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KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS’REPORT

SEPTEMBER 30 , 2024 AND 2023

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Kwong Fong Industries Corporation Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of Kwong Fong Industries Corporation and its subsidiaries (collectively referred herein as the "Group") as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews

Scope of Review

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

Conclusion

Based on our reviews nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, and its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the

Financial Supervisory Commission.

Lai, Chung-Hsi   Chih, Ping-Chiun
For and on behalf of Pricewaterhouse Coopers, Taiwan
November 8, , 2024

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

September 30, 2024 and December 31, September 30, 2023

(In Thousands of New Taiwan Dollars)

	ASSETS	Notes	September 30,2024 Amount	%	December 31,2023 Amount	%	September 30,2023 Amount	%
	Current Assets							
1100	Cash and cash equivalents	6(1)	$ 146,452	3	$ 233,146	5	$ 134,171	3
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	92,970	2	81,165	2	20,603	1
1136	Financial assets at amortized cost - current	6(4)	25,299	-	15,990	-	15,990	-
1140	Contract assets- current	6(20)	12,687	-	10,384	-	7,854	-
1170	Accounts receivable, net	6(5)	34,083	1	28,053	1	31,395	1
1200	Other receivables		11,980	-	58,934	1	34,275	1
1220	Income tax assets		4,212	-	4,190	-	260	-
130X	Inventories	6(6) and 8	629,621	12	629,621	14	629,621	14
1410	Prepayments		8,770	-	8,320	-	9,436	-
1470	Other current assets		890	-	33	-	15	-
11XX	Total current assets		966,964	18	1,069,836	23	883,620	20
	Noncurrent Assets							
1510	Financial assets at fair value through profit or loss - noncurrent	6(2)	253,818	5	-	-	--	
1517	Financial assets at fair value through other comprehensive income-noncurrent	6(3) and 8	3,950,681	74	3,205,820	70	3,273,403	73
1535	Non-current financial assets measured at amortized cost	6(4)	5,000	-	5,000	-	5,000	-
1600	Property, plant and equipment	6(7) and 8	15,345	-	16,180	-	34,167	1
1755	Right-of-use assets	6(8)	18,062	-	25,960	1	29,504	1
1780	Intangible assets	6(9)	63,895	1	67,614	1	69,600	1
1840	Deferred income tax assets		90,378	2	120,147	3	146,686	3
1900	Other noncurrent assets	6(10) and 8	16,640	-	82,885	2	40,790	1
15XX	**Total noncurrent assets**		4,413,819	82	3,523,606	77	3,599,150	80
1XXX	**Total assets**		$ 5,380,783	100	$ 4,593,442	100	$ 4,482,770	100

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

September 30, 2024 and December 31, September 30, 2023

(In Thousands of New Taiwan Dollars)

			September 30,2024		December 31,2023		September 30,2023	
	LIABILITIES AND EQUITY	Notes	Amount	%	Amount	%	Amount	%%
	Current Liabilities							
2100	Short-term loans	6(11)and 8	$ 160,000	3	$ 40,000	1	$ -	-
2110	Short-term bills payable	6(12)and 8	164,843	3	19,985	-	-	-
2120	Current financial liabilities measured at fair value through profit or loss	6(13)	-	-	56,783	1	7,542	-
2130	Current contract liabilities	6(20) and 7	50,619	1	43,341	1	42,031	1
2150	Notes payable		37	-	-	-	32	-
2170	Accounts payable		7,135	-	6,201	-	4,844	-
2219	Other payables		41,350	1	120,423	3	40,135	1
2230	Income tax payable		2,817	-	4,598	-	2,901	-
2280	Lease liabilities-Current		14,866	-	14,492	-	14,440	1
2399	Other current liabilities		2,131	-	1,735	-	1,618	-
21XX	**Total current liabilities**		443,798	8	307,558	6	113,543	3
	Noncurrent liabilities							
2540	Long-term bank loans	6(14) and 8	685,238	13	585,223	13	574,330	13
2570	Deferred income tax liabilities		206,998	4	124,484	3	145,871	3
2580	Non-current lease liabilities		3,771	-	12,250	-	15,892	-
2600	Other noncurrent liabilities		573	-	573	-	573	-
25XX	**Total noncurrent liabilities**		896,580	17	722,530	16	736,666	16
2XXX	**Total liabilities**		1,340,378	25	1,030,088	22	850,209	19
	Equity							
	Equity Attributable To Shareholders Of The ParentT							
	Capital	6(16)						
3110	Capital stock		1,853,422	35	1,853,422	40	1,853,422	41
	Capital surplus	6(17)						
3200	Capital surplus		50,076	1	50,079	1	50,079	2
	Retained earnings	6(18)						
3310	Appropriated as legal capital reserve		425,230	8	415,698	9	415,698	9
3320	Appropriated as special capital reserve		76,252	1	76,252	2	76,252	2
3350	Unappropriated earnings		957,842	18	933,428	20	956,554	21
	Other equity interest	6(19)						
3400	Other equity interest		607,789	11	165,475	4	213,178	5
31XX	**Equity attributable to shareholders of the parent**		3,970,611	74	3,494,354	76	3,565,183	80
36XX	**Non-Controlling Interests**		69,794	1	69,000	2	67,378	1
3XXX	**Total equity**		4,040,405	75	3,563,354	78	3,632,561	81
	Significant Contingent Liabilities And Unrecognized Contract Commitments	9						
	Significant Events After The Balance Sheet Date							
3X2X	**Total liabilities and equity**		$ 5,380,783	100	$ 4,593,442	100	$ 4,482,770	100

The accompanying notes are an integral part of these consolidated financial statements

