwords must not be displayed in plaintext on computer screens and are strictly forbidden from being printed on reports without one-way hashing or strong cryptographic masking.

k. Resigning IT personnel must submit an offboarding application for managerial approval and complete mandatory handover protocols; the handover form must be formally signed by both successor and predecessor before departure procedures are finalized.



V. Resources Invested in Cyber & Information Security Management

1. Network Hardware Equipment

Category	Quantity
Firewall Gateway Appliance	1
Centralized Antivirus Management Server	1
Anti-Spam & Junk Mail Filtering Gateway	1

2. Software Systems

Category	Quantity
Enterprise Endpoint Antivirus Software	1
Centralized Backup Management Software	1

3. Information Security Workforce Allocation

Maintenance	Manpower
Daily system operational status health checks	1
Weekly scheduled routine data backups	1
Implementation of off-site backup media storage	1
Annual company-wide cybersecurity awareness campaigns	1
Annual system disaster recovery simulation drills	2
Annual internal audits for the IT operational cycle	2

4. Cybersecurity awareness and conference programs

Course	Frequency (per Year)	Duration (Hours)	Participants	Total Person
ISO/IEC 27001 Standard Interpretation Training	1	1	9	9
Information Security Internal Audit Practices	1	1	9	9
Information Security Risk Assessment Training	1	1	20	20
Information Asset Inventory Training & Implementation	1	1	20	20
Personal Data Protection & Privacy Training	1	1	27	27
Employee General Cybersecurity Awareness Training	2	1	40	80
Cyber & Information Security Committee Meetings	4	1	80	320
Cybersecurity Incident Case Studies & Knowledge Sharing	2	1	40	80

VI. Information Security Incidents

1. We have not experienced any major cybersecurity incidents resulting in business disruptions or operational losses.
2. In 2025, we received zero substantiated complaints regarding breaches of customer privacy, and no personal data leak incidents causing damage occurred.
3. We continuously execute our information security management objectives and conduct regular disaster recovery simulation drills to safeguard mission-critical systems and data assets.





VII. Material Contracts

As of the publication date of this report, there are no ongoing or recently expired supply/sales contracts, technical cooperation agreements, construction contracts, long-term loan agreements, or other material contracts that would significantly impact shareholder equity: None.

Operational Performance GRI 201-1、201-4、207-1、207-2、207-3、207-4

Economic Performance



In 2025, our consolidated operating revenue reached NT$ 360,152 thousand, representing a year-over-year (YoY) increase of 7.99%. Gross profit increased by 7.59% from NT$ 121,765 thousand to NT$ 131,003 thousand, demonstrating a steady improvement in gross margin. Net income attributable to owners of the parent company rose by NT$ 3,670 thousand, or 2.50%, to NT$ 150,600 thousand compared to the previous year. Earnings per share (EPS) also climbed from NT$ 0.79 to NT$ 0.81, reflecting a 2.53% growth. These operational results underscore our solid execution in driving operational efficiency and cost management.

Unit: NT$ Thousands

Item	2025 (FY)	2024 (FY)	Change (Amount)	Change (%)
Operating Revenue	360,152	333,508	26,644	7.99
Gross Profit (Loss)	131,003	121,765	9,238	7.59
Net Income (Loss)	164,789	168,832	(4,043)	(2.39)
Net Income Attributable to Owners of Parent	150,600	146,930	3,670	2.5
Earnings Per Share (EPS, in NT$)	0.81	0.79	0.02	2.53

Our financial structure and performance continued to improve in 2025 compared to 2024.

1. Financial Structure

The debt-to-assets ratio rose moderately from 23.99% to 26.97%, reflecting that while we prudently leveraged debt to expand strategic investments, the capital structure remained firmly within a low-risk, sound threshold.

2. Solvency & Liquidity

The current ratio edged up from 223.58% to 224.00%, securing abundant short-term working capital. The quick ratio demonstrated notable improvement, climbing from 78.07% to 104.66%. This expansion was primarily driven by higher current and liquid asset holdings, successfully elevating the quick ratio above the benchmark 100% safety threshold.

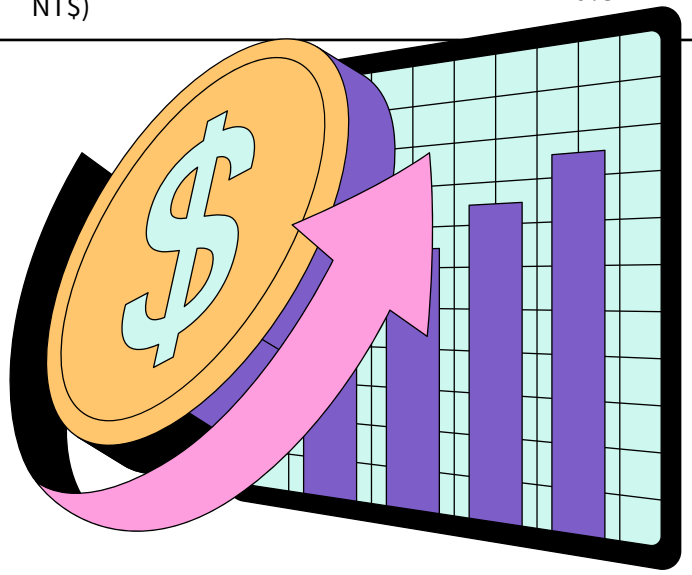
3. Profitability

Return on equity (ROE) improved from 3.78% to 3.81%, underscoring enhanced efficiency in generating returns from shareholders' equity.

In summary, while maintaining a robust balance sheet and sufficient liquidity in 2025, we leveraged disciplined long-term investment strategies and stringent cost controls to bolster equity returns, demonstrating steady growth across overall financial health and operational performance.



Item		2025 (FY)	2024 (FY)
Financial Structure	Debt-to-Assets Ratio (%)	26.97	23.99
	Ratio of Long-Term Capital to Fixed Assets (%)	28,978.14	33,673.49
Solvency & Liquidity	Current Ratio (%)	224	223.58
	Quick Ratio (%)	104.66	78.07
Profitability	Return on Assets (ROA) (%)	2.99	3.48
	Return on Equity (ROE) (%)	3.81	3.78
	Net Profit Margin (%)	45.75	50.62
	Basic Earnings Per Share (EPS, in NT$)	0.81	0.79



Financial Assistance Received from Government



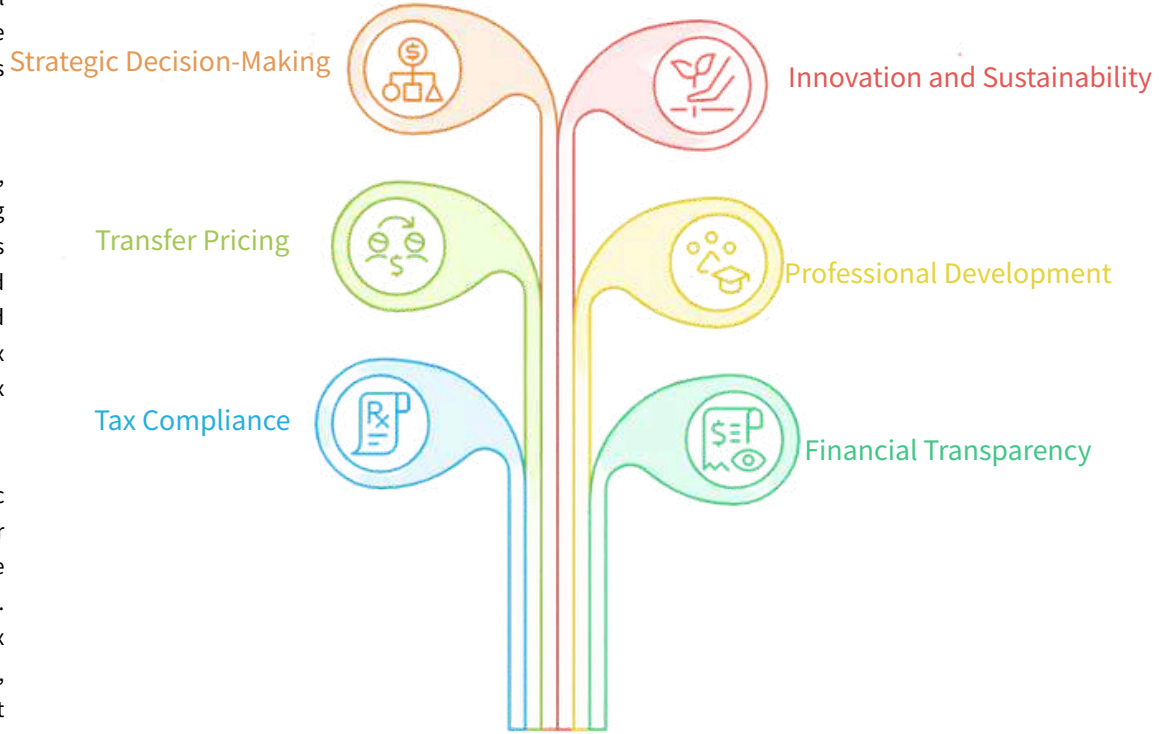
In the 2025 fiscal year, the Company did not receive any financial assistance, grants, or subsidies from the government.

Tax Governance and Strategy

In alignment with evolving global tax governance trends and grounded in the core values of corporate sustainability and ethical management, we have instituted comprehensive tax policies to strictly adhere to tax regulations across all operational locations, fulfill honest tax obligations, optimize tax governance, and elevate enterprise value. We strictly follow local tax laws and statutory disclosure mandates to ensure financial transparency.

Transactions among affiliated enterprises strictly comply with tax audit rules, standard accounting principles, and the OECD Transfer Pricing Guidelines, precluding the artificial transfer of profits or transactions to low-tax jurisdictions or tax havens lacking economic substance. We are fully aligned with the OECD Base Erosion and Profit Shifting (BEPS) Action Plan, ensuring that profits are generated and attributed to operating entities possessing genuine economic substance and legitimate tax residency. We pay statutory taxes locally and strictly refrain from aggressive tax avoidance structures in low-tax jurisdictions.

We systematically integrate tax risk assessments and implications into major strategic decisions, optimizing risk management to generate sustainable value for shareholders. We support innovative and sustainability-oriented tax policies while effectively mitigating compliance risks to fulfill corporate social responsibilities. Furthermore, we continuously strengthen the professional competencies of our tax workforce, ensure statutory disclosure across all financial and tax documentation, and maintain transparent, constructive, and respectful relationships with competent tax authorities.



In alignment with global tax governance trends and guided by the principles of sustainability and integrity, we have established robust tax policies to optimize management efficiency and enhance corporate value. Our core practical approaches comprise:

Compliance and Transparency

(1) Strictly comply with statutory tax laws and disclosure regulations across all operational jurisdictions to ensure full transparency in financial and tax disclosures.
(2) Adhere strictly to the OECD Transfer Pricing Guidelines and internal corporate policies for cross-border related-party transactions, preventing artificial profit shifting to tax havens or low-tax jurisdictions lacking economic substance.
(3) Comply with the OECD Base Erosion and Profit Shifting (BEPS) Action Plan, securing legitimate tax residency and fulfilling statutory tax obligations without engaging in aggressive tax avoidance schemes.

Risk Control and Decision Support

(1) Establish comprehensive tax risk management mechanisms, assess potential tax impacts prior to executing major strategic decisions, and maintain transparent, constructive interactions with tax authorities.
(2) Conduct regular tax and invoice audits to implement rigorous internal tax controls and mitigate compliance risks.

Professional Capability Building

Enhance the competencies of tax personnel through regular training and professional seminars to keep abreast of evolving tax regulations and international practical trends.

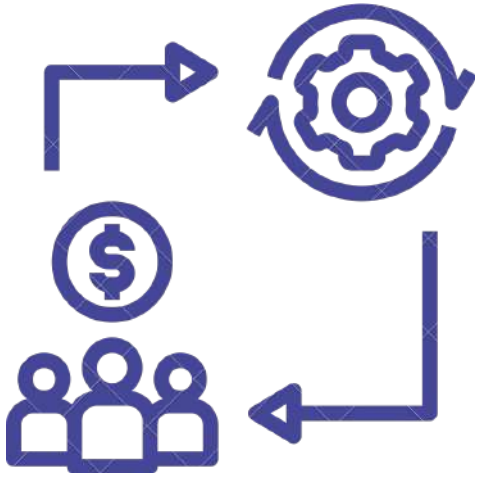
Sustainability and Social Responsibility

Support government sustainability policies, regard honest tax compliance as an essential corporate responsibility, and balance industrial innovation and public welfare within corporate tax strategies.

The Company strictly adheres to tax systems across all operational locations, contributing a total of NT$ 21,680 thousand in income taxes paid in 2025 (114th Fiscal Year)

Tax information for the past three years (consolidated financial statements) Unit: NT$ Thousands

Item	2023 (FY)	2024 (FY)	2025 (FY)
Profit Before Tax	148,642	223,739	172,493
Income Tax Expense	38,642	54,907	7,704
Statutory Income Tax Rate (%)	26%	25%	25%
Income Taxes Paid (Cash Flow)	16,700	16,400	21,680



Tax Information by Jurisdiction

In compliance with statutory tax regulations across different countries and regions of operation, the Company provides audited consolidated financial statements and publicly disclosed financial information.

Unit: NT$ Thousands

Country	Profit (Loss) Before Tax	Current Income Tax Expense	Income Taxes Paid
Taiwan	108,972	2,042	5,729
Mainland China & Hong Kong	-	-	-
Other Regions (British Virgin Islands, BVI)	63,521	5,662	5,662

Tax Risk Management

Tax risks of Kwong Fong are actively overseen by the Finance Department, which periodically tracks regulatory updates across all operating locations and manages corporate tax filings and payments to prevent potential tax disputes and compliance exposures.

Tax Stakeholder Engagement and Management

Kwong Fong Group and its subsidiaries strictly adhere to tax regulations across all operating jurisdictions, timely fulfilling statutory tax filing and payment obligations. We actively participate in tax seminars organized by competent authorities to stay abreast of legislative developments and maintain open, constructive communication with tax agencies. Tax contributions and results are disclosed annually in financial statements to demonstrate our fiscal responsibilities and commitments to stakeholders.

The Group has established dedicated units for tax risk assessment and control, strategically aligning investment projects with industry tax policies, proactively consulting authorities on ambiguous operational matters, and fully cooperating with official audits and tax inspections. Material tax risks are evaluated semi-annually, and the overall tax governance framework is reviewed annually to ensure ongoing compliance and operational efficiency.

Furthermore, in accordance with the OECD Base Erosion and Profit Shifting (BEPS) Action Plan principles, the Group rigorously evaluates cross-border transaction risks and adopts corresponding safeguards. Guided by integrity, the Group cultivates mutual trust and cooperation with tax authorities, continually elevating tax governance efficiency and transparency.



Ethical Management GRI 205-1、205-2、205-3、206-1、415-1

Anti-Corruption Policy

We have not yet established a formalized anti-corruption policy nor conducted formal corruption risk assessments across operating locations. In 2025, there were zero confirmed incidents of corruption and no related remedial actions were required.

Anti-Competitive Behavior Policy

While we have not established explicit policies regarding anti-competitive behavior, anti-trust, and monopoly practices, there were zero legal actions or lawsuits regarding anti-competitive behavior or violations of anti-trust and monopoly legislation in 2025.

Anti-Bribery

In 2025, we made zero political contributions or donations to political parties, politicians, or political organizations.



Regulatory Compliance GRI 2-27

Kwong Fong Company continuously monitors legal and regulatory developments to ensure that all affiliated enterprises strictly comply with applicable laws and regulations. In addition to adhering to fundamental statutes such as the Company Act and the Securities and Exchange Act, the Company establishes rigorous internal standard operating procedures and systems in accordance with corporate governance codes, ensuring thorough regulatory enforcement while safeguarding corporate assets and shareholder rights. Key corporate governance rules and charters are publicly accessible at: https://www.kfic.com.tw/shareholders.html.
In 2025, the Company recorded zero material non-compliance incidents.

Product safety GRI 416-1、416-2、417-1、417-2、417-3

Product Quality and Responsibility



Guided by the principle of integrity, Kwong Fong Company places the utmost emphasis on product quality and responsibility. Through proactive interactions with clients and suppliers, we have established accessible grievance and feedback mechanisms to ensure all concerns are resolved promptly and effectively. All marketing, labeling, and service disclosures strictly adhere to domestic regulations and international standards, delivering accurate and transparent information to the public.

In the digital technology sector, we position ourselves as a "Financial Information Innovator." By closely tracking market trends and customer requirements, and integrating innovation with agile, lean development processes, we build and deliver premium digital products and services.

Concurrently, the Company enforces stringent information security policies to safeguard the integrity and availability of operational and business data. This not only optimizes internal operational efficiency but also deepens client trust in Kwong Fong.

Product regulations compliance



In 2025, our products and services were not subject to health and safety impact assessments. There were zero incidents of non-compliance and zero fines concerning product regulations or health and safety standards.

Product Labelling and Information

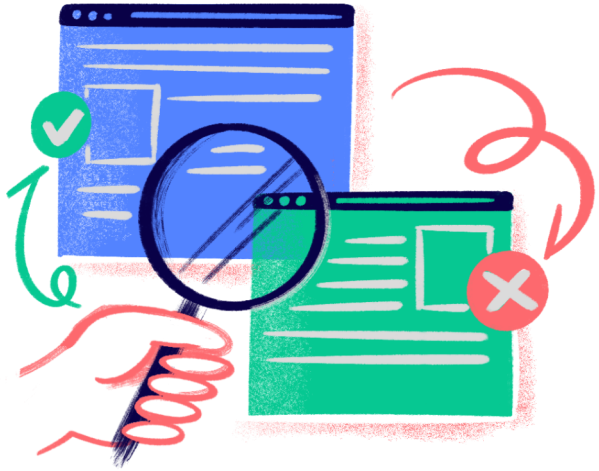


In 2025, the marketing communications, labeling, and service disclosures of our offerings complied with all relevant statutory regulations and international standards, with no third-party certifications currently obtained.