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Nine Months Ended September 30 ,2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Items	Notes	July 1, 2024 until September 30 Amount	%	July 1, 2023 until September 30 Amount	%	January 1, 2024 until September 30 Amount	%	January 1, 2023 until September 30 Amount	%
4000	Net revenue	6(20) and 7	$ 83,671	100	$ 69,900	100	$ 239,001	100	$ 212,254	100
5000	Cost of revenue	6(25and26)	(52,922)	(63)	(44,902)	(64)	(150,360)	(63)	(138,250)	(65)
5900	Gross profit		30,749	37	24,998	36	88,641	37	74,004	35
	Operating expenses	6(25and26)								
6100	Selling expenses		(301)	(-)	(332)	(1)	(1,053)	(1)	(1,931)	(1)
6200	General and administrative		(29,870)	(36)	(28,264)	(40)	(84,417)	(35)	(84,913)	(40)
6450	Expected credit loss (gain)	16(2)	(3,490)	(4)	(496)	(1)	(3,390)	(1)	(559)	-
6000	Total operating expenses		(33,661)	(40)	(29,092)	(42)	(88,860)	(37)	(87,403)	(41)
6900	Income(Loss) from operations		(2,912)	(3)	(4,094)	(6)	(219)	-	(13,399)	(6)
	Non-operating income and expenses									
7100	Interest income	6(21)	6,837	8	1,869	3	18,833	8	3,070	1
7010	Other income	6(22)	102,321	122	135,771	194	145,438	61	145,994	69
7020	Other gains and losses, net	6(23)	(42,999)	(51)	1,499	2	16,929	7	29,742	14
7050	Finance costs	6(24)	(4,202)	(5)	(2,068)	(3)	(9,971)	(4)	(5,681)	(3)
7000	Total non-operating income and expenses		61,957	74	137,071	196	171,229	72	173,125	81
7900	**Profit before income tax**		59,045	71	132,977	190	171,010	72	159,726	75
7950	Income tax expense	6(27)	(14,081)	(17)	(12,343)	(18)	(35,009)	(15)	(34,632)	(16)
8200	**Profit for the year**		$ 44,964	54	$ 120,634	172	$ 136,001	57	$ 125,094	59
	Other comprehensive income (loss)									
	Items that will not be reclassified subsequently to profit or loss:									
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	6(3)	$ 75,658	91	($ 277,519)	(397)	$ 486,146	204	($ 150,658)	(71)
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently	6(30)	(12,228)	(15)	8,182	12	(92,375)	(39)	(8,754)	(4)
8310	Components of other comprehensive income that will not be		63,430	76	(269,337)	(385)	393,771	165	(159,412)	(75)

The accompanying notes are an integral part of these consolidated financial statements

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Nine Months Ended September 30 ,2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	reclassified to profit or loss									
	Items that may be reclassified subsequently to profit or loss:									
8361	Exchange differences arising on translation of foreign operations	6(22)	(47,289)	(57)	56,640	81	44,458	18	84,694	40
8367	Net unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income		2,168	3	(2,846)	(4)	11,572	5	(2,846)	(2)
8399	Income tax related to items that may be reclassified subsequently to profit or loss		(433)	(1)-	189	-	(2,503)	(1)	189	-
8360	Total items that will be reclassitied to profit or loss subsequently		(45,554)	(55)	53,983	77	53,527	22	82,037	38
8300	**Other comprehensive income (loss), net of income tax**		$ 17,876	21	($ 215,354)	(308)	$ 447,298	187	($ 77,375)	(37)
8500	**Total comprehensive income for the year**		$ 62,840	75	($ 94,720)	(136)	$ 583,299	244	$ 47,719	22
	Profit attributable to:									
8610	Shareholders of the parent		$ 42,163	51	$ 118,115	168	$ 121,633	51	$ 118,229	56
8620	Non-controlling interests		2,801	3	2,519	4	14,368	6	6,856	3
	Total		$ 44,964	54	$ 120,634	172	$ 136,001	57	$ 125,094	59
	Comprehensive income attributable to:									
8710	Shareholders of the parent		$ 60,039	72	($ 97,239)	(140)	$ 568,931	238	$ 40,854	19
8720	Non-controlling interest		2,801	3	2,519	4	14,368	6	6,865	3
	Total		$ 62,840	75	($ 94,720)	(136)	$ 583,299	244	$ 47,719	22
	Earnings per share	6(31)								
9750	Basic earnings per share		$ 0.23		$ 0.64		$ 066		$ 0.64	
9850	Diluted earnings per share		$ 0.23		$ 0.64		$ 0.66		$ 0.64	

The accompanying notes are an integral part of these consolidated financial statements

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Nine Months Ended September 30 ,2024 AND 2023

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Shareholders of the Parent									
				Retained Earnings			Others				
	Notes	Capital Stock - Common Stock	Capital Surplus	Legal Capital Reserve	Special Capita Reserve	Unappropriate d Earnings	Financial statements translation differences of foreign operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
January to September 2023											
Balance at January 1, 2023		$ 1,853,422	$ 43,767	$ 406,305	$ 76,450	$ 940,173	$ 132,396	$ 158,157	$ 3,610,670	$ 66,419	$ 3,677,089
Profit for the year(loss)		-	-	-	-	118,229	-	-	118,229	6,865	125,094
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	-	84,694	(162,069)	(77,375)	-	(77,375)
Total comprehensive income (loss)		-	-	-	-	118,229	88,694	(162,069)	40,854	6,865	47,719
Appropriation of 2022 earnings											
Legal reserve	6(21)	-	-	9,393	-	(9,393)	-	-	-	-	-
Cash dividends to shareholders	6(21)	-	-	-	-	(92,671)	-	-	(92,671)	-	(92,671)
Reversal of special reserve		-	-	-	(198)	198	-	-	-	-	-
Adjustments to share of changes in equity of associates and joint ventures						18			18		18
Dividends unclaimed by shareholders with claim period elapsed	6(20)	-	6,312	-	-	-	-	-	6,312	-	6,312
Changes in non-controlling interests		-	-	-	-	-	-	-	-	(5,906)	(5,906)
Balance at September 30, 2023		$ 1,853,422	$ 50,079	$ 415,698	$ 76,252	$ 956,554	$ 217,090	($ 3,912)	$ 3,565,183	$ 67,378	$ 3,632,561
January to September 2024											
Balance at January 1, 2023		$ 1,853,422	$ 50,079	$ 415,698	$ 76,252	$ 933,428	$ 139,473	$ 26,002	$ 3,494,354	$ 69,000	$ 3,563,354
Profit for the year		-	-	-	-	121,633	-	-	121,633	14,368	136,001
Other comprehensive income (loss) for the year	6(19)	-	-	-	-	-	44,458	402,840	447,298	-	447,298
Total comprehensive income (loss)		-	-	-	-	121,633	44,458	402,840	568,931	14,368	583,299
Legal reserve				9,532		(9,532)					
Cash dividends to shareholders						(92,671)			(92,671)		(92,671)
Disposal of financial assets at fair value through other comprehensive income						4,984		(4,984)	-		-
Dividends	6(17)	-	(3)	-	-	-	-	-	(3)	-	(3)

The accompanying notes are an integral part of these consolidated financial statements

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Nine Months Ended September 30 ,2024 AND 2023

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Shareholders of the Parent									
				Retained Earnings			Others				
	Notes	Capital Stock - Common Stock	Capital Surplus	Legal Capital Reserve	Special Capita Reserve	Unappropriated Earnings	Financial statements translation differences of foreign operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
paid to Expired unclaimed											
Changes in non-controlling interests		-	-	-	-	-	-	-	-	(13,574)	(13,574)
Balance at September 30, 2024		$ 1,853,422	$ 50,076	$ 425,230	$ 76,252	$ 957,842	$ 183,931	$ 423,858	$ 3,970,611	$ 69,794	$ 4,040,405

The accompanying notes are an integral part of these consolidated financial statements

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended September 30 ,2024 AND 2023

(In Thousands of New Taiwan Dollars)

	Notes	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 171,010	$ 159,726
Adjustments for:			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(25)	12,764	12,515
Amortization expense	6(25)	8,713	9,955
Expected credit losses recognized on investments in debt instruments		3,390	559
Net gain on financial assets at fair value through profit or loss	6(23)	(12,786)	(2,293)
Interest expense	6(24)	9,971	5,681
Interest income	6(21)	(18,833)	(3,070)
Dividend income	6(22)	(145,053)	(145,883)
liquidation loss	6(26)		37
Loss (gain) on disposal or retirement of property, plant and equipment, net	6(26)		(570)
Financial assets Gain on reversal of impairment loss	6(26)	(5)	(15)
Reversal of write-down of inventories	6(6)	-	(21,373)
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Contract assets		(2,303)	3,763
Accounts receivable		(9,420)	(10,317)
Other receivables		1,344	19,747
Inventories			39,158
Prepayments		(1,307)	(5,448)
Changes in operating liabilities			
Contract liabilities		7,278	19,888
Notes payable		37	8
Accounts payable		934	(2,899)
Other payables		(79,976)	(15,184)
Other payables to related parties			1,240
Other current liabilities		396	(750)
Provision			(144)
Cash (out)inflow generated from operations		(53,846)	64,361
Interest received		9,132	1,578
Cash dividend received		145,053	145,883
Interest paid		(9,069)	(2,188)
Income tax paid		(16,282)	(11,687)
Net cash generated by operating activities		74,988	197,947

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended September 30 ,2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Notes	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		($ 266,968)	($ 283,653)
Disposal of financial assets at fair value through other comprehensive income		26,258	443
Proceeds from sale of financial assets at amortized cost		(13,799)	(5,990)
Disposal of financial assets at amortized cost		4,490	4,000
Acquisition of financial instruments at fair value through profit or loss		(4,182,098)	(2,993,202)
Disposal of financial instruments at fair value through profit or loss		3,919,516	2,987,344
Acquisition of property, plant and equipment		(780)	(789)
Disposal of property, plant and equipment			1,092
Acquisition of intangible assets		(4,994)	(5,160)
Increase in refundable deposits paid		(1,110)	(37,899)
Decrease in refundable deposits paid		87,119	52.638
Decrease in other non-current assets			3,654
Refund of investment upon company liquidation		1,026	-
Net cash generated by (used in) investing activities		(431,340)	(277,522)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans		987,009	10,000
Decrease in short-term loans		(867,009)	(10,000)
Increase in short-term bills payable		1,587,831	-
Decrease in short-term bills payable		(1,442,973)	
Proceeds from long-term bank loans		100,015	42,084
Repayment of long-term bank loans			(26,891)
Increase current financial liabilities measured at fair value through profit or loss		-	195,014
Decrease current financial liabilities measured at fair value through profit or loss		(12,512)	(187,116)
Cash dividends		(92,671)	(92,671)
Decrease in guarantee deposits received	6(29)	-	(515)
Repayment of the principal portion of lease liabilities	6(29)	(11,356)	(10,706)
Transfer of overdue dividends to capital surplus			6,312
Expired unclaimed dividends transferred to capital surplus	6(17)	(3)	
Non-controlling interest changes - cash dividend distribution		(13,849)	(3,006)

The accompanying notes are an integral part of these consolidated financial statements

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended September 30 ,2024 AND 2023

(In Thousands of New Taiwan Dollars)

	Notes	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Net cash generated by (used in) financing activities		234,482	(77,495)
Effect of exchange rate changes		35,176	(19,903)
Net increase(decrease) in cash and cash equivalents		(86,694)	(176,973)
Cash and cash equivalents at beginning of year		233,146	311,144
Cash and cash equivalents at end of year		$ 146,452	$ 134,171

The accompanying notes are an integral part of these consolidated financial statements

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For The Nine months Ended September 30 ,2024 AND 2023

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

１。GENERAL

Kwong Fong Industries Group of Companies (henceforth the “Company”) was established in June 1968. The company and its subsidiary’s (henceforth collectively referred to as the “Group”) main business items include housing and building development and rental, real estate business, mall management, information software services, electronic information supply services, and so on. On April 20, 1976, KF’s shares were listed on the Taiwan Stock Exchange (TWSE).

２。THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on November 8, 2024.

３。APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

(1). Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”) New standards, interpretations and amendments endorsed by the FSC effective from 2024 are as follows:

New Standards, Interpretations and Amendment	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non- current'	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2).Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group.

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendment	Effective date by International Accounting Standards Board
Amendments to IAS 21 " Lack of Exchangeability "	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3).Effect of IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows :

New Standards, Interpretations and Amendment	Effective date by International Accounting Standards Board Pending IASB decision
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	Pending IASB decision
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

Except as described below, upon appraisal by the Group, the standards and interpretations do not have significant impacts on the Group's financial situation or financial performance:

A. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18,Replaces IAS 1, updates the statement of comprehensive income structure, introduces new disclosures for management performance measures, and strengthens aggregation and disaggregation principles for financial statements and notes.

B. IFRS 19 "Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures"

This standard allows eligible subsidiaries to apply IFRS with reduced disclosure requirements.

４。SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1).Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim Financial Reporting' that came into effect as endorsed by the FSC.

(2).Basis of Preparation

A.Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a)Financial assets and financial liabilities at fair value through profit or loss (Including derivative financial instruments).

(b)Financial assets at fair value through other comprehensive income.

B.The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3).Basis of Consolidation

A. The basis for the consolidated financial statements

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non- controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B.The subsidiaries in the consolidated financial statements :

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%) September 30, 2024	Ownership (%) December 31,2023	Ownership (%) September 30, 2023	Description
Company	Pao Fong Asset Management Co., Ltd.	Asset Management	100%	100%	100%	-
〃	Kwong Fong Holdings Limitd	General investment activities	100%	100%	100%	-
〃	Mdbs Digital Technology Co., Ltd.	Service of software	51%	51%	51%	-
〃	Galaxy Digital Co., Ltd.	Service of software	51%	51%	51%	-
Galaxy Digital Co., Ltd.	Digital Securities Investment Consultant Co., Ltd.	Securities investment consultant–	100%	100%	100%	-

C. Subsidiary not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4).Foreign currency translation

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company’s functional and the Group’s presentation currency.

A.Foreign currency transactions and balances

(a)Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re- translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B.Translation of foreign operations

The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a).Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b).Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c).All resulting exchange differences are recognised in other comprehensive income.

(5).Classification of current and non-current items

A.Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a).Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle.

(b).Assets held mainly for trading purposes.

(c).Assets that are expected to be realised within twelve months from the balance sheet date.

(d).Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

The Group classifies all assets that do not meet the above conditions as non-current.