Product Information and Labeling

During the production process, all of our products strictly comply with applicable laws, statutory regulations, and customer specifications. All departments are required to conduct business operations in full accordance with relevant legal provisions and internal company policies. To this end, we organize regular training sessions for employees to ensure every staff member thoroughly understands and implements operational requirements and standard operating procedures.

Similarly, in product labeling and advertising communications, we are committed to providing consumers with complete, accurate, and legally compliant information. To date, we have recorded zero incidents of non-compliance concerning product and service information and labeling regulations.





Product Marketing

Upholding our commitment to providing professional services and comprehensive disclosures, all marketing copies and promotional materials undergo item-by-item verification by designated review personnel, while the Customer Service Department conducts periodic sampling inspections and drives continuous improvements. We firmly believe that transparent, responsible product and service labeling not only safeguards transaction security but also empowers consumers to make informed decisions.

In the 2025 fiscal year, we experienced zero incidents of non-compliance with regulations or voluntary codes concerning product and service information, labeling, and marketing communications.

Customer Relationship Management GRI 418-1

Our Digital Technology Business specializes in information integration, application development, and user interface optimization, tailoring single products or complete solutions for clients. Downstream clients include securities firms, futures brokers, banks, insurance companies, financial holding groups, institutional trading teams, and individual investors, all of whom can adopt them directly or further integrate and redevelop them.

Our Digital Technology Business focuses on the following five core development directions:

(1) Software Customization

Facing market competition and digital transformation demands, we provide one-stop customized solutions covering front-end planning, UI/UX design, system development, and consulting services, helping enterprises integrate innovations into existing systems and strengthening functionality and user experience.

(2) Software Componentization

To reduce development costs and accelerate project schedules, we adopt a modularization strategy to build reusable components and establish common standards, increasing component reuse rates and driving specialization and integration across the software industry.

(3) Online-Merge-Offline (OMO) Integration

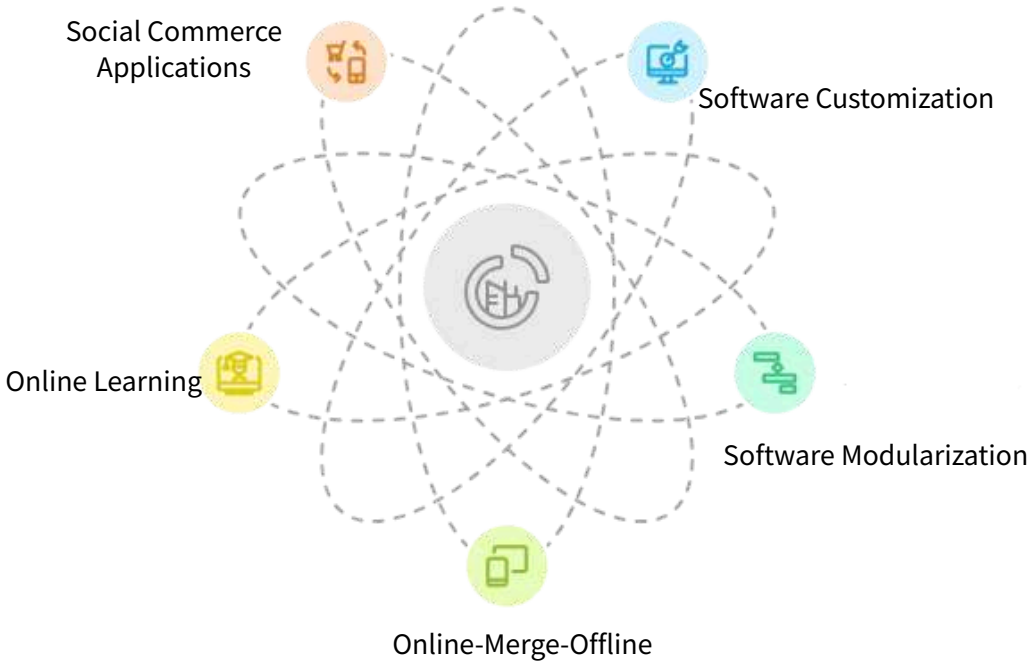
The pandemic and 5G have driven consumer behavior into a new normal of online-merge-offline integration. We establish big data platforms to help enterprises grasp consumer demands, optimize marketing and service processes, and transform data into operational advantages.

(4) Online Learning

Online learning has become increasingly popular, spanning professional skills, languages, finance and investment, programmatic trading, and lifestyle content, presenting broad business opportunities. Market demand is growing especially rapidly in the finance and programming fields.

(5) Social Commerce Applications

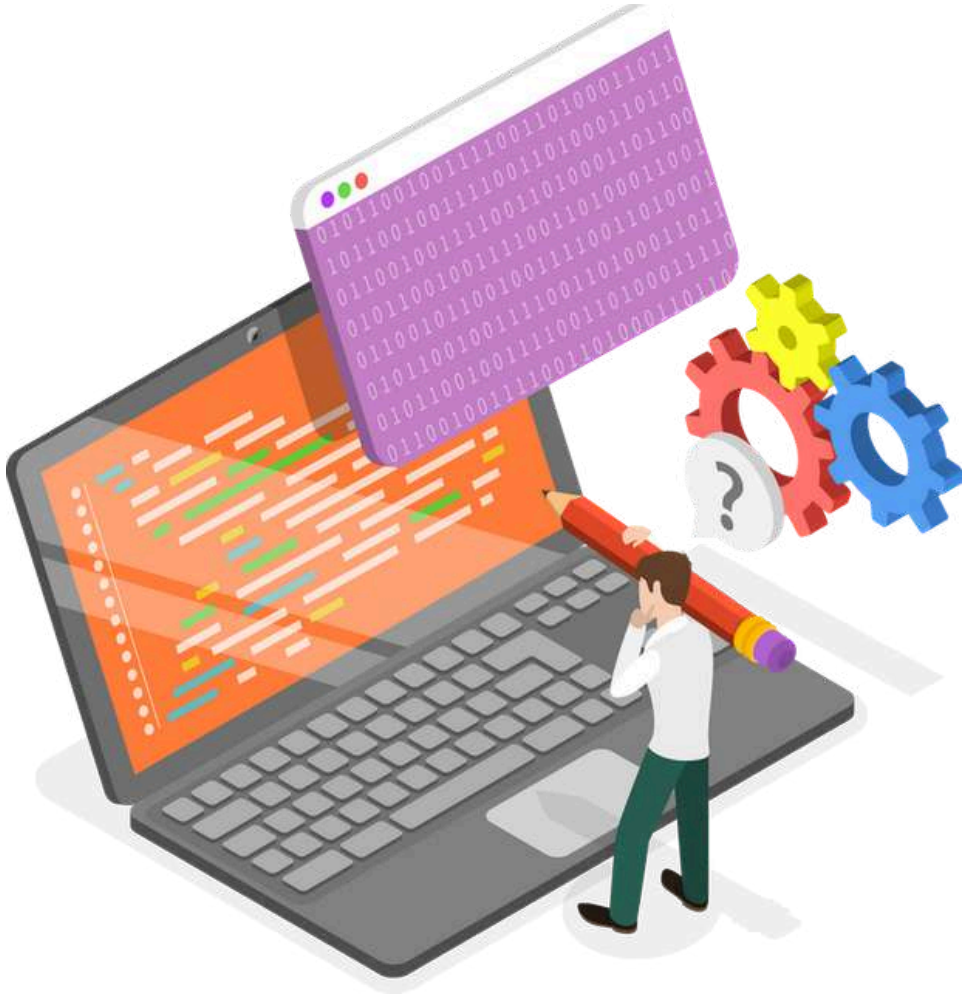
Social media platforms have become emerging commercial channels; for example, Line group applications have been widely used in consumption, wealth management, and learning, effectively converting traffic into customers and driving operational growth.



Our Digital Technology Business specializes in the development of application systems for the financial industry, such as securities, funds, and insurance. Combining outstanding system performance, data integration capabilities, and extensive cross-industry experience, we provide tailored, comprehensive solutions that create added value in information and services.

Upholding the mission of being a "Financial Industry Information Innovator," we gain insights into market and customer needs, adhere to high quality and attention to detail, and precisely meet diverse demands through innovative thinking and advanced technology.

Leveraging project experience and cross-domain integration capabilities, our Digital Technology Business serves as a solid foundation for clients' digital transformation and business innovation, while continuously driving financial technology innovation and excellence.



Sustainable supply chain GRI 204-1、308-1、308-2、414-1、414-2

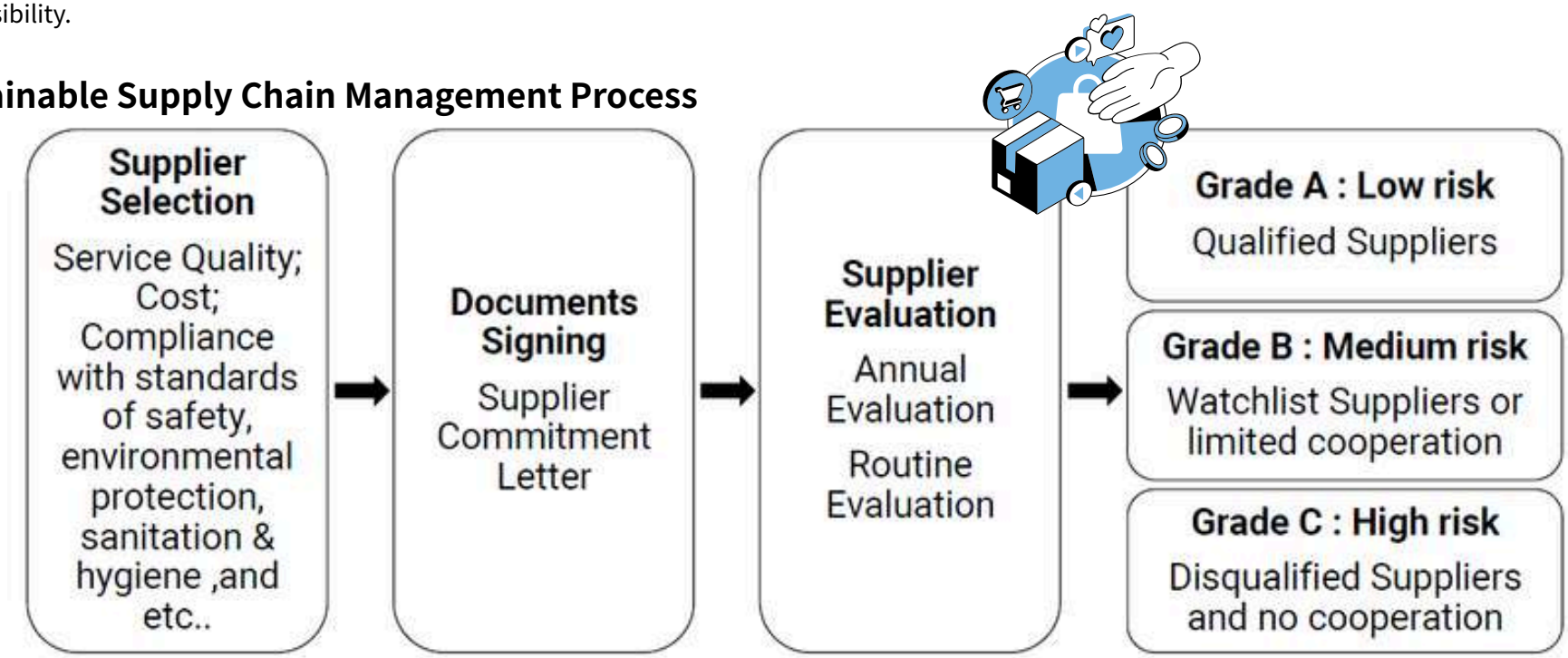
Supplier Management Policy

Kwong Fong deeply understands the importance of supplier management to environmental sustainability and human rights protection, viewing it as a key element in fulfilling corporate social responsibility. To this end, we have established the Supplier Management Policy, stipulating the principles and standards suppliers should comply with; concurrently, we have released the Supplier Code of Conduct to provide concrete behavioral guidelines on core issues such as labor human rights, integrity management, occupational safety, and environmental sustainability. Both documents serve as the foundation of cooperation, ensuring that suppliers and the Company align in their goals regarding social responsibility and sustainable development to create win-win outcomes.

Supplier Management and Sustainable Procurement

In 2024, Kwong Fong formulated the Supplier Management Policy, requiring suppliers not only to possess supply quality, delivery punctuality, pricing, and service capabilities, but also regulating their compliance with relevant rules in areas such as safety, environmental protection, and environmental sanitation, thereby enhancing the operational performance of both parties, safeguarding human rights and labor rights, and implementing corporate social responsibility.

Sustainable Supply Chain Management Process



Key Focus of Supplier Evaluation

Annual Evaluation	• Quality: Quality stability in construction, supply, etc. • Cooperation: The timeliness and cooperativeness of suppliers in meeting the Company's needs. • Acceptance: Whether acceptance inspection meets the standards. • Industrial Safety Incidents: Whether any industrial safety incidents have occurred with the supplier. • Integrity Management: Construction projects undertaken by suppliers are completed on time, with quality, pricing, acceptance status, service, and cooperation all meeting requirements. • Sustainability Issues: Environmental protection and human rights.
Routine Evaluation	Records are maintained for any abnormal conditions occurring with routine suppliers to serve as the basis for annual evaluation.





Annual evaluations are conducted for suppliers on the registered supplier roster, with categorized and tiered management applied to systematically inventory and grasp the overall status of the supply chain. Management methods include document reviews and routine records, with evaluations conducted across dimensions such as quality, acceptance, cooperation, site safety, and sustainability issues to serve as the basis for risk management. The evaluation results are divided into three tiers; those who pass are required to sign a Supplier Commitment Letter to jointly pursue corporate sustainability goals and establish a mutually trusting and growing partnership.

Supplier categories mainly comprise Network/Telecommunications and Others. In 2025, there were a total of 33 cooperating suppliers. Evaluations were conducted on those with an annual procurement amount exceeding NT$ 1 million; the results showed that all were qualified, with Grade A reaching 100% and no Grade B or Grade C.

2025 Supplier Evaluation Results

Supplier Tier	Risk Level	Management Measures	Results
Tier A	Low Risk	No irregularities; qualified supplier	100%
Tier B	Medium Risk	Irregularities identified; placed on observation list with reduced engagement	0%
Tier C	High Risk	Irregularities identified; business discontinued and supplier disqualified	0%



Kwong Fong adheres to the principle of local procurement to jointly promote corporate sustainability with suppliers, achieving a local procurement ratio of 100% in 2025. Concurrently, with the goal of prioritizing the purchase of green products bearing environmental protection, energy conservation, water conservation, and green building material labels—covering cleaning supplies, paper, and IT products—the Company will continue to select and cooperate with high-quality suppliers that embody environmental spirit, jointly putting the vision of an eco-friendly and sustainable environment into practice.





3-1 Greenhouse Gas Management
3-2 Energy Management

03 Co-building a Sustainable Environment

Greenhouse Gas Management

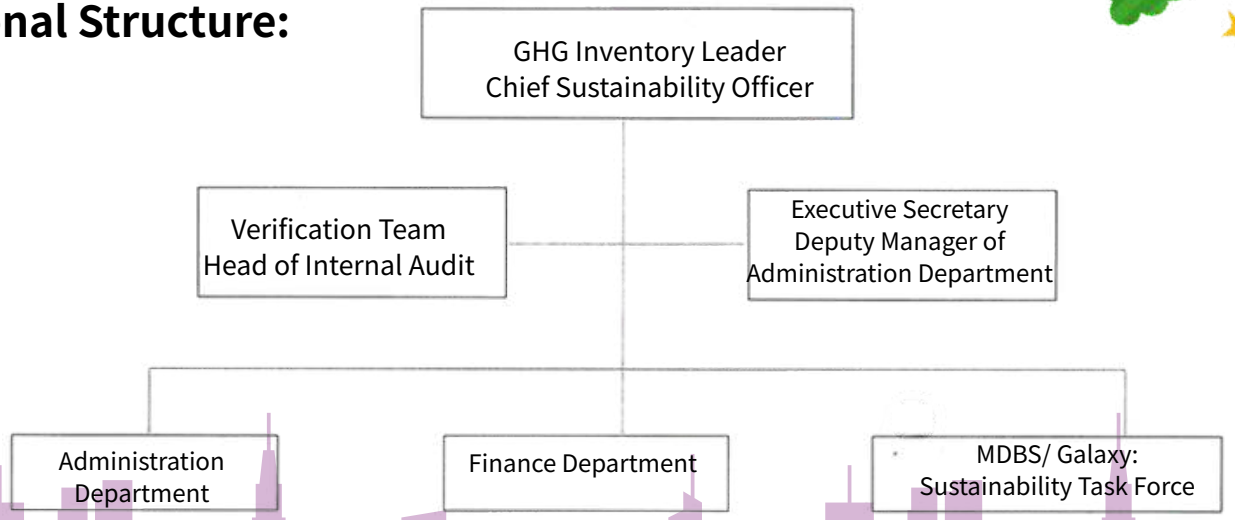


To implement greenhouse gas reduction, minimize environmental impact, and pursue the sustainable, balanced development of the enterprise and the natural environment, the Chief Sustainability Officer (CSO) serves as the Inventory Team Leader to lead greenhouse gas inventories, manage the low-carbon performance of the operational environments across the head office and subsidiaries, and promote green operational activities. In addition, a "Greenhouse Gas Inventory Execution Team" has been established to carry out annual greenhouse gas inventory operations for each business location, with plans outlined as follows (refer to the 2025 Greenhouse Gas Inventory Report for details):

- Report Responsible Unit: The Greenhouse Gas Inventory Team is responsible for preparing the report and providing related information.
- Upon completion, this report will undergo an internal audit in accordance with the "Greenhouse Gas Inventory Management Procedure," and will be issued internally after correcting any deficiencies.
- After completing external verification and addressing all identified deficiencies, this report will take effect upon public announcement to ensure its accuracy.
- This report is formulated and revised in accordance with the provisions of the "Greenhouse Gas Inventory Management Procedure."