B.Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a).Liabilities that are expected to be settled within the normal operating cycle.

(b).Liabilities arising mainly from trading activities.

(c).Liabilities that are to be settled within twelve months from the balance sheet date.

(d).Does not have the right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group divides all liabilities that do not meet the above conditions into Classified as non-current.

(6).Cash Equivalents

Cash equivalents, for the purpose of meeting short-term cash commitments, consist of highly liquid time deposits and investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7).Financial assets at fair value through profit or loss

A.Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B.On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C.At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D.The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8).Financial assets at fair value through other comprehensive income

A.Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a).The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets;

(b).The assets' contractual cash flows represent solely payments of principal and interest.

B.On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C.At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

(a).The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as other income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(b).Changes in the fair value of debt instruments are recognized in other comprehensive profit and loss. Impairment losses, interest income and foreign currency exchange gains and losses before delisting are recognized in profit and loss. At the time of delisting, the accumulated gains or losses previously recognized in other comprehensive profit or loss. Reclassify from equity to profit or loss.

(9).Financial assets at amortised cost

A.Financial assets at amortised cost are those that meet all of the following criteria:

(a).The objective of the Group's business model is achieved by collecting contractual cash flows.

(b).The assets' contractual cash flows represent solely payments of principal and interest.

B.On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C.The Group measures it based on its fair value at the time of original recognition, and subsequently uses the effective interest method to recognize interest income and impairment losses during the circulation period according to the amortization procedure, and recognizes its benefits or losses in profit or loss.

D.The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10).Notes, accounts and receivables

A.Notes and account receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B.The short-term notes receivable, accounts receivable and other receivables without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11).Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12).Derecognition of financial assets

The company derecognises a financial asset when one of the following conditions is met:

A.The contractual right to receive cash flows from the financial asset expires.

B.Transfers the contractual rights to receive cash flows from a financial asset and has transferred substantially all risks and rewards of ownership of the financial asset.

C.Transfers the contractual rights to receive cash flows from a financial asset without retaining control of the financial asset.

(13).Operating leases (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14).Inventories

The inventories include “land held for construction”, “construction in progress”, and “buildings and land held for sale” are initially recorded at cost. The Consolidated Company’s inventory is measured at the lower of cost and net realisable value, adopts an item-by-item approach in comparing cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course, less the estimated cost of goods available for sales and applicable variable selling expenses.

(15).Property, plant and equipment

A.Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B.Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C.Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D.The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	50~55 years
Office equipment0	3 ~ 5 years
Other equipment	3 ~ 5 years
Leasehold Improvements0	2 ~ 5 years

(16).Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

A.Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low- value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B.Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C.At the commencement date, the right-of-use asset is stated at cost. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset’s useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D.For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(17).Intangible assets

A.Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

B.Goodwill arises in a business combination accounted for by applying the acquisition method.

C.Patents amortised on a straight-line basis over its estimated useful life of 10 years.

D.Customer relationship has a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 3 ~ 4 years.

E.Technological expertise amortised on a straight-line basis over its estimated useful life of 15 years.

(18).Impairment of non-financial assets

A.The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B.The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C.For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

(19).Borrowings

Borrowings comprise long-term and short-term bank borrowings and other long-term and short- term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(20).Notes, accounts and payable

A.It refers to debts incurred due to the purchase of goods or services on credit and bills payable arising from business and non-business.

B.The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21)Financial liabilities measured at fair value through profit or loss

A.It refers to financial liabilities that are incurred with the main purpose of repurchasing them in the near future and are held for trading except for derivatives that are designated as hedging instruments in accordance with hedging accounting.

B.The Group measures it at fair value when initially recognized, and the relevant transaction costs are recognized in profit or loss. Subsequently, it is measured at fair value, and its benefits or losses are recognized in profit or loss.

(22).Derecognition of financial liabilities

Financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expire.

(23) Non-hedging Derivative Instruments and Embedded Derivative Instruments

A.Non-hedging derivative instruments are initially measured at fair value as of the contract date. They are subsequently measured at fair value through profit or loss, consistent with financial assets or liabilities measured at fair value through profit or loss. Any resulting gains or losses are recognized in the income statement.

B. For financial assets that are hybrid contracts with embedded derivatives, their classification at initial recognition is determined based on the terms of the contract. The entire hybrid instrument is classified as financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, or financial assets measured at amortized cost.

C. The embedded derivative in a non-financial asset hybrid contract is assessed at initial recognition according to the terms of the contract to determine whether its economic characteristics and risks are closely related to those of the host contract, thereby deciding on its separation treatment. If closely related, the entire hybrid instrument is accounted for based on its nature using appropriate criteria. If not closely related, the derivative and host contract are separated: the derivative is accounted for separately, and the host contract is accounted for based on its nature using appropriate criteria; or the entire instrument is designated at inception as a financial liability measured at fair value through profit or loss.

(24). Provisions

Provisions for war liability are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation. Additionally, the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the balance sheet date. This amount is discounted using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. Provisions are not recognized for future operating losses.

(25). Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the expected payment amount, which is not discounted, and recognized as an expense when the related services are provided.

B.Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C.Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(26).Income tax

A.The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B.The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C.Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

G. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(27).Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(28).Dividends

Dividends are recorded in the Company’s financial statements in the period in which they are resolved by the Company’s shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(29).Revenue recognition

A. Income from sale of real estate

The Group's main business is land development and real estate sales, and revenue is recognized when control of the real estate is transferred to customers. For a signed real estate sales contract, based on the restrictions of the contract terms, the real estate has no other use for the Group until the legal ownership of the real estate is transferred to the customer. , the Group only has enforceable rights over the contract payments, therefore revenue is recognized at the point when legal ownership and control are transferred to the customer.

B. Revenue from information software services

(a). The Group provides the design, importation, and maintenance of information software and related services. Revenue from services is recognized as income during the period of financial reporting when services are provided to clients. Revenue is recognized in the ratio of services provided accounting for all services that should be provided as of the balance sheet date. The contract price is paid by the client as per the payment schedule established in the contract. A contract asset is recognized when the value of the Group’s service exceeds the accounts receivables. A contract liability is recognized when the accounts receivables exceed the Group’s service.

(b). The Group's estimations for revenue, costs and stage of completion are adjusted accordingly. Any variation of estimated revenue or costs arising from change of estimations is reflected in profit or loss in the period when the condition for change of estimation is made known to the management.

(30).Operating segments

The Group’s operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5 。CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group’s accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1).Critical judgements in applying the Group’s accounting policies

Gross or net revenue recognition

The Group decides whether the promise to the client is its own performance obligation to provide certain goods or services (i.e., the Group is in charge) or whether it is an arrangement for another party to provide such goods or labor performance obligations based on the type of transaction and its economic substance (i.e. the Group acts as a proxy). When the Group controls specific goods or services prior to transferring them to a client, it is in charge, and the total amount of consideration expected to be entitled to the transfer of specific goods or services is recorded as revenue. If the Group does not have control over the particular goods or services before they are transferred to the client, it acts as the other party’s agent and makes arrangements for them to be provided to the client, and is then entitled to payment from the latter. Commissions and fees are regarded as earnings.

The Group decides whether certain goods or services are controlled before being transferred to the client based on the following indicators:

A. The Group is principally in charge of providing the specific goods or services as promised.

B. The Group takes on inventory risk before specific goods or services are delivered to the client or after the transfer of control.

C. Have the discretion to set prices for specific goods or services.

(2).Critical accounting estimates and assumptions

A. Goodwill impairment assessment

The process of assessing goodwill impairment relies on the Group's subjective judgment, including identifying cash-generating units, allocating assets, liabilities, and goodwill to the relevant cash-generating units, and determining the recoverable amount of those units. As of September 30, 2024, the Group recognized goodwill amounting to $32,583.

B. Financial assets at fair value through other comprehensive income - the shares of unlisted companies measured at fair value.

The Group’s investments in securities of other unlisted companies at fair value through other comprehensive income, the fair values are measured with reference to the valuation of comparable companies, company technology development, market condition and other economic indicators. Any change of determination and estimation can affect the measurement at fair value. Please refer to Note 12 (3) for the details of fair value of financial instruments.
The carrying amount of the group’s unlisted TWSE/TPEx stocks with no active market was $1,572,193 as of September 30, 2024.

6。DETAILS OF SIGNIFICANT ACCOUNTS

(1).Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand and petty cash	$ 1,474	$ 1,487	$ 1,502

Checking accounts and demand deposit	127,578	144,419	96,641
Time deposits	17,400	87,240	36,028
Total	$ 146,452	$ 233,146	$ 134,171

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has not pledged cash or cash equivalents.

(2). Financial assets at fair value through profit or loss

Items	September 30, 2024	December 31, 2023	September 30, 2023
Current items：			
Mandatorily measured at FVTP			
Listed (TSE) stocks	$ 10,631	$ 8,374	$ 16,553
Derivative financial instruments	-	9,692	3,572
Structured Notes	66,399	62,540	-
Convertible Bonds(Hybrid instruments)	11,390	-	-
Beneficiary Certificate	1,704	-	-
	90,124	80,606	20,125
Valuation adjustment	2,846	559	478
Total	$ 92,970	$ 81,165	$ 20,603
Non-Current items：			
Mandatorily measured at FVTPL			
Preferred stock(Debt instruments)	$ 250,000	-	-
Valuation adjustment	3,818	-	-
Total	$ 253,818	$ -	$ -

A. Amounts recognised in profit or loss in relation to the Financial assets at fair value through profit or loss are listed below：

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Mandatorily measured at FVTPL		
Equity instruments	($ 6,689)	($ 7,110)
Derivative instruments	18,694	3,188
Structured Notes	(2,147)	
Hybrid instruments	(525)	-
Beneficiary	219	-

Certificate		
Debt instruments	1,846	-
Total	$ 11,389	($ 3,922)

	January 1, 2024- Septemer 30, 2024	January 1, 2023- September 30, 2023
Mandatorily measured at FVTPL		
Equity instruments	$ 10,129	$ 4,839
Derivative instruments	7,645	(6,067)
Structured Notes	1,498	-
Hybrid instruments	(504)	-
Beneficiary Certificate	219	-
Debt instruments	3,818	-
Total	$ 22,805	($ 1,228)

B. The following explains the Group's participation in transactions and contract information on derivative financial assets for which hedge accounting is inapplicable:

	September 30, 2024	
	contract amount	
Derivative financial assets	Nominal principal	Contracts period
Current items：		
Futures trading	$ -	

	December 31, 2023	
	contract amount	
Derivative financial assets	Nominal principal	Contracts period
Current items：		
Futures trading	$ 9,692	November 15,2023~January 17,2024

	September 30, 2023	
	contract amount	
Derivative financial assets	Nominal principal	Contracts period
Current items：		
Futures trading	$ 3,572	September 15,2023~October 28,2023

Futures trading

Stock index futures, which are used to obtain a price differential, make up the Group’s futures contract.

On September 30, 2024, December 31, 2023and June 30, 2023, respectively, the retained margin balances in futures accounts were $513, $19,765 and$20,996, while the excess margin balances were $513, $10,073 and $17,424.

C. Please refer to Note 12(2) for detailed information on credit risk related to financial assets measured at fair value through profit or loss

(3).Financial assets at fair value through other comprehensive income

Items	September 30, 2024		December 31, 2023		September 30, 2023	
Non-current items：						
Debt instruments						
Foreign Bond	$	451,558	$	239,456	$	240,296
Valuation adjustment		9,568	(	2,004)	(	2,846)
Effect of exchange rate changes	(	427)	(	1,935)		1,219
Subtotal		460,699		235,517		238,669
Equity instruments						
Foreign listed stocks	$	1,205,469	$	1,205,469	$	1,205,469
Foreign unlisted shares						
Hong Kong Fulcrest Limited		1,079,212		1,079,212		1,079,212
Other		16,000		16,000		16,000
Listed (TSE) stocks		551,084		570,201		570,201
Unlisted stocks		9,954		9,954		9,954
Valuation adjustment		522,663		35,068		10,393
Effect of exchange rate changes		105,600		54,399		143,506
Subtotal		3,489,982		2,970,303		3,034,734
Total	$	3,950,681	$	3,205,820	$	3,273,403

A. The Group has elected to classify these investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $3,950,681, $3,205,820 and $3,273,403 as at September 30, 2024, December 31, 2023and September 30, 2023, respectively.

B. Financial assets measured at fair value through other comprehensive income are recognized in the statement of profit or loss and other comprehensive income as follows:

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Equity instruments measured at fair value through other comprehensive income		
Fair value changes recognized in other comprehensive income	$ 82,091	($ 277,519)
Accumulated benefits are transferred to retained earnings due to delisting.	$ 4,984	$ -
Dividend income recognized in profit or loss for the current period still held	$ 101,769	$ 134,155
Debt instruments measured at fair value through other comprehensive income		
Fair value changes recognized in other comprehensive income	$ 2,168	($ 2,846)
Interest income recognized in profit or loss	$ 3,382	$ 1,053

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Equity instruments measured at fair value through other comprehensive income		
Fair value changes recognized in other comprehensive income	$ 492,579	($ 150,658)
Accumulated benefits are transferred to retained earnings due to delisting.	$ 4,984	$ -
Dividend income recognized in profit or loss for the current period still held	$ 144,194	$ 139,583
Debt instruments measured at fair value through other comprehensive income		
Fair value changes recognized in other comprehensive income	$ 11,572	($ 2,846)
Interest income recognized in profit or loss	$ 12,628	$ 1,053

C. The Group's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, were NT$3,950,681, NT$3,205,820 and NT$3,273,403 for financial assets at fair value through other comprehensive income, as of September 30, 2024, December 31, 2023and September 30, 2023, respectively.