If there are any subsequent changes to the inventory scope, this report will be revised and reissued accordingly.

1. Organizational Structure:



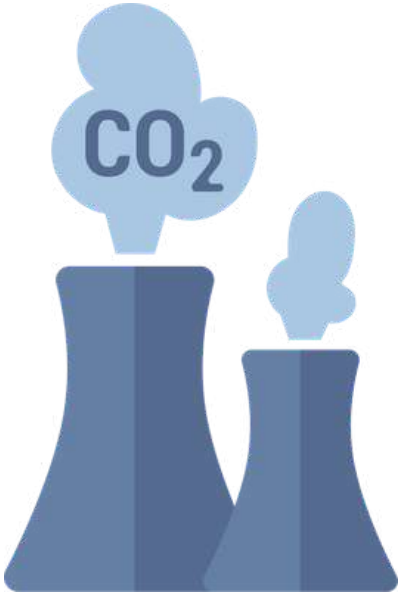
2. The duties of the greenhouse gas inventory team are as follows:：

Title	Responsible Personnel	Responsibilities
Inventory Team Leader	Chief Sustainability Officer (CSO)	Approve the greenhouse gas inventory plan.
Executive Secretary	Deputy Manager of Administration Department	1. Serve as the primary contact window for all units. 2. Execute inventory operations, including data collection and quantification.
Inventory Team Members	Administration Department Finance Department BDMS / Galaxy: Sustainability Team	1. Serve as the primary contact window for all units. 2. Execute inventory operations, including data collection and quantification.
Verification Team	Audit Executive	Execute internal verification operations

3. 2025 GHG Inventory Results for Kwong Fong Industries & Subsidiaries

Category	Unit: Tonnes CO2e	Company	Galaxy	MDBS	Digital	Head Office	Kwong Fong	
		Item	Carbon Emissions	Carbon Emissions	Carbon Emissions	Carbon Emissions	Carbon Emissions	Percentage
Category 1	1.1 Stationary Emissions	Emergency Generators	0.0000	0.0000	0.0000	0.0000	0.0000	0.00%
	1.2 Mobile Emissions	Leased Gasoline Company Vehicles	0.0000	0.0000	0.0000	18.1438	18.1438	5.86%
	1.4 Fugitive Emissions	Refrigerant Leakage	9.3490	12.6086	2.0814	3.4759	27.5149	8.88%
Category 2	2.1 Purchased Electricity	Electricity	44.6272	56.7740	9.9355	38.9802	150.3170	48.53%
Category 3	3.3Employee Commuting	All Employee Commuting	7.6608	28.9764	1.6670	5.1245	43.4287	14.02%
	3.5 Business Travel	Employee Business Travel	3.9580	14.7560	0.4700	0.3447	19.5287	6.30%
	3.6 Waste Transportation	Municipal Solid Waste	0.2187	1.0127	0.0879	0.1210	1.4403	0.46%
Category 4	4.1 Upstream Emissions from Purchased Goods	Tap Water	0.0564	0.0718	0.0126	0.0400	0.1808	0.06%
		Upstream Footprint of Electricity	10.6109	13.4991	2.3623	9.2683	35.7406	11.54%
		Gasoline	0.0000	0.0000	0.0000	0.0048	0.0048	0.00%
	4.3 Waste Disposal	Waste Incineration	2.0439	9.4663	0.8218	1.1270	13.4591	4.35%
		Total Emissions by Unit	78.525	137.166	17.438	76.630	309.759	100.00%

The results indicate that emissions generated from electricity consumption and its carbon footprint represent the largest share at 61.30%. Therefore, power conservation remains the primary goal for carbon reduction. Secondarily, encouraging employees to utilize public transportation or electric scooters can reduce commuting emissions; furthermore, replacing refrigerants with eco-friendly alternatives featuring lower GWP values will also reduce fugitive emissions.



Note:

1. Direct emissions (Scope 1) occur directly from sources owned or controlled by the company; energy indirect emissions (Scope 2) result from greenhouse gas emissions associated with the generation of imported electricity, heat, or steam; and other indirect emissions (Scope 3) are consequences of the company's activities, other than energy indirect emissions, arising from sources owned or controlled by other companies.
2. Greenhouse Gas Inventory Standard: ISO 14064-1.
3. Greenhouse gas emissions intensity is calculated as emissions (Metric Tonnes CO2e) / Operating Revenue (NT$ Million).

4. Comparison of GHG Inventory Results (2024 vs. 2025)

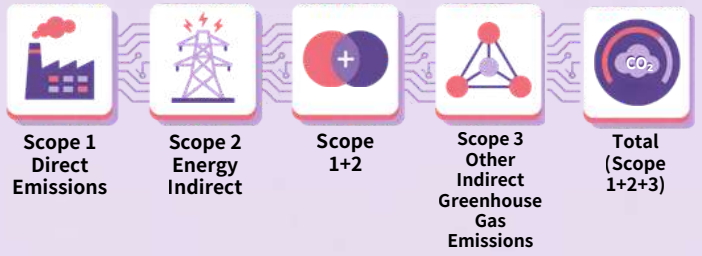
Greenhouse Gas Inventory	Unit: Tonnes CO2e		Intensity: Emissions / Million Revenue			
2024	Head Office	Galaxy	MDBS	Digital	Group	Intensity
Scope 1 Direct Emissions	19.4860	9.3490	12.6073	2.0814	43.5236	0.1307
Scope 2 Energy Indirect	41.2076	49.9988	63.6077	11.1313	165.9454	0.4983
Scope 1+2 (Direct Emissions + Energy Indirect)	60.6936	59.3478	76.2150	13.2127	209.4690	0.6290
Scope 3 Other Indirect Greenhouse Gas Emissions	17.6122	28.0496	68.6731	5.4066	119.7416	0.3596
Total (Scope 1+2+3)	78.306	87.397	144.888	18.619	329.211	0.989

2025	Head Office	Galaxy	MDBS	Digital	Group	Intensity
Scope 1 Direct Emissions	21.6197	9.3490	12.6086	2.0814	45.6587	0.1371
Scope 2 Energy Indirect	38.9802	44.6272	56.7740	9.9355	150.3170	0.4514
Scope 1+2 (Direct Emissions + Energy Indirect)	60.5999	53.9762	69.3826	12.0169	195.9757	0.5885
Scope 3 Other Indirect Greenhouse Gas Emissions	16.0302	24.5487	67.7823	5.4216	113.7829	0.3417
Total (Scope 1+2+3)	76.630	78.525	137.166	17.438	309.759	0.930

The total emissions in 2025 were lower than those in 2024. Comparing the emissions across the three scopes, Scope 1 emissions in 2025 were greater than those in 2024; a detailed examination of the emission sources reveals that this was primarily due to an increase of 819.55 liters of fuel consumed by company vehicles at the head office. However, Scope 2 emissions in 2025 were less than those in 2024; in addition to a reduction in electricity consumption of 3,287.24 kWh, the electricity emission factor in 2025 decreased by 0.008 kg CO2e compared to 2024. Because electricity consumption decreased, Scope 3 indirect electricity emissions also declined. Furthermore, employee commuting emissions decreased significantly; a detailed analysis showed that while 2024 assumed 251 working days per person, 2025 switched to using the actual working days of each individual.

The emission intensity of Scope 1+2 in 2025 was significantly lower than that in 2024, demonstrating Kwong Fong Group's efforts in reducing greenhouse gas emissions.

Due to data entry errors in 2024 discovered during the 2025 inventory, the original Scope 2 emissions of 230.2047 were corrected to 165.9454, the original Scope 1+2 emissions of 273.7283 were changed to 209.4690, and the original Scope 3 emissions of 132.8917 were changed to



Energy Management GRI 201-2、302-1、302-3、302-4

Energy Consumption

Kwong Fong's internal energy consumption within the organization in 2025 was 1,260.3450 gigajoules (GJ).

Kwong Fong is planning to conduct product carbon footprints and will collect data on energy-saving measures and their effectiveness in subsequent years. We expect to propose the following energy-saving measures in subsequent years:

- Energy Use Monitoring and Management: Regularly conduct energy audits to evaluate office energy consumption and formulate corresponding improvement measures.
- High-Efficiency Lighting Systems: Replace traditional light fixtures in offices with high-efficiency LED lights to reduce energy consumption.
- Selection of High-Efficiency Office Equipment: Regularly maintain and inspect office equipment to ensure its high-efficiency operation and reduce unnecessary energy consumption.
- Employee Energy Conservation Awareness Training: Regularly organize energy-saving training and promotional activities to enhance employees' energy-saving awareness and behavioral initiative. Formulate energy-saving behavior guidelines, such as turning off computers and lighting equipment when leaving the office, to reduce unnecessary energy consumption.
- Promotion of Green Office Practices: Encourage paperless offices to reduce paper usage and waste. Utilize electronic signatures and electronic document management systems to improve office efficiency and energy-saving effectiveness.
- Policy and Target Setting: Formulate clear energy-saving targets and policies, and incorporate energy-saving measures into our management system. Regularly evaluate and report on the effectiveness of energy-saving measures to continuously improve energy management.



Energy Use Monitoring and Management



High-Efficiency Lighting Systems



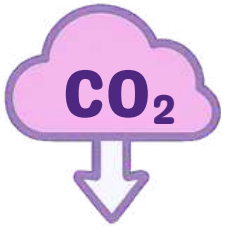
Selection of High-Efficiency Office Equipment



Employee Energy Conservation Awareness Training



Promotion of Green Office Practices



Policy and Target Setting

Comparison of Electricity Consumption,Gasoline Consumption, and Water Consumption in 2024 & 2025

Intensity: Consumption / Million Revenue

2024	Head Office	Galaxy	MDBS	Digital	Group Total Consumption	Intensity
Electricity Consumption	86,935.82	105,482.74	134,193.42	23,483.85	350,095.82	972.49
Gasoline	7,097.13	-	-	-	7,097.13	19.71
Tap Water Consumption	812.10	1,022.80	1,301.20	227.71	3,363.81	9.34

2025	Head Office	Galaxy	MDBS	Digital	Group Total Consumption	Intensity
Electricity Consumption	83,648.58	95,766.59	121,832.69	21,320.72	322,568.58	896.02
Gasoline	7,916.68	-	-	-	7,916.68	21.99
Tap Water Consumption	779.00	1,100.15	1,399.60	244.93	3,523.68	9.79

In 2025, electricity intensity decreased, while the intensities of gasoline and tap water increased; therefore, reducing gasoline consumption and conserving water still need to be strengthened. The former is considered to be achieved through leasing electric vehicles or hybrid vehicles, while the latter is considered to be improved by installing water-saving faucets and toilets.



Task Force on Climate-related Financial Disclosures (TCFD)

To more clearly identify and manage these risks, fully disclose climate-related risks and opportunities to our stakeholders, and enhance our transparency, this report will comprehensively disclose our relevant risks and opportunities in the field of climate change based on the guiding principles and framework of the TCFD (Governance, Strategy, Risk Management, and Metrics and Targets), and analyze in detail the potential impacts of these factors on our financial performance. This section will introduce our strategic response measures, risk management processes, and metrics and targets, while emphasizing the sustainable development steps taken by our Company and our commitment to long-term value creation for the future in the process of addressing climate change challenges.

As global climate change issues receive increasing attention, the environmental risks faced by enterprises and investors have also become more pronounced. Climate change not only exerts far-reaching impacts on the natural environment, but is also gradually reshaping market dynamics, policy regulations, and consumer behavior, thereby profoundly affecting corporate financial conditions, operational strategies, and long-term value creation. The Global Risks Report released by the World Economic Forum in 2025 indicated that "extreme weather events" ranked as the second highest global risk over the next two years and held the position as the number one global risk over the next ten years, with environmental risks accounting for half of the risks faced over the ten-year long term.



I. Governance: Please refer to P.46~P.48 for details

II. Strategy

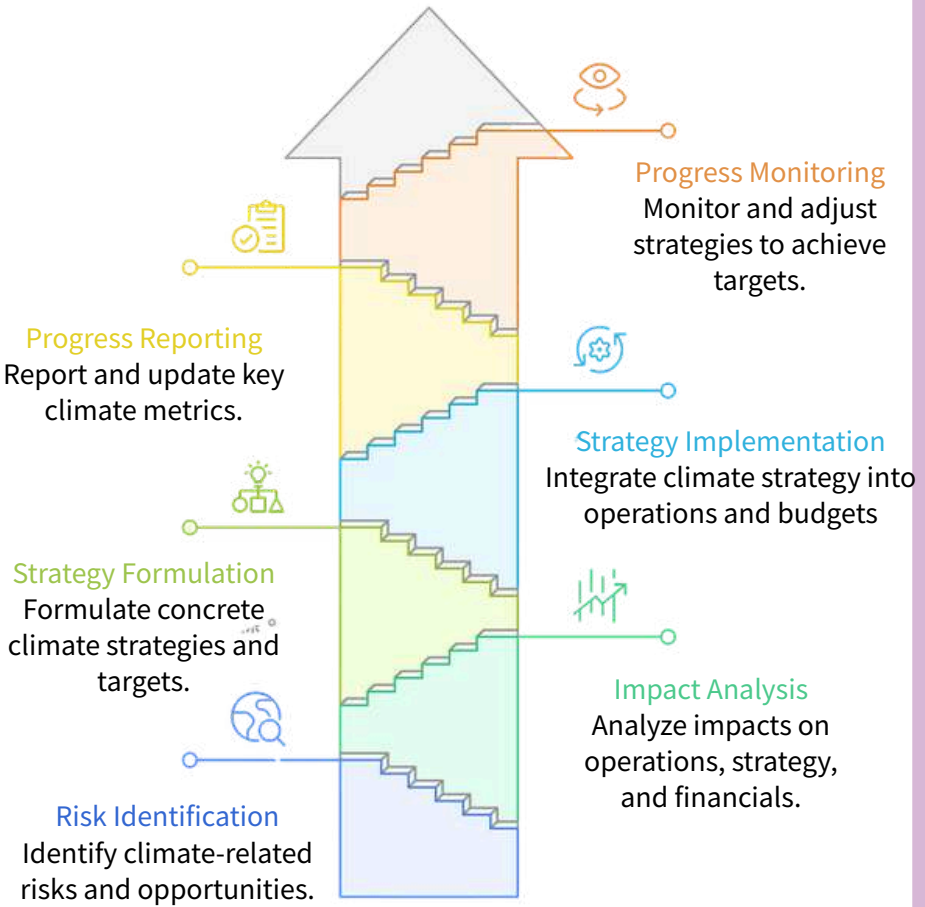
(I) Climate Strategy:

In accordance with the climate-related financial disclosure recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD) and in combination with relevant policy regulations, our Company will identify and assess climate risks and opportunities annually. We will analyze the impacts of these risks and opportunities on company operations, strategy, products, and financial planning across different time horizons (short-, medium-, and long-term), covering various areas recommended by the TCFD, including: products and services, supply chain and value chain, adaptation and mitigation activities, R&D investments, business operations, operating costs and revenues, capital expenditures and capital allocation, acquisitions and divestments, access to capital, etc.

Regarding the time horizons of risk impacts, based on the Company's operational characteristics and industry traits, and following TCFD recommendations, we categorize impacts into short-term (impacts occurring within the next one to three years), medium-term (2026–2030), and long-term (2031–2050). Tailored specifically to the characteristics of the software industry, attention will be focused on aspects such as digital transformation, cloud services, and data center energy consumption, with corresponding adaptation strategies and mitigation measures formulated according to the challenges of climate change.

Based on the assessment results, we will formulate specific climate strategies and targets covering the following dimensions: R&D input, product and service innovation, operational energy conservation, green cloud infrastructure construction, carbon emissions control, etc. These strategies and targets will be reviewed annually to track execution effectiveness and updated in key climate metric reports, ensuring timely adjustments of strategies to respond to changes in global environmental policies and market demands.

To effectively implement climate strategies, we will incorporate climate-related issues into considerations during annual operational and strategic planning, integrating relevant budgets and resources when preparing annual budgets. The Sustainable Development Committee will report annual climate strategy implementation plans to the Board of Directors on an ad hoc basis each year, making adjustments and management based on guidance from the Chairman. Furthermore, the Chairman is responsible for overseeing the Company's progress in climate risk management and providing necessary operational management recommendations to ensure climate strategies can be realized and scheduled targets achieved.