D. Details of the Group’s financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.

E. Please refer to Note 12(B) for detailed information on credit risk related to financial assets measured at fair value through other comprehensive income.

(4). Financial assets at amortised cost

Items	September 30, 2024	December 31, 2023	September 30, 2023
Current items			
Time within 3 months	$ 25,299	$ 15,990	$ 15,990
Noncurrent items:			
Time deposits exceeding 3 months	5,000	5,000	5,000 -
Total	$ 30,299	$ 20,990	$ 20,990

A. The details of financial assets measured at amortized cost recognized in profit or loss are as follows:

	July 1, 2024-September 30, 2024	July 1, 2024-September 30, 2023
Interest income	$ 95	$ 160

	January 1, 2024-September 30, 2024	January 1, 2024-September 30, 2023
Interest income	$ 222	$ 259

B. The Group has determined that none of the abovementioned financial assets pose a significant expected credit risk.

C. As at September 30, 2024, December 31, 2023and September 30, 2023,, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $30,299, $20,990 and $20,990 respectively.

(5).Accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable	$ 38,525	$ 29,105	$ 32,159
Less: Allowance for bad debts	(4,442)	(1,052)	(764)
	$ 34,083	$ 28,053	$ 31,395

A.The ageing analysis of accounts receivable and notes receivable are as follows :

	September 30, 2024	December 31, 2023	September 30, 2023
Not past due	$ 29,858	$ 25,616	$ 29,543
Within 30 days	4,311	1,265	1,871
31 to 90 days	514	-	20
91 to 180 days	2,192	1,500	725
More than 181 days	1,650	724	-
	$ 38,525	$ 29,105	$ 32,159

The above ageing analysis was based on past due date.

B.As of September 30, 2024, December 31, 2023 and September 30, 2023, the balances of receivables from contracts with customers. At January 1, 2023 amounted to $ 21,842.

C.Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

(6).Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Real property for sale	$ 129,597	$ 129,597	$ 129,597
Land held for construction site	500,024	500,024	500,024
Total	$ 629,621	$ 629,621	$ 629,621

A.Real property for sale

	September 30, 2024	December 31, 2023	September 30, 2023
Dazhi Section of Bade City	$ 17,811	$ 17,811	$ 17,811
Tamsui Shulinkou section	219,300	219,300	219,300
Taode Section and Qiancheng Section of Bade City	1,029	1,029	1,029
Taoyuan City Middle Road Section	666	666	666
Subtotal	238,806	238,806	238,806

	September 30, 2024	December 31, 2023	September 30, 2023
Less: Allowance for valuation losses	(109,209)	(109,209)	(109,209)
Total	$ 129,597	$ 129,597	$ 129,597

B.Land held for construction site

	September 30, 2024	December 31, 2023	September 30, 2023
Land held for construction site	$ 509,757	$ 509,757	$ 509,757
Less: Allowance for valuation losses	(9,733)	(9,733)	(9,733)
Total	$ 500,024	$ 500,024	$ 500,024

C.The cost of inventories recognized as expense for the Current period is as follows：

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Leases cost	13	13

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Cost of selling premises	$ -	$ 39,158
Inventory Turnover Benefit	-	(21,373)
Leases cost	37	37
Total	$ 37	$ 17,822

D.The group generated inventory turnover gains of $21,373 in 2023 due to the sale of part of its inventory of real estate properties.

E.Information relating to the Group's inventories pledged to others as collaterals are provided in Note 8.

(7).Property, plant and equipment

2024	Land	Buildings	Office equipment	Others equipment	Lease asset	Leasehold Improvements	Total
At January 1							
Cost	$ 7,713	$ 4,628	$ 5,408	$ 615	$ 2,442	$ 7,371	$ 28,177
Accumulated depreciation	-	(1,348)	(4,987)	(536)	(985)	(4,141)	(11,997)
	$ 7,713	$ 3,280	$ 421	$ 79	$ 1,457	$ 3,230	$ 16,180
At January 1	$ 7,713	$ 3,280	$ 421	$ 79	$ 1,457	$ 3,230	$ 16,180
Additions				127		653	780
Disposals	-	-	(315)	-	-	(140)	(455)
Accumulated depreciation on disposal date	-	-	315	-	-	140	455
Depreciation	-	(88)	(90)	(44)	(37)	(1,356)	(1,615)

At September 30	$ 7,713	$ 3,192	$ 331	$ 162	$ 1,420	$ 2,527	$ 15,345
At September 30							
Cost	$ 7,713	$ 4,628	$ 5,093	$ 742	$ 2,442	$ 7,884	$ 28,502
Accumulated depreciation	-	(1,436)	(4,762)	(580)	(1,022)	(5,357)	(13,157)
	$ 7,713	$ 3,192	$ 331	$ 162	$ 1,420	$ 2,527	$ 15,345

	2023						
	Land	Buildings	Office equipment	Others equipment	Lease asset	Leasehold Improvements	Total
At January 1							
Cost	$ 22,489	$ 8,307	$ 8,510	$ 615	$ 2,442	$ 10,362	$ 52,725
Accumulated depreciation	-	(1,872)	(7,477)	(485)	(935)	(6,188)	(16,957)
	$ 22,489	$ 6,435	$ 1,033	$ 130	$ 1,507	$ 4,174	$ 35,768
At January 1	$ 22,489	$ 6,435	$ 1,033	$ 130	$ 1,507	$ 4,174	$ 35,768
Additions	-	-	190	599	-	-	789
Disposals	(237)	(380)	(3,293)	-	-	(3,896)	(7,806)
Accumulated depreciation on disposal date	-	380	3,008	-	-	3,896	7,284
Reclassifications	-	226	(226)	-	-	-	-
Depreciation	-	(128)	(238)	(163)	(37)	(1,302)	(1,868)
At September 30	$ 22,252	$ 6,533	$ 474	$ 566	$ 1,470	$ 2,872	$ 34,167
At September 30							
Cost	$ 22,252	$ 7,927	$ 5,407	$ 1,214	$ 2,442	$ 6,466	$ 45,708
Accumulated depreciation	-	(1,394)	(4,933)	(648)	(972)	(3,594)	(11,541)
	$ 22,252	$ 6,533	$ 474	$ 566	$ 1,470	$ 2,872	$ 34,167

Information relating to the Group's property, plant and equipment pledged to others as collaterals are provided in Note 8.