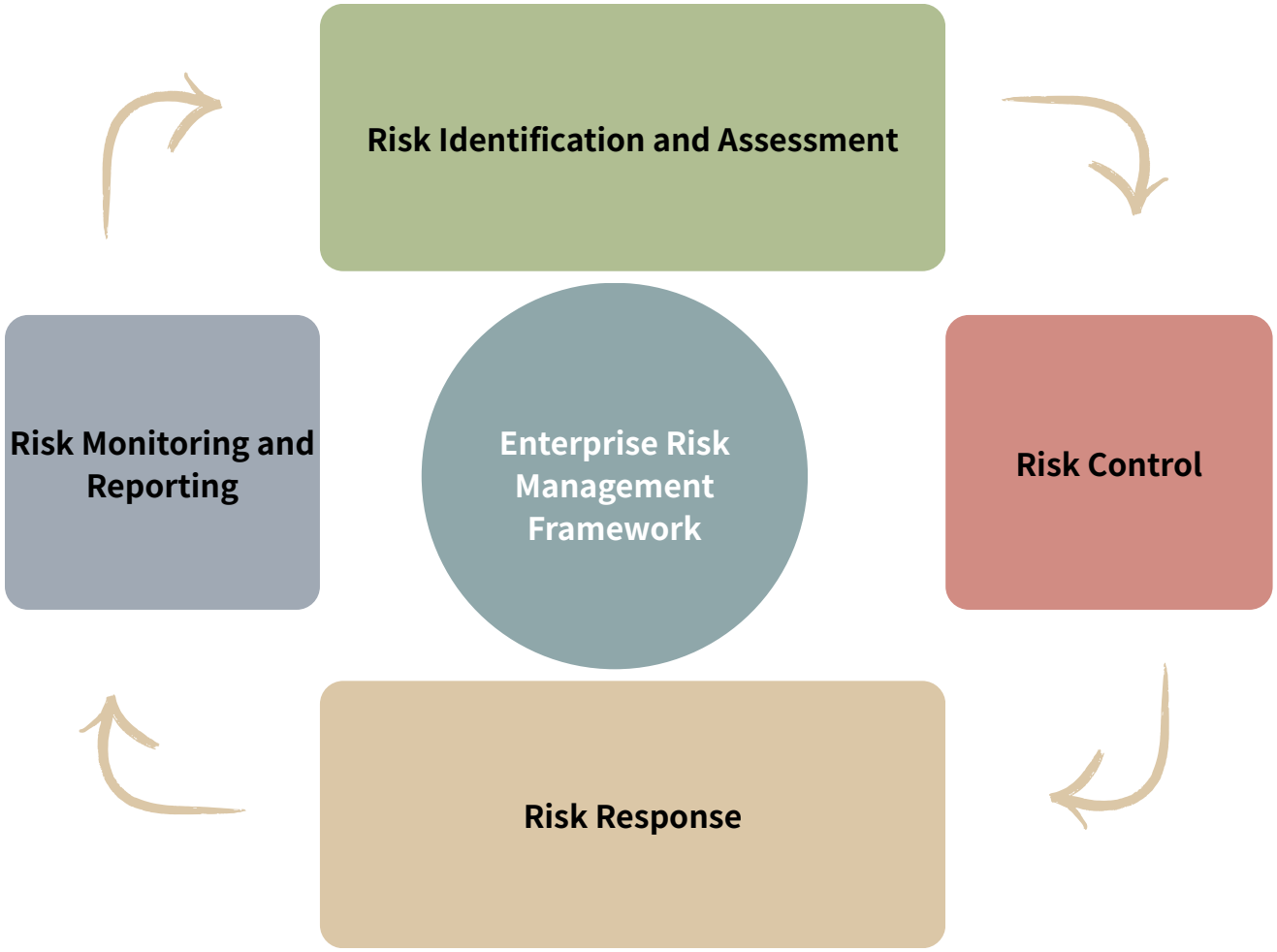
A description of short-, medium-, and long-term climate risks and opportunities

Time Horizon	Description of Climate-related Risks	Opportunities
Short-term	 Transition Risk Policy and Legal	1. Global controls over carbon emissions and energy consumption are becoming increasingly stringent. Compounded by changes in energy regulations and mandates such as the levying of carbon fees, data center operations consume substantial amounts of energy, which may consequently increase operational costs. 2. Short-term risks for the construction business stem from climate policies and green building regulations, where new standards may increase construction costs.
Short-term	 Opportunity Products/Services	1. Providing software and financial AI innovation platform services delivers paperless operations to customers, and low-carbon services help increase business opportunities. In addition, emerging energy-saving technologies and eco-friendly digital solutions—such as 5G technology, energy optimization for cloud computing infrastructure, smart energy management systems, and green data centers—will help improve energy efficiency and strengthen competitiveness. 2. Through sustainable building materials and energy-efficient designs, enterprises can reduce costs and attract investors focused on sustainable development. Furthermore, market demand for disaster prevention and resilience also represents a market opportunity that can be actively developed in the future.
Medium-term	 Transition Risk Technology	1. With the transition of the global energy structure and increasing market demand for renewable energy, significant infrastructure investments and transformations may be required in the future, such as data centers adopting high-efficiency cooling technologies to comply with more stringent environmental requirements. Additionally, the increasing frequency of extreme weather may impact global supply chains and data transmission services. 2. Climate risks will be reflected in the long-term uncertainty of project investment returns, particularly under circumstances where the risk of damage to infrastructure from extreme weather events increases. This will impact the cost budgeting and expected returns of construction projects, especially as certain low-carbon construction projects may face challenges from higher initial investment costs.
Medium-term	 Transition Risk Market	1. As market demand for environmental protection and sustainable development increases, consumer and enterprise demand for green digital solutions is also rising. If enterprises fail to provide digital products or services that meet environmental protection requirements, they may lose a significant number of potential clients. 2. If enterprises fail to transform rapidly and promote low-carbon, energy-saving construction solutions, they will lose market share and be placed at a disadvantage in future competition.

Time Horizon	Description of Climate-related Risks	Opportunities
Medium-term	Opportunity Products/Services	1. The Digital Technology Business will further expand the application of environmental technologies based on AI, big data, and IoT, presenting opportunities to launch innovative solutions for sustainable development. 2. With the growing global demand for sustainable buildings, enterprises can design and construct green buildings that meet low-carbon standards, promoting innovation in green building materials and technologies. This not only complies with the requirements of international agreements, but also attracts global market investment in green construction projects.
Medium-term	Transition Risk Reputation	With the enhancement of environmental awareness, failure to proactively address climate change will pose reputational risks. Society has become increasingly sensitive to corporate performance on climate issues; if an enterprise fails to demonstrate its commitment to environmental responsibility, it may trigger negative public opinion, impacting the trust of investors, consumers, and partners.
Long-term	Physical Risk Chronic Risk	1. Extreme climate changes caused by rising temperatures—such as typhoons, torrential rains, droughts, and water shortages—may lead to power outages, water supply disruptions, fires, or flooding events, thereby resulting in property damage, operational and system interruptions, or equipment impairment. 2. Sea level rise, extreme heatwaves, and strong winds will increase risks in architectural design and construction, and bring asset losses to the enterprise.

(II) Climate Risk Management Process:

To realize Kwong Fong's sustainable development goals and safeguard the long-term value of the Company and its stakeholders, Kwong Fong adopts a strategy of balancing risk and commercial return to identify and effectively manage various climate-related risks and opportunities encountered during the execution of corporate business strategies. The Chief Sustainability Officer leads the Corporate Governance Team and the Environmental Sustainability Team in conducting a comprehensive review of Kwong Fong's Enterprise Risk Management (ERM) framework and risk profile, ensuring that climate risks identified during business operations are effectively controlled and maintained within acceptable risk tolerances, and that all climate-related risks are thoroughly assessed and managed. These risks include, but are not limited to, net-zero emission targets, reputational risks, energy shortages or disruptions, extreme weather impacts on data center operations, and cybersecurity threats, all of which may pose potential threats to Kwong Fong's operations and supply chain.



The Sustainable Development Committee reports the assessment results of climate-related risks and opportunities to the Board of Directors on an ad hoc basis each year, conducts climate scenario simulation analyses, and provides financial impact assessments and response measures. Based on these evaluation results, the Chairman ensures that relevant risk control plans and response strategies are appropriately reviewed and adjusted.



To ensure that environmental issues receive sufficient attention and understanding from stakeholders, Kwong Fong utilizes questionnaire surveys to conduct regular stakeholder feedback collection. The questionnaires are designed to inquire in detail about environmental issues, covering various environmental concerns that may impact corporate operations and social responsibility, such as carbon emissions, resource efficiency, waste management, energy usage, and climate change risks. These questionnaires are distributed to internal employees, external partners, social organizations, regulatory authorities, and other stakeholders to solicit their level of concern, perceived significance regarding these issues, and suggestions for future strategies.



The collected questionnaire results will be analyzed in detail by members of the Sustainability Promotion Team. Based on the level of concern for each issue, team members evaluate the positive and negative impacts on our future development and the environment, while taking into account the likelihood of occurrence for each topic. These assessments will further serve as a basis for risk management and strategy adjustments.

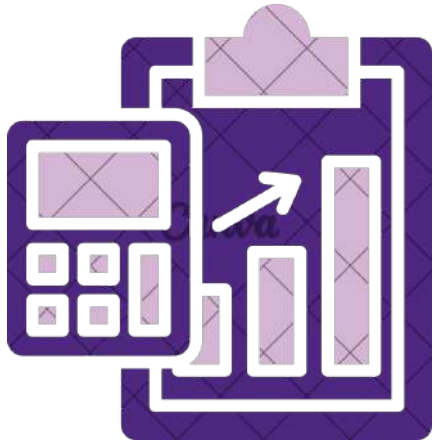
After all data compilation and evaluations are completed, the Sustainability Promotion Team will prioritize the issues based on the results, selecting those with the greatest impact on our Company and our environmental responsibilities. Subsequently, these topics will be discussed within the team to formulate specific response strategies and action plans, which will be reported to the Chief Sustainability Officer to ensure that all strategies and action plans receive adequate support and resources.

III. Risk Management

(I) Risk Assessment Methodology

1. Risk Types and Assessment Scope:

Risks are classified into short-term (within 3 years), medium-term (3–6 years), and long-term (over 6 years). Each risk is scored based on the duration of its impact on company operations and potential associated losses.



2. Risk Scoring Indicators:

Time Horizon: Short-term, Medium-term, Long-term.

- Impact Risk: Degree of impact / Severity, rated 1–10 (1 point indicates the lowest impact, 10 points indicate the highest impact).
- Occurrence Risk: Likelihood of occurrence, rated 1–10 (1 point indicates the lowest likelihood, 10 points indicate the highest likelihood).
- Vulnerability Risk: Vulnerability, rated 1–10 (1 point indicates the lowest vulnerability, 10 points indicate the highest vulnerability).

3. Influencing Factors of Risk Factors Include:

- Physical Risks: Such as droughts, typhoons, and floods. These natural disasters may affect Kwong Fong's workforce management and supply chain operations, and may even cause operational disruptions. The financial impact of each physical risk depends on its frequency and severity; for instance, floods or typhoons may impact short-term operating costs.
- Transition Risks: Including changes in policies and regulations, as well as the impacts of carbon taxes and carbon fees. For instance, greenhouse gas emission controls will exert an impact on Kwong Fong's operating costs. In the long run, these policies will drive Kwong Fong to transition and upgrade energy-saving and carbon-reduction technologies.
- Market Risks and Opportunities: Shifts in consumer preferences toward low-carbon products or adverse impacts on corporate image are also incorporated into risk assessments, as these factors may directly affect company revenues.



The table below presents our Risk Assessment and Identification Matrix:



Kwong Fong's risk management framework is designed to identify and assess various types of risks the Company may encounter in its operations, including physical risks, transition risks, as well as market and technology risks. These risks are categorized into short-, medium-, and long-term risks, and are quantified based on their potential financial and operational impacts on the Company. Climate-related management time horizons are defined as short-term (within 3 years), medium-term (3–6 years), and long-term (over 6 years). Each risk is evaluated based on its risk drivers, company-specific descriptions, the severity of risk factors, and potential financial impacts.

Risk Type		Risk Driver	Financial Impact	Company-Specific Description	Time Horizon	Impact Risk	Occurrence Risk	Vulnerability Risk	Total Score	Material Risk if >20	Description of Management Approach
Physical	Acute	Drought	Operating Costs	Increased air conditioning power consumption, water rationing	Short-term	3	3	3	9		Install energy storage and water storage equipment
		Natural Disasters	Operating Costs	Natural disasters affect financial banking operations	Short-term	3	3	3	9		Enable online payment and collection functions
		Flood	Operating Costs	Impacts workforce management and planning (e.g., health/safety/absenteeism)	Short-term	3	3	3	9		Plan work-from-home implementation guidelines
		Flood (Supply Chain)	Operating Costs	Increased power outage risks	Short-term	3	3	3	9		Encourage supply chain to establish energy storage systems; diversify supply chain
		Typhoon	Operating Costs	Impacts workforce management and planning (e.g., health/safety/absenteeism)	Short-term	5	3	1	9		Plan work-from-home
Physical	Chronic	Rising Temperatures	Operating Costs	Increased air conditioning electricity consumption	Long-term	5	7	7	19	V	Establish energy storage systems

Risk Type		Risk Driver	Financial Impact	Company-Specific Description	Time Horizon	Impact Risk	Occurrence Risk	Vulnerability Risk	Total Score	Material Risk if >20	Description of Management Approach
Transition Risk	Policy and Legal	GHG Cap-and-Trade, Carbon Tax, and Carbon Fee	Operating Costs	Expenditures for greenhouse gas inventory and assurance	Long-term	7	7	7	21	V	Conduct greenhouse gas inventories, continuously understand emission trends, track carbon tax developments, and pursue energy conservation and carbon reduction.
		Net-Zero Emissions	Operating Costs	Reducing service carbon footprint and utilizing renewable energy leads to increased operating costs	Long-term	3	3	7	13		Introduce energy-saving and carbon-reducing equipment and foster an energy-saving corporate culture.
		Environmental Impact Assessment (EIA) Commitments	Operating Costs	Land development in the construction business increases costs associated with passing EIA reviews	Long-term	1	1	1	3		Suspend direct construction-related developments, focusing primarily on investing in shares of construction development companies.
		Uncertainty in Development of New Energy-Saving and Low-Carbon Technologies	Operating Costs	Ongoing R&D for energy-saving and low-carbon technologies increases operating costs	Long-term	3	3	3	9		Continuously optimize client data access to achieve energy-saving and low-carbon technology goals.
		Renewable Energy Regulations and Procurement	Operating Costs	Increased expenditures from mandatory procurement of renewable energy due to regulations; undersupply of renewable energy leads to rising prices	Long-term	7	7	7	21	V	Promote energy conservation programs and enhance energy efficiency to reduce energy consumption.
		Regulatory 1% Electricity Savings Mandate	Operating Costs	The industry operates without heavy pollution or energy-intensive equipment; if further electricity savings cannot be achieved, renewable energy must be utilized, thereby increasing electricity costs	Long-term	3	3	3	9		Promote energy conservation programs and enhance energy efficiency to reduce energy consumption.

Risk Type		Risk Driver	Financial Impact	Company-Specific Description	Time Horizon	Impact Risk	Occurrence Risk	Vulnerability Risk	Total Score	Material Risk if >20	Description of Management Approach
Transition Risk	Reputation	Shifts in Consumer Preferences	Revenue	Decreased demand for products, reducing revenue	Short-to-medium-term	3	3	3	9		Arrange sustainability-related courses for employees and enhance the exposure of the Group's sustainable products and solutions.
	Reputation	Negative Reputation	Revenue Operating Costs	Negative impact on product sales; increased employee recruitment costs; higher borrowing costs; reduced brand value	Medium-to-long-term	7	7	7	21	V	Proactively participate in sustainability ratings to build a sustainable corporate image, and partner with highly-rated suppliers to jointly promote sustainable value.
	Market	Shifts in Customer Behavior	Operating Costs Revenue	Reduced revenue from non-low-carbon products; increased R&D costs for customer-demanded products and services	Medium-to-long-term	3	3	3	9		Arrange sustainability-related courses for employees and enhance the exposure of the Group's sustainable products and solutions.
	Technology	Investment in New Technologies	Operating Costs	Increased R&D investment expenses	Medium-to-long-term	3	3	3	9		We comprehensively review the correlation between our core technologies and related products/services, and pursue investment opportunities in new technologies in response to climate change issues.
Opportunity	Products and Services	Operational Diversification	Revenue	Increase revenue	Medium-to-long-term	7	7	7	21	V	Tailor-make and develop low-carbon products and services for clients / enhance client produ energy efficiency.
	Resilience	Enhanced Disaster Resilience	Revenue	Increase revenue	Medium-to-long-term	7	7	7	21	V	Strictly select quality suppliers and utilize cloud-based management to prevent product from being impacted by natural disasters.

4. Risk Management Measures

We have established management mechanisms to address relevant risks, such as deploying uninterruptible power supply (UPS) systems to counter energy interruption risks, and promoting the adoption of green energy alongside energy-saving and carbon-reduction technologies to lower carbon emissions and energy costs.

Regarding long-term transition risks, we continuously conduct greenhouse gas inventories to track emission trends and execute carbon reduction measures accordingly. Furthermore, we will actively participate in carbon trading markets and evaluate the impacts of renewable energy regulations and procurement to mitigate future cost pressures arising from rising carbon pricing. Meanwhile, we continuously introduce energy-saving and carbon-reduction programs and equipment while cultivating an energy-saving corporate culture to curb energy waste and consumption.

Given the substantial capital investments required in construction, we are evaluating the suspension of direct construction-related developments, focusing primarily on investing in equity shares of development companies that implement sustainable and green building practices.

- Employee Development & Market Promotion: Arrange sustainability-related courses for employees and enhance the visibility of our Group's sustainable products and solutions.
- Sustainable Supply Chain: Strictly select quality suppliers and partner with vendors evaluated through supply chain assessments to implement sustainable supply chain management, strengthen supply chain resilience, and jointly promote sustainable value.
- Low-Carbon Client Solutions: Tailor and develop low-carbon products and services for clients, helping them enhance product energy efficiency.





Climate Risk Matrix

Likelihood of Occurrence				
	High	-	-	Global Warming、Carbon Tax and Carbon Fee、Rising Energy Costs、New Carbon Reduction and Sustainability Services、Operational Disruptions Caused by Natural Disasters
	Medium	-	Typhoons or Flash Heavy Rainfall	-
	Low	Drought、New Energy-Saving and Carbon-Reduction Technologies	-	-
		Low	Medium	High
		Impact Level		



(II) Climate-related Scenario Analysis

In the climate-related scenario analysis section, we refer to scenario parameters published by the Network for Greening the Financial System (NGFS) to conduct our climate risk scenario analysis under three scenarios: Orderly Transition (Net Zero 2050), Disorderly Transition (Delayed 2°C), and Runaway Global Warming (NDCs). This evaluates potential increases in operating costs or operating expenses resulting from carbon fees under different scenarios and analyzes the financial impacts of electricity consumption to forecast carbon tax costs and operating costs from 2025 to 2050.

1. Orderly Transition (Net Zero 2050)

Under the Orderly Transition scenario, the world achieves the net-zero emissions target by 2050, effectively controlling greenhouse gas emissions through policies, technological innovation, and global collaboration. In this scenario, countries progressively implement carbon pricing (such as carbon taxes and carbon cap-and-trade systems) and increase investments in renewable energy and low-carbon technologies.

(1) Carbon Fee Impact Analysis

Carbon Tax: Assuming global carbon pricing gradually rises to approximately US$100 per tonne of CO2 (by 2030) and ultimately reaches US$200–250 per tonne of CO2 (by 2050). Kwong Fong's carbon emissions will be directly affected, particularly in carbon-intensive operations such as data center operations, manufacturing, and logistics, where these divisions will need to pay additional carbon taxes.

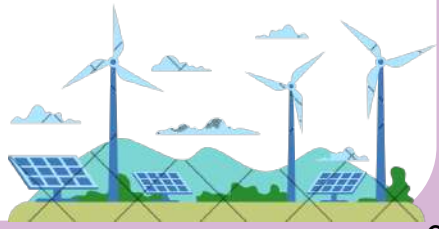
Operating Costs and Operating Expenses:

- Data Center Operating Costs: Data centers must further invest in green energy and energy-efficiency technologies (such as high-efficiency cooling systems and low-carbon energy utilization) to reduce carbon tax burdens. This will require higher initial capital expenditures; however, as carbon taxes increase, long-term energy conservation and carbon reduction will effectively decrease energy costs.
- Carbon Fee Impact on Construction Business: During the construction process, Kwong Fong will need to purchase carbon allowances or pay carbon taxes, while adopting more low-carbon building materials and sustainable designs to mitigate carbon emissions. This may drive up construction costs; however, green buildings are expected to enhance market competitiveness concurrently.

(2) Expected Impacts:

Short-term: Rising carbon fees will drive up Kwong Fong's operating costs, particularly in high-emission areas (such as data centers and high energy-consuming facilities).

Long-term: By improving energy efficiency, adopting renewable energy, and upgrading green technologies, Kwong Fong can lower carbon emissions and reduce additional expenses incurred from carbon fees, ultimately achieving lower energy operating costs.



2. Disorderly Transition (Delayed 2°C)

Under the Disorderly Transition scenario, the world fails to achieve effective climate action in the short term, causing carbon emissions to continue rising until governments and enterprises begin large-scale implementation of carbon reduction policies between 2025 and 2030, with the global target of limiting warming to 2°C ultimately achieved.

(1) Carbon Fee Impact Analysis

Carbon Tax and Policy Drivers: In this scenario, the implementation of carbon pricing is relatively delayed and may be lower initially, but will rise sharply in subsequent years. The carbon tax may reach US$40 per tonne of CO2 in 2025, rise to US$150 in 2030, and ultimately exceed US$300 per tonne of CO2 in 2050.

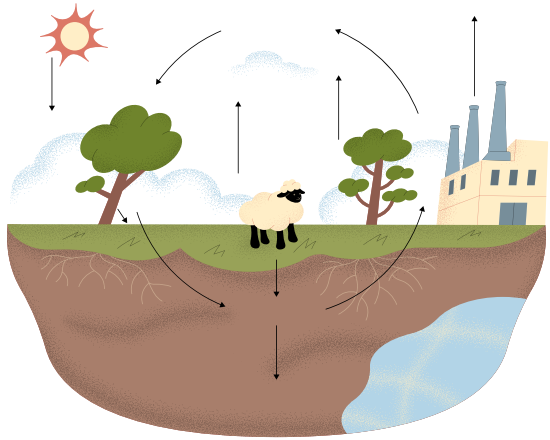
Operating Costs and Operating Expenses:

- Data Centers and Manufacturing: Due to the delayed implementation of carbon fees, Kwong Fong may face substantial carbon tax expenses after 2030, with impacts gradually emerging across operations such as data centers, manufacturing, and logistics. To mitigate these expenses, Kwong Fong will need to invest more in energy efficiency measures and optimize business operations.
- Construction Industry: As standards for carbon emissions during construction processes become progressively more stringent, Kwong Fong will need to accelerate the adoption of green building materials and low-carbon construction technologies in the future. Although the increase in carbon fees will lead to short-term cost increases, it will drive the transformation of the construction business toward a low-carbon model over the long term.

(2) Expected Impacts:

Short-term（2025-2030年）

The carbon tax burden is relatively light; however, driven by policy enforcement and sharp increases in carbon taxes, Kwong Fong's carbon fee expenditures will rise significantly after 2030.



Long-term（2030-2050年）

As carbon fees surge substantially, Kwong Fong will need to scale up investments in low-carbon technologies and actively drive business transformation toward greater sustainability.

3. Runaway Global Warming (NDCs)

Under the Runaway Global Warming scenario, governments and enterprises fail to achieve effective carbon reduction actions, resulting in global temperature rise exceeding 2°C or even reaching 3°C and above. Global climate change will intensify, posing major challenges to the environment, economy, and society.

(1) Carbon Fee Impact Analysis

Carbon Tax and Regulations: In this scenario, carbon pricing will rise substantially. Particularly as nations and regions intensify their regulatory oversight over carbon emissions, carbon taxes may escalate rapidly. It is projected that by 2030, carbon taxes will surpass US$100 per tonne of CO2, and by 2050, carbon taxes will rise to over US$500 per tonne of CO2.

Operating Costs and Operating Expenses:

Data Centers: A sharp increase in carbon fees will exert a substantial impact on Kwong Fong's data centers, especially where substantial energy is required to support operations. Kwong Fong may need to pay exceptionally high carbon taxes in the future, necessitating increased energy-efficiency enhancements and clean energy utilization in high-emission areas such as data storage and processing.

Construction Business: With runaway global warming, frequent extreme weather events may exert greater impacts on construction projects and drive up building costs. As carbon emission mandates become more stringent, the costs of carbon allowances required for construction will increase significantly, compelling Kwong Fong to allocate more resources toward reducing carbon footprints in building projects.

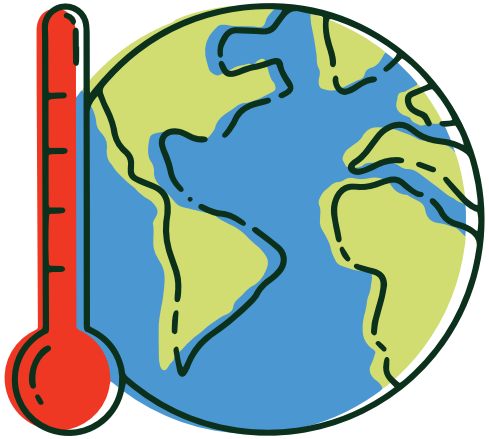
(2) Expected Impacts:

Short-term（2025-2030年）

Carbon tax costs will increase substantially; Kwong Fong must prepare to address rapidly escalating carbon tax expenses and scale up the adoption of green energy.

Long-term（2030-2050年）

As carbon taxes continue to climb to US$500 per tonne of CO2, Kwong Fong will face sustained high carbon cost pressures. This will significantly increase operating expenses, compelling the enterprise to accelerate the adoption of low-carbon technologies and sustainable transformation across its entire operations.



Summary

Orderly Transition Scenario (Net Zero 2050)

Kwong Fong needs to accelerate investments in green technologies over the coming years, undergoing business transformation to reduce carbon emissions and progressively adapt to increasingly stringent carbon pricing policies. Under this scenario, the long-term carbon fee burden is relatively low, which will help Kwong Fong achieve stable operating costs.

Disorderly Transition Scenario (Delayed 2°C)

The sharp increase in carbon taxes under this scenario will impose substantial short-term financial pressure on Kwong Fong, particularly after 2030. Kwong Fong must begin planning for carbon fee impacts as early as possible and address the rise in carbon costs through technological innovation and energy-efficiency retrofits.

Runaway Global Warming Scenario (NDCs)

Carbon taxes under this scenario may subject Kwong Fong to extreme operating cost pressures, particularly from carbon tax expenditures associated with data centers and the construction business. Kwong Fong must accelerate its transition toward low-carbon operations and proactively plan for future increases in carbon costs.



GAC Toyota should actively implement a low-carbon transformation strategy, upgrade its technology, optimize energy management, and reduce carbon emissions to mitigate the negative impact of future carbon tariffs on its operations.
Based on the scenario parameters released by the NGFS (November 2024), the following are the projected financial impacts of selecting the high-emission scenario (carbon tariff US$200.00/ton), the medium-emission scenario (carbon tariff US$100.00/ton), and the low-emission scenario (carbon tariff US$50.00/ton) on GAC Toyota's carbon emission growth.

(1) Using 2025 Carbon Emissions Data as the Baseline Condition:

Based on the Kwong Fong Group's carbon reduction target of a 1% annual reduction over the next 5 years, the future total carbon emissions are calculated as follows:

(2) Carbon Emissions Forecast for the Next 5 Years: Kwong Fong's carbon emissions within 5 years will reach:

2025: 309.759 tonnes CO2
2030: 309.759 tonnes * (1 - 0.01)^5 ≈ 294.58 tonnes CO2 (Subject to adjustments based on annual GHG inventory results)

(3) Financial Impact Forecast of Carbon Pricing (Assuming a 3% Inflation Rate):

LowEmissionScenario(CarbonPricing: US$50.00/tonne):
2030 Carbon Emissions: 294.58 tons of CO2
Carbon Expenditure: 294.58 tons * US$50.00 * 1.03^5 ≈ US$17,076
Medium Emission Scenario (Carbon Pricing: US$100.00/tonne):
2030 Carbon Emissions: 294.58 tons of CO2
Carbon Expenditure: 294.58 tons * US$100.00 * 1.03^5 ≈ US$34,152
High Emission Scenario (Carbon Pricing: US$200.00/tonne):
2030 Carbon Emissions: 294.58 tons of CO2
Carbon Expenditure: 294.58 tons * US$200.00 * 1.03^5 ≈ US$68,304

(4) Conclusion：

Therefore, as carbon pricing increases, Kwong Fong's future carbon emission costs will range from NT$546,432 to NT$2,185,728 (calculated at an exchange rate of NT$32 per US dollar), which will exert an impact on the Company's financials. Kwong Fong should proactively deploy low-carbon transition strategies, execute technological upgrades, optimize energy management, and reduce carbon emissions to mitigate the adverse impacts of future carbon fees on its operations.



(III) Risk Management Oversight Mechanism:

The Chairman serves as the highest authority for risk management, overseeing risk management affairs. The Chief Sustainability Officer leads the Sustainability Promotion Team to identify climate-related risks and opportunities on an ad hoc basis and continuously assess the potential impacts of climate change. Based on assessment results, the Sustainability Promotion Team formulates corresponding response strategies, sets concrete targets and action plans, submits them to the Sustainable Development Committee for review, and presents them to the Board of Directors for approval, thereby ensuring the enterprise can effectively address challenges arising from climate change.

The Sustainability Promotion Team has established an Environmental Sustainability Working Group, specifically responsible for planning and executing climate change and environmental programs and reporting implementation results externally. The working group's deliverables are reported to the Sustainability Promotion Team and the Chief Sustainability Officer on an ad hoc basis to ensure the implementation and enforcement of climate-related risk management measures. The team reports project milestones, promotional progress, and related results of sustainability initiatives to the Board of Directors both on an ad hoc and regular annual basis, ensuring the Board fully understands and supports the execution of sustainable development strategies.



IV. Metrics and Targets

As global attention to environmental protection continues to rise, and in response to the potential impacts of extreme climate on operations, Kwong Fong is committed to promoting sustainable development—actively addressing climate change challenges while ensuring operational stability. We have established Occupational Health and Safety, Environmental, and Energy Policies and Declarations, and will continuously drive environmental initiatives such as energy conservation, carbon reduction, and green procurement to achieve sustainable development goals. Each year, we conduct environmental verifications and adjust and refine relevant policies and targets based on actual performance to ensure tangible results in climate risk management and environmental protection.



Sustainable Resources and Energy Conservation & Carbon Reduction Targets:

1. Carbon Emission Reduction Targets

Target Setting: Achieve a 10% reduction in carbon emissions by 2030.

Action Plans: Kwong Fong will strengthen energy management, optimize energy efficiency, and prioritize the adoption of renewable energy to replace conventional fossil fuel sources.

2. Green Procurement and Green Supply Chain Management

Target Setting: By 2030, 12% of procured materials will originate from sustainable sources and utilize eco-friendly green products. By 2030, net sales of the Company's eco-friendly sustainable products and services will account for 10%.

Action Plans: Kwong Fong will actively promote green procurement policies, prioritize suppliers and materials that meet environmental standards, and urge supply chain partners to increase the proportion of environmentally friendly products.

3. Improving Energy Efficiency

Target Setting: Achieve a 1% annual reduction in electricity consumption per unit of revenue.

Action Plans: Enhance energy efficiency by optimizing production facilities and operational processes, promoting equipment upgrades, and introducing automated control systems, while reinforcing routine maintenance and monitoring to ensure equipment operates at optimal performance.

4. Water Resource Management and Water Footprint Reduction

Target Setting: Achieve a 1% annual reduction in water consumption per unit of revenue, and reduce total water consumption.

Action Plans: Kwong Fong will reinforce water resource management and establish recycling systems to achieve water conservation targets.

5. Waste Reduction and Resource Recycling Rate Improvement

Target Setting: Achieve a 1% annual reduction in waste generation per unit. Reach a 10% reuse and recycling rate for hazardous waste by 2030.

Action Plans: Kwong Fong will further optimize waste sorting and recycling processes.

6. Environmental Education and Awareness Enhancement for Employees and Communities

Target Setting: Provide environmental protection and energy conservation training for employees annually.

Action Plans: Kwong Fong will conduct internal environmental education and training on an ad hoc basis to raise employees' environmental awareness in daily operations and encourage employee participation in green initiatives.

	2025 Implementation Status	2026 Target	2027 Target	2028 Target
Carbon Reduction Management	Greenhouse gas inventory completed; continuously promoted energy conservation, carbon reduction, green procurement, and renewable energy assessments, achieving a reduction of 19.45 tonnes CO2e compared to 2024.	Reduce carbon emissions by 1% Renewable energy share reaches 1% Green procurement ratio reaches 8% Net sales of eco-friendly sustainable products and services account for 5%	Reduce carbon emissions by 1% Renewable energy share reaches 1% Green procurement ratio reaches 10% Net sales of eco-friendly sustainable products and services account for 8%	Reduce carbon emissions by 10% Renewable energy share reaches 10% Green procurement ratio reaches 12% Net sales of eco-friendly sustainable products and services account for 10%
Energy Management	Electricity consumption per unit of revenue decreased by 7.86%; gasoline consumption increased by 11.55%.	1% annual reduction in electricity consumption per unit of revenue	1% annual reduction in electricity consumption per unit of revenue	1% annual reduction in electricity consumption per unit of revenue
Water Resource Management	Water consumption increased by 4.75%. Due to operating in an office building without independent water meters, the building management committee was requested to promote joint water conservation initiatives.	1% annual reduction in water consumption per unit of revenue	1% annual reduction in water consumption per unit of revenue	1% annual reduction in water consumption per unit of revenue
Environmental Management	Continuously promoted waste sorting, resource recycling, and waste reduction measures.	1% annual reduction in waste generation per unit of revenue	1% annual reduction in waste generation per unit of revenue	1% annual reduction in waste generation per unit of revenue



04 Creating a Friendly Workplace

Employee Care GRI 2-7、2-8、202-1、202-2、401-1、405-1、405-2

Workforce Structure

Over the past two years, the total number of employees in Kwong Fong and its subsidiaries has grown steadily, increasing from 131 in 2024 to 146 in 2025, representing a growth rate of 11.45%. Among them, sales and administrative personnel increased from 49 to 52, while software R&D and design personnel increased from 82 to 94, reflecting the Company's continuous strengthening of R&D and professional service capabilities to meet business expansion demands.

The overall average age of employees adjusted slightly from 40.16 to 40.10 years old, while the average years of service remained stable at 6.34 and 6.43 years respectively, demonstrating that we maintain a stable talent structure and a favorable talent retention environment.

In terms of educational background distribution, the number of employees holding a Master's degree reached 24 in 2025, alongside 1 Ph.D. holder, indicating our continuous recruitment of advanced professionals. Employees with university/college degrees numbered 118, constituting the majority, with no employees below senior high school level, demonstrating a highly professional educational profile overall.