(8).Leasing arrangements - lessee

A.The Group leases various assets including buildings, transportation equipment. Rental contracts are typically made for periods of 2 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B.Short-term leases with a lease term of 12 months or less comprise of buildings. Low-value assets comprise of office equipment and other equipment.

C.The carrying amount of right-of-use assets and the depreciation charge are as follows：

	September 30, 2024	December 31, 2023	September 30, 2023
	Carrying Amount	Carrying Amount	Carrying Amount
land (parking lot)	$ 278	$ -	$ -
Buildings	16,941	24,611	27,986
Transportation equipment	843	1,349	1,518
	$ 18,062	$ 25,960	$ 29,504

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
	Depreciation charge	Depreciation charge
land (parking lot)	$ 56	$ -
Buildings	3,726	3,375
Transportation equipment	169	169
	$ 3,951	$ 3,544

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
	Depreciation charge	Depreciation charge
land (parking lot)	$ 167	$ -
Buildings	10,476	10,125
Transportation equipment	506	522
	$ 11,149	$ 10,647

D. From January 1 to September 30, 2024 and 2023, the additions to right-of-use assets were $3,251 and $746, respectively.

E. The information on income and expense accounts relating to lease contracts is as follows:

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Items affecting profit or loss		
Interest expense on lease liabilities	$ 84	$ 116
Expense on short-term lease contracts	97	171
Expense on leases of low-value assets	40	27

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Items affecting profit or loss		

Interest expense on lease liabilities	$	258	$	387
Expense on short-term lease contracts		305		518
Expense on leases of low-value assets		120		79

F.For the three-month periods ended September 30,2024 and 2023, the Group’s total cash outflow for leases amounted to $12,039 and $11,690, respectively.

(9).Intangible assets

	2024					
	Computer software	Goodwill	Technological expertise	Patents	Client relationship	Total
At January 1						
Cost	$ 26,504	$ 32,583	$ 18,643	$ 13,657	$ 10,784	$ 102,171
Accumulated depreciation and accumulated impairment losses	(17,086)	-	(3,729)	(4,097)	(9,645)	(34,557)
	$ 9,418	$ 32,583	$ 14,914	$ 9,560	$ 1,139	$ 67,614
At January 1	$ 9,418	$ 32,583	$ 14,914	$ 9,560	$ 1,139	$ 67,614
Additions-derived from separate acquisition	83	-	-	-	-	83
Additions-derived from internal development	4,911					4,911
Disposals	(2,934)	-	-	-	-	(2,934)
Accumulated depreciation on disposal date	2,934	-	-	-	-	2,934
Amortization expenses	(5,903)	-	(932)	(1,024)	(854)	(8,713)
At September 30	$ 8,509	$ 32,583	$ 13,982	$ 8,536	$ 285	$ 63,895
At September 30						
Cost	$ 28,564	$ 32,583	$ 18,643	$ 13,657	$ 10,784	$ 104,231
Accumulated depreciation and accumulated impairment losses	(20,055)	-	(4,661)	(5,121)	(10,499)	(40,336)
	$ 8,509	$ 32,583	$ $ 13,982	$ 8,536	$ 285	$ 63,895

						2023
	Computer software	Goodwill	Technological expertise	Patents	Client relationship	Total
At January 1						
Cost	$ 19,607	$ 32,583	$ 18,643	$ 13,657	$ 10,784	$ 95,274
Accumulated depreciation and accumulated impairment losses	(9,232)	-	(2,486)	(2,731)	(6,430)	(20,879)
	$ 10,375	$ 32,583	$ 16,157	$ 10,926	$ 4,354	$ 74,395
At January 1	$ 10,375	$ 32,583	$ 16,157	$ 10,926	$ 4,354	$ 74,395
Additions-derived from separate acquisition	5,160	-	-	-	-	5,160
Disposals	(219)	-	-	-	-	(219)
Accumulated depreciation on disposal date	219	-	-	-	-	219
Amortization expenses	(5,587)	-	(932)	(1,024)	(2,412)	(9,955)
At September 30	$ 9,948	$ 32,583	$ 15,225	$ 9,902	$ 1,942	$ 69,600
At September 30						
Cost	$ 24,548	$ 32,583	$ 18,643	$ 13,657	$ 10,784	$ 100,215
Accumulated depreciation and accumulated impairment losses	(14,600)	-	(3,418)	(3,755)	(8,842)	(30,615)
	$ 9,948	$ 32,583	$ 15,225	$ 9,902	$ 1,942	$ 69,600

The goodwill of the Group is allocated to cash-generating units identified at the operating segment level. The Group engages external valuation firms annually to perform impairment assessment tests, where the recoverable amount is assessed based on the value in use, derived from the management's estimated pre-tax cash flow forecasts over a five-year financial budget period. As of December 31, 2023, the recoverable amount calculated based on the value in use exceeded the carrying amount, hence no impairment of goodwill was recognized.

(10).Refundable deposits (Listed under "Other Non-Current Assets")

Items	September 30, 2024	December 31, 2023	September 30, 2023
Futures Trading Margin	$ 513	$ 8,144	$ 17,962
Contract project deposit	6,945	6,740	6,759
Operating margin	5,000	15,000	5,000
Leases margin	3,270	3,068	3,048
Margin for securities lending	-	49,021	7,109
Other	912	912	912
Total	$ 16,640	$ 82,885	$ 40,790

(11).Short-term loans

Nature of borrowing	September 30,2024	Interest rate	Collaterals
Bank borrowings			
Secured loans	$ 52,500	2.16%	Financial assets at fair value through other comprehensive income
Usecured loans	107,000	1.95%~2.01%	None
	$ 160,000		-

Nature of borrowing	December 31, 2023	Interest rate	Collaterals
Bank borrowings			
Usecured loans	$ 40,000	1.85%	None

-

There was no such situation on September 30, 2023.

A.In From July 1 to September 30 in the 2024 and 2023 and from January 1 to September 30 in the 2024 and 2023, the Group recognized interest accrued in the amounts of $3,247, $1,948, $7,687 and $5,270 related to its long-term and short-term borrowings, respectively.

B.Please refer to Note 8 for details regarding the Group's provision of assets as collateral for short-term loans.

(12).Short-term notes and bills payable

	September 30,2024	December 31, 2023	September 30,2023
Short-term bills payable	$ 165,000	$ 20,000	$ -
Less: Unamortized discount	(157)	(15)	-
	$ 164,843	$ 19,985	$ -
Interest rate	1.60%-1.83%	1.52%	-

A.The interest expense recognized by the Group in profit and loss for the period from July 1 to September 30, 2024 and 2023 and January 2024 and 2023 to September 30, respectively, was $871, $0, $2,026 and $11, respectively.

B.Please refer to Note 8 for details regarding the Group's provision of assets as collateral for short-term notes payable.

(13).Financial liabilities at fair value through profit or loss.