In 2025 (FY114), the employee turnover rate rose from approximately 13.0% in 2024 (FY113) to 17.1%, an increase of 4.1 percentage points. The number of departures increased from 17 to 25, with male departures rising from 6 to 15, representing the primary factor behind the increase in turnover. On the other hand, our total workforce expanded from 131 to 146, a net increase of 15 employees, as talent recruitment and workforce expansion were conducted concurrently with departures in 2025. Analyzed by job function, software R&D and design personnel increased from 81 to 94, serving as the main recruitment category and reflecting our ongoing reinforcement of specialized talent allocation.

The rise in turnover rate is related to organizational adjustments, talent replenishment, and competitive dynamics in the professional talent market. Our average years of service increased from 6.34 years in 2024 (FY113) to 6.43 years in 2025 (FY114), showing that overall employee retention tenure remains stable without significant widespread talent attrition. Moving forward, we will continue to enhance retention rates and organizational stability through talent cultivation, career development pathways, competitive compensation and benefits, and comprehensive employee care initiatives.

Employee Data of Kwong Fong and its Subsidiaries for the Most Recent Two Years and up to the Date of Annual Report Publication

Year		2024	2025
Number of Employees	Sales and Administrative Personnel	49	52
	Software R&D and Design	82	94
	Total	131	146
Average Age		40.16	40.10
Average Years of Service		6.34	6.43
	Ph.D	1	1
	Master's Degree	16	24
	University	111	118
	Senior High School	3	3
	Below Senior High School	0	0



Annual New Hires and Employee Turnover

Kwong Fong (Parent Company) had 0 new employee hires in 2025, and the total number of employee departures throughout the year was 0.



Number and Rate of New Employee Hires

Gender	Female		Male	
Age	Number	Rate	Number	Rate
<30 years old	0	0%	0	0%
30–50 years old	0	0%	0	0%
>50 years old	0	0%	0	0%
Total	0	0%	0	0%
New Hire Rate (%)	5	0%	12	0%
Total Current Employees : 17				

2025 Employee Turnover: Headcount and Rate

Gender	Female		Male	
Age	Number	Rate	Number	Rate
<30 years old	0	0%	0	0%
30–50 years old	0	0%	0	0%
>50 years old	0	0%	0	0%
Total	0	0%	0	0%
Turnover Rate (%)	5	20%	12	0%
Total Current Employees i: 17				

2024 Employee Turnover: Headcount and Rate

Gender	Female		Male	
Age	Number	Rate	Number	Rate
<30 years old	0	0%	0	0%
30–50 years old	0	0%	0	0%
>50 years old	1	100%	0	0%
Total	1	0%	0	0%
Turnover Rate (%)	5	20%	13	0%
Total Current Employees: 18				

MDBS (Subsidiary) had a total of 16 employee departures throughout 2025 (accounting for 16% of its total workforce).



Number and Rate of New Employee Hires				
Gender	Female		Male	
Age	Number	Rate	Number	Rate
<30 years old	6	46%	3	30%
30–50 years old	6	46%	7	70%
>50 years old	1	8%	0	0%
Total	13	100%	10	100%
New Hire Rate (%)	47	28%	53	19%
Total Current Employees in Company: 100 persons				

2025 Employee Turnover: Headcount and Rate				
Gender	Female		Male	
Age	Number	Rate	Number	Rate
<30 years old	4	50%	1	13%
30–50 years old	4	50%	6	75%
>50 years old	0	0%	1	13%
Total	8	100%	8	100%
Turnover Rate (%)	47	17%	53	15%
Total Current Employees in Company: 100 persons				

2024 Employee Turnover: Headcount and Rate				
Gender	Female		Male	
Age	Number	Rate	Number	Rate
<30 years old	1	17%	1	33%
30–50 years old	5	83%	2	67%
>50 years old	0	0%	0	0%
Total	6	100%	3	100%
Turnover Rate (%)	41	15%	46	7%
Total Current Employees in Company: 87 persons				

Galaxy (Subsidiary) had a total of 8 employee departures throughout 2025 (accounting for 38% of its total workforce).



Number and Rate of New Employee Hires				
Gender	Female		Male	
Age	Number	Rate	Number	Rate
<30 years old	0	0%	4	67%
30–50 years old	1	100%	2	33%
>50 years old	0	0%	0	0%
Total	1	100%	6	100%
New Hire Rate (%)	6	17%	15	40%
Total Current Employees : 21				

2025 Employee Turnover: Headcount and Rate				
Gender	Female		Male	
Age	Number	Rate	Number	Rate
<30 years old	2	100%	4	67%
30–50 years old	0	0%	2	33%
>50 years old	0	0%	0	0%
Total	2	100%	6	100%
Turnover Rate (%)	6	33%	15	40%
Total Current Employees: 21				

2024 Employee Turnover: Headcount and Rate				
Gender	Female		Male	
Age	Number	Rate	Number	Rate
<30 years old	2	100%	4	67%
30–50 years old	0	0%	2	33%
>50 years old	0	0%	0	0%
Total	2	100%	6	100%
Turnover Rate (%)	6	33%	15	40%
Total Current Employees : 18				

Digital Securities Investment Consulting (Subsidiary) had a total of 1 employee departure throughout 2025 (accounting for 12.5% of its total workforce).



Number and Rate of New Employee Hires				
Gender	Female		Male	
Age	Number	Rate	Number	Rate
<30 years old	0	0%	1	100%
30–50 years old	0	0%	0	0%
>50 years old	0	0%	0	0%
Total	0	0%	1	100%
New Hire Rate (%)	3	0%	5	20%
Total Current Employees: 8				

2025 Employee Turnover: Headcount and Rate				
Gender	Female		Male	
Age	Number	Rate	Number	Rate
<30 years old	0	0%	1	100%
30–50 years old	0	0%	0	0%
>50 years old	0	0%	0	0%
Total	0	0%	1	100%
Turnover Rate (%)	3	0%	5	20%
Total Current Employees: 8				

2024 Employee Turnover: Headcount and Rate				
Gender	Female		Male	
Age	Number	Rate	Number	Rate
<30 years old	1	33%	0	0%
30–50 years old	0	0%	0	0%
>50 years old	0	0%	0	0%
Total	1	33%	0	0%
Turnover Rate (%)	3	33%	5	0%
Total Current Employees: 8				

Remuneration System

Kwong Fong is registered exclusively in Taipei City. To provide a friendly workplace environment and attract and retain outstanding talent, the Company has established a comprehensive performance management and remuneration system that aligns organizational and individual performance goals through regular reviews, feedback, and appraisals. Employee compensation is determined based on experience, background, and individual performance, without disparity due to gender, race, religion, political affiliation, or marital status. The above reflects Kwong Fong Group's ratio of entry-level wage to statutory minimum wage in 2024, followed by the remuneration ratio between female and male employees:

Ratio of Entry-Level Wage to Statutory Minimum Wage for Kwong Fong Group in 2025 (FY114)

Category	Male	Female
Full-time Employees	1.54	1.3
Hourly Employees	-	-

Overview of Salary for Non-Executive Full-Time Employees of Kwong Fong Group **(Unit: NT$ thousand)**

Item	2023	2024	2025
Number of Non-Executive Full-Time Employees	74	75	75
Average Salary of Non-Executive Full-Time Employees	831	867	871
Median Salary of Non-Executive Full-Time Employees	780	770	768

Employee Compensation

Kwong Fong determines compensation based on job category, professional experience, and technical competencies, without discrimination based on gender, race, religion, political stance, or marital status. The table below presents the ratio of basic salary plus remuneration between female and male employees across the Kwong Fong Group:

Ratio of Basic Salary and Remuneration of Women to Men for Kwong Fong Group Employees

Item	Male	Female
Executive Personnel	1	0.65
Non-Executive Personnel	1	0.75
Hourly Employees	-	-



Median Salary

The annual total compensation ratios are shown in the table below. Among these, the "-0.95%" increase in median annual total compensation for all employees (excluding the highest-paid individual) was due to the departure of senior, highly compensated executives 1–2 years prior, with newly recruited executives joining at lower salary levels, resulting in negative growth.

2025 Employee Count (Unit: Persons)

	Male				Female			
Employment Contract Type	Kwong Fong	MDBS	Galaxy(incl. Digital)	Total	Kwong Fong	MDBS	Galaxy(incl. Digital)	Total
Governance Unit	2	1	-	3	-	-	1	1
Senior Executives	2	3	4	9	1	3	-	4
Middle Management	-	2	-	2	-	2	-	2
Full-time Employees	2	47	16	65	3	42	8	53
Hourly Employees	-	-	-	0	-	-	-	0
Total	6	53	20	79	4	47	9	60

*Excludes personnel who joined or departed mid-year.

Metric	2023	2024	2025
a. Highest Annual Total Compensation (NTD)	3,508,400	3,508,400	3,508,400
b. Median Annual Total Compensation for All Employees (Excluding the Highest-Paid Individual) (NTD)	815,750	829,750	871,000
Annual Total Compensation Ratio (a/b)	4.3008	4.2283	4.0280
c. Percentage Increase in Annual Total Compensation for the Highest-Paid Individual:	0.00%	0.00%	0.00%
d. Percentage Increase in Median Annual Total Compensation for All Employees (Excluding the Highest-Paid Individual)	-0.95%	1.72%	4.97%
Ratio of Most Recent Percentage Increase in Annual Total Compensation (c/d)	0.00	0.00	0.00

*Excludes personnel who joined or departed mid-year.

Workplace Diversity, Gender Equality Policies, and Implementation Status

Gender Equality and Diversity

We have established a Remuneration Committee to provide employees with competitive compensation and, through transparent and equitable remuneration policies, share corporate operational results with employees. For entry-level specialists within the same job category, compensation for newly hired personnel is identical. For personnel with relevant expertise and professional experience, remuneration is determined based on academic background, experience, specialized skills, and professional certifications without disparity based on gender or ethnicity.

Company		MDBS	Galaxy	Digital	Kwong Fong	Total
Number	Domestic Nationals	97	21	8	16	142
	Foreign Nationals	3	0	0	1	4
Total Number of Employees		100	21	8	17	146
Foreign Employee Rate		3.00%	0.00%	0.00%	6.00%	3.00%

The table below presents the Company's 2025 Diversity Metrics (Total Workforce: 146 employees):

Female Diversity Metrics	2025 Number of Females	2025 Percentage
Female Employees	56	42.75%
Female Managers	11	8.40%
Employee Nationality Metrics	**2025 Number by Nationality**	**2025 Percentage**
Taiwanese Nationals	142	97.26%
Foreign Nationals	4	2.74%
Other Diversity Metrics	**2025 Number by Category**	**2025 Percentage**
Persons with Disabilities	2	1.37%
Under 30 years old	37	25.34%
31–50 years old	77	52.74%
Over 50 years old	30	20.55%

Company	MDBS		Galaxy		Digital		Kwong Fong		Total	
Gender(%)	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Management(%)	5(5.00)	6(6.00)	1(4.76)	2(9.52)	0(0.00)	2(2.50)	1(5.88)	7(41.18)	7(4.79)	17(11.64)
Technical Personnel (%)	5(5.00)	47(47.00)	5(23.81)	13(61.90)	3(3.75)	3(3.75)	4(23.53)	5(29.41)	54(36.99)	68(46.58)
Total(%)	5(5.00)	53(53.00)	6(28.57)	15(71.43)	3(3.75)	5(62.50)	5(29.41)	12(70.59)	61(41.78)	85(58.22)



Employee Benefits

GRI 401-2、401-3

Welfare System & Benefits

Above-Statutory Benefits

Category	Item
Compensation & Insurance	Fixed Salary
Additional Bonuses	1. Year-End Bonus: Evaluated according to the Year-End Bonus Regulations; distribution criteria refer to seniority, unused annual leave days, and attendance records, with additional bonuses awarded for exceptional performance. 2. Performance Bonus: Evaluated according to the Performance Bonus Regulations; distribution tiers are calculated based on allocable profit and loss and awarded to employees.
Welfare System	1. We timely provide education and training courses for employees, categorized into pre-employment orientation for new hires and on-the-job professional training, while reinforcing specialized knowledge or skills training tailored to employees of different functional attributes. 2. Corporate Cash Gifts: Dragon Boat Festival, Mid-Autumn Festival, Marriage, and Childbirth. 3. Subsidies & Allowances: Funeral Subsidy.
Leave System	Marriage Leave, Maternity Leave, Bereavement (Funeral) Leave, Paternity Leave, Sick Leave, Special Annual Leave. Employee Travel Leave (for participating in company-organized tour activities)
Activity Subsidies & Events	Company Family Day, Mid-Autumn BBQ, Annual Domestic/Overseas Company Trip, Christmas Event, Year-End Banquet (Weiya)
Others	Biennial Health Examination (Health check-up every two years)

Adhering to a "people-oriented" philosophy, Kwong Fong offers diverse and comprehensive employee benefits spanning statutory and above-statutory items to support employees' daily lives, promote physical and mental well-being, and strengthen cohesion and a sense of belonging.

(1) Statutory Benefits: In accordance with labor regulations, we ensure labor insurance, national health insurance, and labor pension contributions.

(2) Leave & Attendance System: We provide personal leave, sick leave, maternity leave, prenatal check-up leave, paternity leave, menstrual leave, family care leave, marriage leave, bereavement leave, occupational injury leave, parental leave without pay, and special annual leave.

We ensure employees receive comprehensive support at all stages of life, enriching their leisure time and fostering labor-management harmony and positive interaction through team activities and recreational amenities.

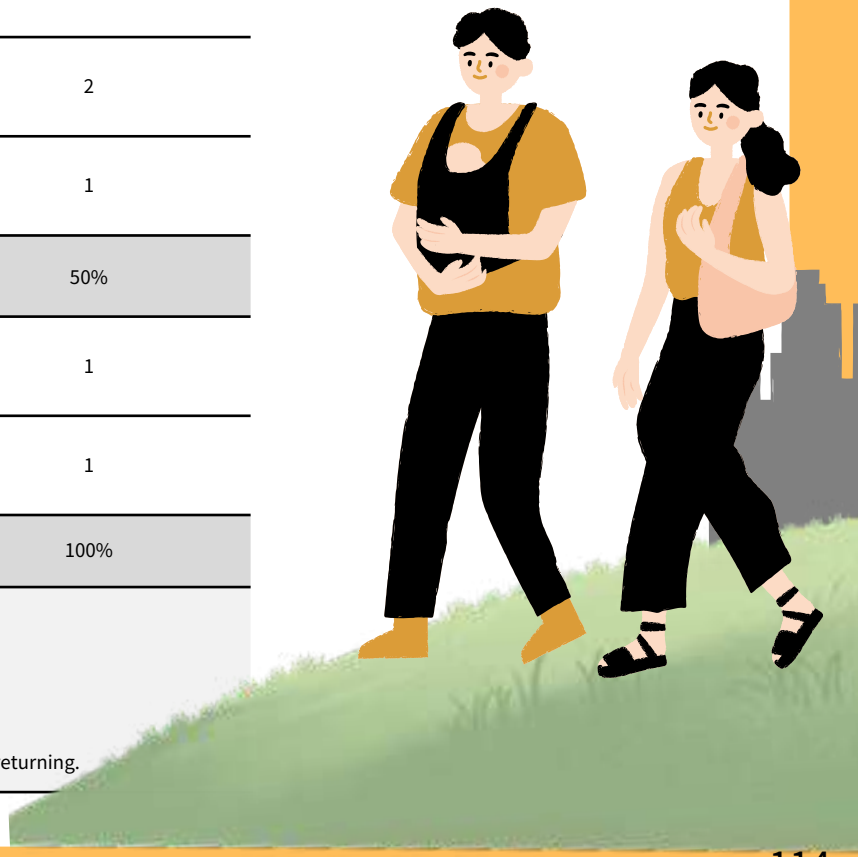


Parental Leave

Regarding employee applications for unpaid parental leave, we fully comply with relevant statutory regulations, and employees may apply for reinstatement upon the expiration of their parental leave period. In 2025, a total of 2 employees were entitled to apply for parental leave, comprising 0 males and 2 females.

Item	Male	Female	Total
A.Number of employees entitled to parental leave in 2025	0	2	2
B. Number of employees who took parental leave in 2025	0	2	2
C. Number of employees expected to return to work from parental leave in 2025	0	2	2
D. Number of employees who returned to work from parental leave in 2025	0	1	1
Return-to-Work Rate (D / C)			50%
E. Number of employees who returned to work from parental leave in 2024 (prior year base)	0	1	1
F. Number of employees who returned from parental leave and remained employed for 12 months	0	1	1
Retention Rate (F / E)			100%

A：Number of employees who applied for paternity leave or maternity leave between 2025/01/01 and 2025/12/31.
B：Number of employees who applied for parental leave between 2025/01/01 and 2025/12/31.
C：Number of employees whose parental leave expired between 2025/01/01 and 2025/12/31.
D：Number of employees whose parental leave expired between 2025/01/01 and 2025/12/31 and who returned to work during this period.
E：Number of employees who returned to work from parental leave between 2024/01/01 and 2024/12/31.
F： Number of employees who returned from parental leave between 2024/01/01 and 2024/12/31 and remained employed 12 months after returning.



Talent Cultivation & Training

GRI 404-1、404-2、404-3



Talent Development

To cultivate outstanding talent, enhance employees' professional capabilities in their positions, and strengthen operational efficiency and quality, we arrange education and training programs for personnel across various departments on an ad hoc basis. The total training hours reached 1,542 hours, with an average of 10.56 training hours per employee.

Employee Training and Development Plan

Kwong Fong Industries Corporation regards employees as the foundational cornerstone and sustainable assets of enterprise development. We systematically enhance our colleagues' professional career capabilities, reinforce organizational digital innovation competitiveness, and proactively align with the social dimension indicator standards of the Taiwan Stock Exchange (TWSE) ESG Evaluation.

Scope of Application

This program applies to the Company and all subsidiaries under its substantive control (including MDBS Digital Technology, Galaxy Digital, etc.), covering all senior executives, middle management, entry-level supervisors, full-time employees, contract personnel, and on-site technical engineers.

Three Core Training Dimensions and Framework

To implement well-rounded career development tailored to individual strengths and roles, we systematically structure three core training dimensions and curriculums categorized by job level and function:

1. Core & General Training (Target: New Hires and All Employees)
   New Employee Orientation: Organizational vision and cultural alignment, internal operational workflows, employee rights, and grievance channels
   Information Security & Personal Data Protection Training: In response to the characteristics of the IT and software industry, we regularly conduct social engineering drills, intellectual property protection training, and compliance and operational practices under domestic and international data protection laws (such as Taiwan's Personal Data Protection Act and the GDPR).
   Sustainability & Human Rights Awareness: Ethical Corporate Management Best Practice Principles, prevention of unlawful workplace infringement (workplace bullying), environmental sustainability (ESG), and labor rights policy advocacy.
2. Professional Competency Enhancement (Target: All Technical, R&D, Project, and Business Personnel)
   Software Engineering & System R&D: Evolution of front-end/back-end development architectures, cloud computing architectures (AWS / Azure / GCP) and data hosting security, and system integration technology optimization.
   Cutting-Edge Technology & Responsible Innovation: Big data analytics and visualization applications, artificial intelligence (AI) algorithm development ethics, and the secure utilization of generative AI tools.
   Financial Information Services Compliance: Cross-disciplinary professional training tailored to fintech products across MDBS and Galactic Digital, covering financial information security control, financial regulatory compliance, and Anti-Money Laundering (AML).
3. Leadership & Management Training (Target: Senior, Middle, and Entry-Level Supervisors, and Management Trainees)
   Entry-Level & Middle Management: High-efficiency project management, cross-departmental team communication, employee performance coaching, labor law practices, and target management (KPI/OKR) formulation and tracking.
   Senior Executives: Corporate business strategic planning, global digital transformation trends, ESG sustainability governance and risk control, and information security governance decision-making.

Cultivation Mechanisms and Financial Subsidies

1. Internal Training & Knowledge Retention: Encouraging internal subject matter experts or senior engineers to serve as internal instructors, organizing Tech Talks or project case reviews to facilitate technical knowledge transfer.
2. External Training & Certification Subsidies: When employees participate in training programs or seminars organized by external professional institutions for project or functional requirements with supervisory approval, expenses are fully or partially subsidized by our Company.

Professional Certification Rewards: To encourage employees to obtain international professional certifications such as Information Security (e.g., ISO 27001 Lead Auditor, CISSP), Cloud Solutions Architect, or Project Management Professional (PMP), we provide full examination fee subsidies and certification achievement incentive bonuses.

Quantitative Resource Input and Tracking Mechanism

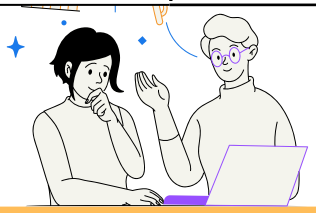
We commit to allocating dedicated human resources and budgeting funds annually to support the execution of this program.

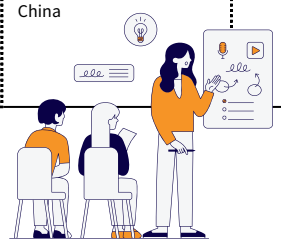
1. The Administration Department (or Human Resources Unit) shall compile and publicly disclose the following quantitative resource allocation metrics at the end of each fiscal year: total annual training course hours (and average training hours per employee), total annual participant headcounts, and total annual expenditure on external training and professional certification subsidies (in NTD).
2. Training outcomes and effectiveness shall be regularly linked to employees' Annual Performance Evaluations (KPIs), serving as key references for salary adjustments, promotions, job rotations, and succession planning for middle and senior leadership.

Competency Enhancement and Assistance Programs

(I) Management Participation in Regulatory Authority Seminars and Training Courses: 78 hours

Course Name	Organizer	Hours per Session	Participants	Total Training Hours
2025 Cathay Sustainable Finance and Climate Change Summit	Taiwan Stock Exchange (TWSE)	6	1	6
ESG: Charting a New Future for the Securities Industry & Gender Equality	Taiwan Securities Association	6	2	12
Corporate Governance: Exploring Brokerage Business Opportunities from the Rise of Family Offices	Taiwan Securities Association	6	2	12
Financial Consumer Protection Act, Treating Customers Fairly, Financial Accessibility, and the Convention on the Rights of Persons with Disabilities (CRPD)	Taiwan Securities Association	3	1	3
Security Challenges and Future Trends of Artificial Intelligence under Digital Technology Risks	Taiwan Securities Association	3	1	3
Case Analysis of Corporate Control Battles and Proxy Contests	Taiwan Corporate Governance Association	6	2	12
Strategic Analysis of Sustainable Enterprises: Taking Renewable Energy as an Example	Taiwan Corporate Governance Association	3	1	3
Practical Analysis of Sustainability Report Assurance	Taiwan Corporate Governance Association	3	1	3
Sustainable Succession and Transformation Journey through AI Applications	Taiwan Corporate Governance Association	3	1	3
Corporate Crisis Management and Communication	Taiwan Corporate Governance Association	3	1	3
Cybersecurity Governance and Management under Geopolitical Dynamics	Taiwan Corporate Governance Association	3	1	3
Navigating the Digital Wave: How Enterprises Optimize Innovative Sanctions Compliance and Link to Sustainable Governance	Taiwan Corporate Governance Association	3	1	3
Circular Economy Benefits and Sustainable Finance Business Opportunities	Taiwan Corporate Governance Association	3	1	3
Conducting Board Meetings: Practical Insights on Common Operational Deficiencies for TWSE/TPEx Listed Company Directors	Taiwan Corporate Governance Association	3	1	3
Creating a Diverse and Inclusive Organizational Environment: Exploring DEI Promotion and the Necessity of Leadership Enhancement through Workplace Bullying Cases	Securities and Futures Institute	3	1	3
Trends in Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) & Practical Insights into Insider Trading Prevention	The Insurance Anti-Fraud Institute of the Republic of China	3	1	3





(II) External Training (Ethical Corporate Management Regulations, Accounting Systems, and Internal Control Systems): 115 hours

Course Name	Organizer	Hours per Session	Participants	Total Training Hours
Continuing Education Professional Seminar for Accounting Executives of Issuers, Securities Firms, and Stock Exchanges	Accounting Research and Development Foundation (ARDF)	24	2	48
Exploring DEI Promotion and the Necessity of Leadership Enhancement through Workplace Bullying Incidents	Taiwan Corporate Governance Association	3	1	3
Corporate Governance Officers and Meeting Management	Taiwan Corporate Governance Association	3	1	3
2025 Cathay Sustainable Finance and Climate Change Summit	Taiwan Stock Exchange (TWSE)	6	1	6
Aligning CDP with IFRS S2: Reinforcing Climate Information Disclosures to Enhance Corporate Climate Resilience	Taiwan Stock Exchange (TWSE)	6	1	6
Regulations and Practical Analysis of Loans of Funds, Endorsements/Guarantees, and Asset Acquisition or Disposal	The Institute of Internal Auditors - Chinese Taiwan (IIA-Taiwan)	6	1	6
Analyzing Financial Statements from an Operational Audit Perspective to Enhance Business Performance	The Institute of Internal Auditors - Chinese Taiwan (IIA-Taiwan)	6	1	6
Applying Artificial Intelligence in Internal Auditing	The Institute of Internal Auditors - Chinese Taiwan (IIA-Taiwan)	6	1	6
Special Seminar on Practical Key Points of "Sustainability Information Management" and Internal Control & Auditing	The Institute of Internal Auditors - Chinese Taiwan (IIA-Taiwan)	6	1	6
2025 (FY114) Climate Change Risk Management Professional Training Course	Foundation of Taiwan Industry Service	3	1	3
Greenhouse Gas Inventory Workshop: Service Industry Sector	Taipei Exchange (TPEx)	8	1	8
2025 Q4 Special Lecture on Corporate Governance and Sustainability Disclosure	Yuanta Securities Co., Ltd	7	2	14



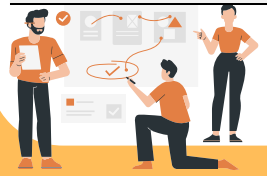
(III) Internal Training (Ethical Corporate Management Regulations, Accounting Systems, and Internal Control Systems): 1,165 hours

Course Name	Organizer	Hours per Session	Participants	Total Training Hours
Introduction to Corporate Governance Evaluation, Scoring Guidelines, and Reference Examples	Governance Unit	7	7	49
Practical Case Studies on Handling Sexual Harassment Cases	Governance Unit	7	7	49
Human Rights Education and Training on the Two International Covenants (ICCPR & ICESCR)	Governance Unit	6	6	36
Human Rights Education and Training	Governance Unit	7	7	49
Insider Trading Regulations and Prevention Case Studies	Governance Unit	7	7	49
Personal Data File Security Maintenance and Management	Investment Department	7	7	49
Insurance and Financial Planning Seminar	Administration Department x Nan Shan Life Insurance Company, Ltd.	1.5	58	87
Refactoring: Improving the Design of Existing Code	Software R&D Division	1.5	8	12
Jetpack Compose & Q-Learning(I)		1.5	8	12
Jetpack Compose & Q-Learning(II)		1.5	8	12
MDBS Information Security Awareness and Training	IT Division	1	34	34
Introduction to the Labor Standards Act Sharing Session	Human Resources Department	2	5	10
Education and Training on ESG, Sustainability Reporting, and GHG Inventory	Governance Unit	Refer to p. 49		152
Education and Training on Information Security Internal Auditing, Risk Assessment, Personal Data Protection, and Incident Case Studies	IT Division	Refer to p. 64		565

(IV) External Training (MDBS / Galaxy / Digital): 184 hours

Course Name	Organizer	Hours per Session	Participants	Total Training Hours
Class C Occupational Safety and Health Affairs Manager Safety & Health Training	Taipei Vocational Training Center, Affiliated with Labor Safety & Health Management Association	24	1	24
First Aid Personnel Training		16	1	16
Class A Occupational Safety and Health Affairs Manager Safety & Health Training		42	1	42
Outsourced Vendor Secure Coding Fundamentals Examination Course	Chunghwa Telecom Academy	2	3	6
"Flexible" Parental Leave Without Pay New Regulations: Corporate HR Management and Communication Strategies	104 HR Academy	2	4	8
2026 New Parental Leave Regulations: HR Practical Guide—From Regulatory Compliance to Systemic Management		2	4	8
"Flexible" Parental Leave Without Pay New Regulations: 104 HR System Response Solutions		2	4	8
2026 New Labor Regulations Summary & Practical Guide		2	4	8
Pre-Employment Training for Securities Investment Consulting Practitioners	Securities and Futures Institute (SFI)	12	2	24
Anti-Money Laundering Regulations and Case Studies Seminar	Securities Investment Trust and Consulting Association (SITCA)	3	1	3
Regulations Governing Securities Investment Trust and Consulting	Securities Investment Trust and Consulting Association (SITCA)	2	1	2

Course Name	Organizer	Hours per Session	Participants	Total Training Hours
Analysis of Internal Audit Regulations for SITEs and SICAs (Recognized for Audit In-Service / General In-Service Hours)	Securities Investment Trust and Consulting Association (SITCA)	2	1	2
Key Issues and Practices in Audit Digital Transformation (Recognized for Audit In-Service / General In-Service Hours)	Securities Investment Trust and Consulting Association (SITCA)	3	1	3
Corporate Sustainability Transformation and Internal Audit Strategies under ESG Trends (Recognized for Audit In-Service / General In-Service Hours)	Securities Investment Trust and Consulting Association (SITCA)	4	1	4
Economic and Trade Situation Analysis of Major Global Markets	Securities Investment Trust and Consulting Association (SITCA)	3	1	3
Impact of Company Act Amendments on Internal Auditing and Corporate Anti-Money Laundering	Securities and Futures Institute (SFI)	6	1	6
Foreign Exchange Risk Management and Accounting Treatment	Securities and Futures Institute (SFI)	3	1	3
Impact Investing and the Practical Implementation of SDGs	Securities Investment Trust and Consulting Association (SITCA)	3	1	3
Personal Data Protection Act and Information Security Practices	Securities Investment Trust and Consulting Association (SITCA)	3	1	3
Financial Industry Applications, Evaluation, and Management of Generative AI	Securities Investment Trust and Consulting Association (SITCA)	3	1	3
New Challenges in Financial Risk Assessment: AI and Risk Management	Securities and Futures Institute (SFI)	3	1	3
Amendments to Regulations Governing SITEs and SICAs over the Past Year	Securities Investment Trust and Consulting Association (SITCA)	2	1	2



Performance Management

To effectively drive performance management, Kwong Fong has established year-end and performance bonus systems aligned with comprehensive evaluation criteria and appraisal methodologies, enabling managers to conduct fair and objective reviews tailored to personnel categories and job performance. Simultaneously, performance evaluations guide employees to align business execution, behavioral performance, and achievements with corporate objectives, enhancing overall organizational performance and supporting the Company's operational direction.

Kwong Fong has long adhered to the principles of fairness, impartiality, and transparency in conducting performance appraisals for all personnel, without distinction based on nationality or gender, applicable to all permanent employees. As of December 31, 2025, Kwong Fong had 17 employees in Taiwan, among whom 10 employees participated in performance evaluations, representing a 100% regular appraisal rate among eligible full-time staff.

Performance Evaluation Participation Statistics

Job Title	Male	Male Percentage (%)	Female	Female Percentage (%)
Director Level and Above (persons)	3	75	1	25
Assistant Manager / Manager Level (persons)	0	0	2	100
Direct Employees (persons)	0	0	0	0
Indirect Employees (persons)	3	75	1	25





Labor Relations

GRI 402-1、406-1、407-1、408-1、409-1、411-1

Labor Relations

Kwong Fong respects employees' rights to freedom of association and collective bargaining in accordance with applicable laws, establishing diverse communication channels across all operating sites. In 2025, no strikes or work stoppages occurred. Pursuant to Article 11 of the Labor Standards Act, in the event of employment contract termination or major operational changes, advance notice is provided based on employee seniority:

- 3 months to less than 1 year of service: 10 days in advance
- 1 year to less than 3 years of service: 20 days in advance
- 3 years or more of service: 30 days in advance



Currently, Kwong Fong has transitioned into an investment holding company and has not established a labor union or an employee welfare committee. However, the Company continuously maintains harmonious labor relations and routinely reviews and optimizes communication mechanisms.

Comprehensive Protection of Labor and Human Rights

Kwong Fong requires all suppliers to comply with sustainability-related rights protections, including safeguarding workers' freedom of association and right to collective bargaining. For suppliers identified with potential risks, we continuously monitor and urge them to implement corrective actions.

Human Rights Policy

Kwong Fong Corporation fully supports and adheres to international labor and human rights standards, ensuring that employees are not subjected to unequal treatment based on race, religion, skin color, nationality, gender, or other protected statuses. In 2025, zero incidents of discrimination occurred within the Company.



Prohibition of Child Labor

As an industry leader, Kwong Fong Corporation commits to creating a safe work environment for employees, upholding human rights, and centering operations on integrity and sustainability. We strictly prohibit the employment of individuals below the statutory minimum working age. All recruitment procedures are conducted lawfully pursuant to competent authority regulations; corporate bylaws and policies are updated in lockstep with labor law revisions to ensure and safeguard employees' legitimate rights and interests.



Prohibition of Forced Labor

We conduct regular annual international labor risk assessments and continuously optimize human rights safeguards accordingly, striving to foster an equitable and safe work environment. In the 2025 assessment, our operating base located at 28 F., No. 97, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106420, Taiwan was evaluated as "Low Risk."





Upholding Indigenous Peoples' Rights

Kwong Fong Corporation places great emphasis on forest conservation and local community safety, actively caring for the well-being of Indigenous peoples and local residents. We provide diverse, need-oriented services supporting Indigenous rights, comprehensively balancing improvements in quality of life with environmental preservation. Simultaneously, we maintain real-time communication mechanisms with local residents to ensure prompt responses and assistance for any needs. In 2025, zero incidents involving violations of Indigenous peoples' rights occurred within the Company.

Labor Relations

We establish and enforce employee management systems in compliance with the Labor Standards Act and related statutory regulations, updating internal guidelines in real time to safeguard employee rights and interests. Over the years, labor-management relations have remained stable and harmonious; employee feedback and inquiries consistently receive supervisory attention and timely support, effectively maintaining a positive workplace atmosphere.

I. Current Material Labor-Management Agreements and Implementation Status:

1. Employee Welfare Measures: Annual recreational activities/gatherings, performance bonuses, employee profit-sharing bonuses, and year-end bonuses.
2. Advanced Study and Training System: Ad hoc education and training system, alongside continuing professional development aligned with regulatory authority requirements.
3. Retirement Pension Scheme: Pursuant to relevant provisions of the Labor Standards Act, for employees electing the pension system under the Labor Pension Act, the Company contributes 6% of their monthly wage to their individual pension accounts at the Bureau of Labor Insurance.
4. Other Material Labor-Management Agreements: None.

II. Losses Incurred from Labor Disputes in the Most Recent Year, Estimated Current and Future Potential Amounts, and Mitigation Measures: None.

III. Violations of the Labor Standards Act in 2025: None.



Occupational Safety

GRI 201-3、403-3、403-6、403-7、403-9、403-10

Policy Guidelines

We operate in the IT and software services sector, with all employees working in commercial office buildings where occupational safety risks are relatively low. Although a comprehensive Occupational Health and Safety (OH&S) management system has not yet been fully established, plans are in place for future implementation. Personnel from the Administration Department have obtained the Class A Occupational Safety and Health Affairs Manager certification and conduct regular statutory occupational safety training for new hires.

In addition, exceeding regulatory requirements, we arrange biennial health examinations to safeguard employee health and ensure a safe working environment. Prior to collaborating with external vendors, we also evaluate their reputation and verify whether they are involved in environmental pollution, occupational health and safety issues, or labor and human rights controversies, ensuring our partners comply with our sustainability and compliance standards.

Health Promotion

To safeguard employees' physical and mental well-being and quality of life, we provide the following occupational health examinations: employees may choose between a fully subsidized health check-up once every two years or year-round unlimited check-ups at corporate preferential rates. Furthermore, we recognize the impact of work-related stress on employees and are committed to fostering a diverse and supportive workplace. By integrating employee benefits, training programs, and stress-relief mechanisms, we help colleagues maintain a healthy balance between work and personal well-being. This not only unleashes employee potential but also enhances cohesion and strengthens overall corporate competitiveness.



Health Promotion Activities and Event Photos

Kwong Fong attaches great importance to employee physical and mental well-being as well as work-life balance. By organizing diverse activities such as domestic and international company trips, festive gatherings, and year-end celebrations, the Company enhances interaction among colleagues, strengthens team cohesion, and fosters a healthy, supportive, and vibrant work environment. Looking ahead, we will continue planning varied health promotion initiatives to enhance employee well-being and engagement, shaping a corporate culture centered on care, collaboration, and sustainable development.



Christmas Catering Party

Festive Christmas celebration and catering event.



Mid-Autumn Festival Gathering at Hi-Lai Harbour

Rewarding employees for Mid-Autumn Festival.





Hokkaido, Biei, Furano & Sapporo 5-Day Self-Guided Tour

Japan overseas company trip.



Hokkaido Company Trip

Overseas employee tour to Hokkaido.



Year-End Banquet (Weiya) Cosplay

Year-end banquet and raffle draw to appreciate hard-working colleagues.

Safeguard Measures for Work Environment and Employee Personal Safety

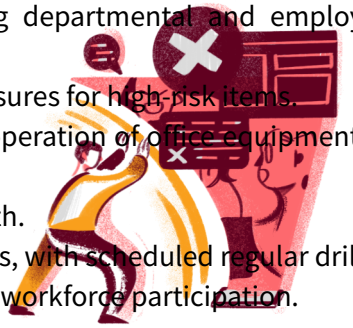
Category	Item	Description	Frequency of Implementation
Employee Insurance System	Labor Insurance	Handled in accordance with the Labor Insurance Act, providing maternity, injury and sickness, disability, old-age, and death benefits.	Administered in accordance with statutory regulations
	National Health Insurance (NHI)	Handled in accordance with the National Health Insurance Act, ensuring insured individuals and their dependents receive medical care services in cases of childbirth, illness, or injury.	Administered in accordance with statutory regulations
	Employer's Liability Insurance	Covers the Company's statutory compensation liabilities (excluding obligations under the Labor Standards Act) if an employee suffers death, disability, or bodily injury due to an occupational accident arising out of the performance of duties during the policy period.	Renewed annually
	Directors, Supervisors and Officers (D&O) Liability Insurance	Protects directors, supervisors, and key management officers against risks of personal liabilities and resulting financial losses arising from wrongful acts, negligence, or omissions in the performance of their duties.	Renewed annually
Building a Safe Workplace Environment	Personal Safety and Facility/Equipment Security	To enhance employee safety awareness, the Company participates in fire and disaster prevention drills organized by the building management, reinforcing pre-incident prevention and emergency response capabilities. In 2025, the building conducted 1 fire drill with 100% employee participation. Building restrooms are equipped with emergency distress call buttons, and Automated External Defibrillators (AEDs) are installed in common areas to safeguard personal safety. Additionally, 24-hour security and control systems are maintained, featuring night patrols and strict access control. The Company' s entrances and exits are equipped with access control and surveillance systems to maintain workplace security, alongside the rigorous implementation of electrical safety protocols and tobacco hazard prevention measures.	Annual fire and disaster prevention drill
	Creating a Green and Healthy Workplace	Drinking fountain filters are regularly replaced to ensure hygiene and employee health in the workplace. Smoking is strictly prohibited in office premises pursuant to law, while energy-saving and carbon-reduction initiatives are reinforced to raise environmental and health awareness. We continuously foster a healthy working environment through non-toxic interior decor and scheduled sanitization. In 2025, environmental disinfection was conducted 4 times.	Drinking fountain filter replacement 4 times per year; Environmental disinfection 4 times per year



Occupational Injuries and Work-Related Ill Health

In 2025, zero occupational injury incidents occurred within the Company. To prevent potential risks, we will advance the following measures:

1. Establishing a Safety Management System: Formulating and implementing health and safety policies, clearly defining departmental and employee responsibilities.
2. Risk Assessment and Control: Regularly identifying hazards and potential consequences, and formulating control countermeasures for high-risk items.
3. Education and Training: Providing occupational health and safety courses to reinforce safety awareness and ensure proper operation of office equipment to prevent work-related illnesses.
4. Work-Life Balance: Encouraging employees to take adequate rest, mitigating the adverse impacts of fatigue and stress on health.
5. Emergency Contingency Plans and Drills: Formulating emergency response plans for fires, earthquakes, and other emergencies, with scheduled regular drills.
6. Communication Mechanisms: Convening safety meetings to communicate policies and gather employee feedback, enhancing workforce participation.



Data Monitoring and Continuous Improvement: Establishing incident reporting and analysis protocols to identify root causes and continuously optimize preventive measures. In the event of an occupational accident, the incident process will be promptly recorded and investigated to clarify root causes and implement improvements across workplace environments, facility management, and personal protection, preventing recurrence. In 2025, we recorded zero cases of occupational injuries or disabilities. Consequently, the occupational injury rate, lost-time injury rate, and injury severity indices are not applicable (N/A), with zero work-related ill health issues.

Retirement Pension System

Pursuant to the provisions of the Labor Standards Act and the Labor Pension Act, employees who joined the Company on or before June 30, 2005, retain their seniority under the Defined Benefit (Old) Pension Scheme; if they voluntarily opted to switch to the Defined Contribution (New) Pension Scheme, their seniority under the New Scheme commenced concurrently. Under the New Pension Scheme, the employer makes a mandatory monthly contribution of 6% of the employee's monthly insured wage to their individual pension account at the Bureau of Labor Insurance. Employees may also voluntarily contribute an additional 0% to 6% of their monthly wage to the same account. Currently, 100% of Company employees are enrolled under the Defined Contribution (New) Pension Scheme, with no personnel subject to the Defined Benefit (Old) Pension Scheme.





5-1 GRI Content Index
5-2 SASB Content Index
5-3 TCFD Content Index

05 Appendix

GRI Content Index

Indicator Name	Page	Remarks
2-1 Organizational details	8	
2-2 Entities included in the organization’ s sustainability reporting	1	
2-3 Reporting period, frequency and contact point	1	
2-4 Restatements of information	1	
2-5 External assurance	1	
2-6 Activities, value chain and other business relationships	8-13	
2-7 Employees	104-108	
2-8 Workers who are not employees	104-108	
2-9 Governance structure and composition	34	
2-10 Nomination and selection of the highest governance body	34	
2-11 Chair of the highest governance body	34	
2-12 Role of the highest governance body in overseeing the management of impacts	45	
2-13 Delegation of responsibility for managing impacts	45	
2-14 Role of the highest governance body in sustainability reporting	45	
2-15 Conflicts of interest	33	
2-16 Communication of critical concerns	33	
2-17 Collective knowledge of the highest governance body	33	
2-18 Evaluation of the performance of the highest governance body	33	
2-19 Remuneration policies	33	
2-20 Process to determine remuneration	33	
2-21 Annual total compensation ratio	33	
2-22 Statement on sustainable development strategy	3	
2-23 Policy commitments	17	
2-24 Embedding policy commitments	17	

GRI Content Index

Indicator Name	Page	Remarks
2-25 Processes to remediate negative impacts	17	
2-26 Mechanisms for seeking advice and raising concerns	17	
2-27 Compliance with laws and regulations	70	
2-28 Membership associations	33	
2-29 Approach to stakeholder engagement	17	
2-30 Collective bargaining agreements	-	Not disclosed
3-1 Process to determine material topics	17-22	
3-2 List of material topics	17-22	
3-3 Management of material topics	17-22	
201-1 Direct economic value generated and distributed	65	
201-2 Financial implications and other risks and opportunities due to climate change	82	
201-3 Defined benefit plan obligations and other retirement plans	122	
201-4 Financial assistance received from government	65	
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	104	
202-2Proportion of senior management hired from the local community	104	
203-1 Infrastructure investments and services supported	-	Not disclosed
203-2 Significant indirect economic impacts	-	Not disclosed
204-1 Proportion of spending on local suppliers	75	
205-1 Operations assessed for risks related to corruption	70	
205-2 Communication and training about anti-corruption policies and procedures	70	
205-3 Confirmed incidents of corruption and actions taken	70	
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	67	
207-1 Approach to tax	65	
207-2 Tax governance, control, and risk management	65	

GRI Content Index

Indicator Name	Page	Remarks
207-3 Stakeholder engagement and management of concerns related to tax	65	
207-4 Country-by-country reporting	65	
301-1 Materials used by weight or volume	-	Not disclosed
301-2 Recycled input materials used	-	Not disclosed
301-3 Reclaimed products and their packaging materials	-	Not disclosed
302-1 Energy consumption within the organization	82	
302-2 Energy consumption outside of the organization	82	
302-3 Energy intensity	82	
302-4 Reduction of energy consumption	-	Not disclosed
302-5 Reductions in energy requirements of products and services	-	Not disclosed
303-1 Interactions with water as a shared resource	-	Not disclosed
303-2 Management of water discharge-related impacts	-	Not disclosed
303-3 Water withdrawal	-	Not disclosed
303-4 Water discharge	-	Not disclosed
303-5 Water consumption	-	Not disclosed
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	None of the Company's operating sites are located in or adjacent to protected areas or areas of high biodiversity value.
304-2 Significant impacts of activities, products and services on biodiversity	-	None of the Company's operating sites are located in or adjacent to protected areas or areas of high biodiversity value.
304-3 Habitats protected or restored	-	None of the Company's operating sites are located in or adjacent to protected areas or areas of high biodiversity value.
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	None of the Company's operating sites are located in or adjacent to protected areas or areas of high biodiversity value.

GRI Content Index

Indicator Name	Page	Remarks
305-1 Direct (Scope 1) GHG emissions	81	
305-2 Energy indirect (Scope 2) GHG emissions	81	
305-3 Other indirect (Scope 3) GHG emissions	81	
305-4 GHG emissions intensity	-	
305-5 Reduction of GHG emissions	-	
305-6 Emissions of ozone-depleting substances (ODS)	-	Not applicable
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	Not applicable
306-1 Waste generation and significant waste-related impacts	-	
306-2 Management of significant waste-related impacts	-	Not applicable
306-3Waste generated	-	Not applicable
306-4 Waste diverted from disposal	-	Not applicable
306-5 Waste directed to disposal	-	Not applicable
308-1 New suppliers that were screened using environmental criteria	75	Not applicable
308-2 Negative environmental impacts in the supply chain and actions taken	75	
401-1 New employee hires and employee turnover	104	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	112	
401-3Parental leave	112	
402-1 Minimum notice periods regarding operational changes	119	
403-1 Occupational health and safety management system	-	
403-2 Hazard identification, risk assessment, and incident investigation	-	An occupational health and safety management system has not yet been established.
403-3 Occupational health services	123	A formal occupational hazard identification and risk assessment process is not yet in place.

GRI Content Index

Indicator Name	Page	
403-4 Worker participation, consultation, and communication on occupational health and safety	-	An occupational safety and health committee has not yet been established
403-5 Worker training on occupational health and safet	-	An occupational safety and health committee has not yet been established
403-6 Promotion of worker health	123	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	123	
403-8 Workers covered by an occupational health and safety management system	-	An occupational health and safety management system has not yet been established.
403-9 Work-related injuries	123	
403-10 Work-related ill health	123	
404-1 Average hours of training per year per employee	114	
404-2 Programs for upgrading employee skills and transition assistance programs	114	
404-3 Percentage of employees receiving regular performance and career development reviews	114	
405-1 Diversity of governance bodies and employees	104	
405-2 Ratio of basic salary and remuneration of women to men	104	
406-1 Incidents of discrimination and corrective actions taken	120	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	120	
408-1 Operations and suppliers at significant risk for incidents of child labor	120	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	120	
410-1 Security personnel trained in human rights policies or procedures	120	
411-1 Incidents of violations involving rights of indigenous peoples	120	
413-1 Operations with local community engagement, impact assessments, and development programs	-	Not disclosed
413-2 Operations with significant actual and potential negative impacts on local communities	-	Not disclosed

GRI Content Index

Indicator Name	Page	Remarks
414-1 New suppliers that were screened using social criteria	75	
414-2 Negative social impacts in the supply chain and actions taken	75	
415-1 Political contributions	70	
416-1 Assessment of the health and safety impacts of product and service categories	71	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	71	
417-1 Requirements for product and service information and labeling	71	
417-2 Incidents of non-compliance concerning product and service information and labeling	71	
417-3 Incidents of non-compliance concerning marketing communications	71	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	71	
GRI Content Index	127	
Sustainability Strategy Blueprint	18	
Sustainability Highlights	4	

SASB Content Index

SASB Industry Standard: Technology & Communications Sector – Software & IT Services

Topic	Metric Code	Metric Description	Responsible Unit	Page
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Administration Dept., Subsidiary Finance & Accounting Dept., Subsidiary Administration Dept.	Page: 82–83 (100% grid electricity from Taipower; 0% renewable energy)
	TC-SI-130a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress		83 (100% sourced from Taipei Water Department)
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	Audit Dept.	None
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	Audit Dept., Subsidiary Administration Dept., Parent & Subsidiary IT Dept.	58-64
	TC-SI-220a.2	Number of users whose information is used for secondary purposes		Number: None
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy		No such incidents in the
	TC-SI-220a.4	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure		Zero law enforcement requests received
	TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Subsidiary Administration Dept., Parent & Subsidiary IT	No such incidents in the current reporting year
Data Security	TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Subsidiary Administration Dept., Parent & Subsidiary IT Dept.	Zero data breaches
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards		55-61

SASB Content Index

SASB Industry Standard: Technology & Communications Sector – Software & IT Services

Topic	Metric Code	Metric Description	Responsible Unit	Page
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1	Percentage of (1) foreign nationals and (2) employees located overseas	Administration Dept., Subsidiary Administration Dept.	111
	TC-SI-330a.2	Employee engagement as a percentage		104
	TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees		111
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Audit Dept.	No incidents in the current reporting year
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	(1) Number of performance issues and service disruptions, (2) total customer downtime, (3) percentage uptime for hosted services	Parent & Subsidiary IT Dept	No incidents in the current reporting year
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations		23

TCFD Content Index

Core Disclosure	Description	Reference Chapter	Page
Governance (Disclose the organization's governance around climate-related risks and opportunities)	Describe the board' s oversight of climate-related risks and opportunities.	Chapter 2	45-47
	Describe management' s role in assessing and managing climate-related risks and opportunities.	Chapter 2	
Strategy (Disclose the actual and potential impacts of climate-related risks and opportunities on the organization' s businesses, strategy, and financial planning)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Chapter 3	85
	Describe the impact of climate-related risks and opportunities on the organization' s businesses, strategy, and financial planning.	Chapter 3	
	Describe the resilience of the organization' s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Chapter 3	
Risk Management (Disclose how the organization identifies, assesses, and manages climate-related risks)	Describe the organization' s processes for identifying and assessing climate-related risks.	Chapter 3	90
	Describe the organization' s processes for managing climate-related risks.	Chapter 3	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization' s overall risk management.	Chapter 3	
Metrics and Targets (Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Chapter 3	102
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Chapter 3	
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Chapter 3	

Climate-Related Information Disclosure Index for TWSE/TPEx Listed Companies

Risks and Opportunities Posed by Climate Change to our Company and Relevant Response Measures Adopted

Item	Implementation Status (Page)
1.Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	45-47
2. Describe how identified climate risks and opportunities affect the enterprise's business, strategy, and financials (short, medium, and long term).	90
3.Describe the financial impacts of extreme weather events and transition activities.	100
4.Describe how processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.	90
5. If scenario analysis is used to assess resilience against climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and principal financial impacts utilized.	100
6.If transition plans exist for managing climate-related risks, describe the plan details, along with the metrics and targets used to identify and manage physical and transition risks.	102
7.If internal carbon pricing is used as a planning tool, describe the pricing basis.	None
8. If climate-related targets are established, describe information including covered activities, GHG emission scopes, planning horizons, and annual progress; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve targets, describe the sources and quantities of carbon offset credits or the number of RECs.	103
9. Greenhouse Gas Inventory, Assurance Status, Reduction Targets, Strategies, and Action Plans	102



Kwong Fong Industries Corporation

Kwong Fong Industries Corporation (Headquarters)

28F., No. 97, Sec. 2, Dunhua S. Rd., Da’ an Dist., Taipei City, Taiwan

Tel : (02)27048111

Email：joe.cheng@kfic.com.tw