Items	September 30, 2024	December 31, 2023	September 30, 2023
Current items：			
Financial liabilities at FVTPL Held for trading			
Margin trading	$ -	$ 54,465	$ 7,898
Revaluation	-	2,318	(356)
Total	$ -	$ 56,783	$ 7,542

Amounts recognised in profit or loss in relation to the Financial liabilities at fair value through profit or loss are listed below：

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Net profit or loss recognized in profit or loss：		
Financial liabilities held for trading		
Margin trading	$ 8,369	$ 2,869

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Net profit or loss recognized in profit or loss：		
Financial liabilities held for trading		
Margin trading	($ 10,019)	$ 3,521

(14).Long-term bank loans

Type of borrowings	Borrowing period and repayment term	Interest rate	September 30, 2024	Collaterals
Long-term loans				
Secured loans-JPY	The loan in JPY(JPY2,208,926 thousand) was taken from August 19, 2024 to December 30, 2024 with unconditional annual extensions and monthly interest payments.	0.78%~1.02%	$ 487,174	Financial assets at fair value through other comprehensive income、Financial assets at fair value through profit or loss
Secured loans-CHF	The loan in CHF (CHF5,276 thousand) was taken from April 3, 2024 to April 3, 2025 with unconditional annual extensions and monthly interest payments.	2.00%~2.50%	198,064	
Less: Long-term liabilities - current portion			$ -	
			$ 685,238	

Type of borrowings	Borrowing period and repayment term	Interest rate	December 31, 2023	Collaterals
Long-term loans				
Secured loans-JPY	The loan in JPY(JPY1,817,168 thousand) was taken from November 17, 2023, to February 19,2024 with unconditional annual extensions and monthly interest payments.	0.78%	$ 395,133	Financial assets at fair value through other comprehensive income
Secured loans-CHF	The loan in CHF (CHF5,209 thousand) was taken from December 6, 2023, to January 10, 2024, with unconditional annual extensions and monthly interest payments.	1.78%	190,090	
Less: Long-term liabilities - current portion			$ -	
			$ 585,223	

Type of borrowings	Borrowing period and repayment term	Interest rate	September 30, 2023	Collaterals
Long-term loans				
Mortgage and secured bank loans	Borrowing period is from August 27, 2019 to August 27, 2039 and pay monthly	0.75%~2.55%	$ 574,330	Financial assets at fair value through other comprehensive income
Less: Long-term liabilities - current portion			-	
			$ 574,330	

Information relating to the Group’s long-term loans pledged to others as collaterals are provided in Note 8.

(15).Pension

A.Effective July 1, 2005, the Company have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the"Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

B.The pension costs and expenses under defined contribution pension plans of the Group From July 1 to September 30, 2024 and 2023 and January 2024 and 2023 to September 30, respectively, was $1,101, $1,309, $3,714 and $3,952, respectively.

(16).Capital stock

As of September 30, 2024, the Company's authorized capital was $6,000,000, and the paid-in capital was $ 1,853,422, consisting of 185,342 thousand shares of common stocks with a par value of NT$10 (in dollars) per share. All proceeds from shares issued have been collected.

(17).Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2024		
	Adjustments to share of changes in equity of associates and joint ventures	Expired unclaimed dividends	Total
At January 1	$ 30,861	$ 19,218	$ 50,079
Dividends paid to Expired unclaimed	-	(3)	(3)
At September 30	$ 30,861	$ 19,215	$ 50,076

	2023		
	Adjustments to share of changes in equity of associates and joint ventures	Expired unclaimed dividends	Total
At January 1	$ 30,861	$ 12,906	$ 43,767
Dividends paid to Expired unclaimed	-	6,312	6,312
At September 30	$ 30,861	$ 19,218	$ 50,079

(18).Retained earnings

A.According to the Company's Articles of Incorporation, if there is any profit for a fiscal year, the Company shall first make provision for all taxes and cover prior years' losses and then appropriate 10% of the residual amount as legal reserve. Dividends shall be resolved by the stockholders.

B. The Company's dividend policy is to distribute stock dividends or cash dividends with the earnings net of the capital required for future years that is estimated and retained based on the Company's future capital budget planning.

C.Legal reserve Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D.(a).In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b). After the company has utilized, disposed of, or reclassified assets related to the Special Surplus Reserve provided by the letter of Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated March 31, 2021, the original provision must be made in accordance with IFRS. If the assets aforementioned are investment real estate, the land portion must be reversed upon disposal or reclassification, and the non-land portion must be reversed on a period-by-period basis during the period of use.

E.On May 30, 2024 and May 31, 2023, the company passed the resolution of the shareholders' meeting in 2023 and 2022 as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Accrual of legal reserve	$ 9,532		$ 9,393	
Appropriation of cash dividends to shareholders	92,671	$ 0.50	92,671	$ 0.50
Total	$ 102,203		$ 102,064	

Information about the appropriation of earnings as resolved by the Board of Directors and shareholder s will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(19).Other equity items

	2024		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	$ 26,002	$ 139,473	$ 165,475
Revaluation	504,151	-	504,151
Revaluation – tax	(94,878)	-	(94,878)
Transfer of valuation adjustment to retained earnings	(4,984)	-	(4,984)
Currency translation differences	-	44,458	44,458
Foreign exchange impact	(6,433)	-	(6,433)
At September 30	$ 423,858	$ 183,931	$ 614,222

	2023		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	$ 158,157	$ 132,396	$ 290,553
Revaluation	(153,504)	-	(153,504)
Revaluation – tax	(8,565)	-	(8,565)
Currency translation differences	-	84,694	84,694
At September 30	($ 3,912)	$ 217,090	$ 213,178

(20).Operating revenue

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Revenue from computer software services	$ 83,239	$ 69,656
Other revenue	378	244
Revenue	$ 83,671	$ 69,900

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Revenue from computer software services	$ 238,184	$ 188,212
Revenue from sales of real estate	-	23,433
Other revenue	817	609
Revenue	$ 239,001	$ 212,254

Contract assets and liabilities

A.The Group has recognised the following revenue-related contract assets and liabilities:

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Contract assets	$ 12,687	$ 10,384	$ 7,854	$ 11,617
Contract liabilities	$ 50,619	$ 43,341	$ 42,031	$ 22,143

B.Revenue recognised that was included in the contract liability balance at the beginning of the period.

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Pre-received of software service revenue	$ 1,300	$ 1,800

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Pre-received of software service revenue	$ 38,162	$ 20,656
Rent in advance	-	126
	$ 38,162	$ 20,782

(21).Interest income

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Interest income from bank deposits	$ 650	$ 201
Interest income from financial assets at amortized cost	95	160
Interest income from financial assets at fair value through profit or loss	2,689	-
Interest income from financial assets measured at fair value through other comprehensive income	3,382	1,053
Other Interest income	21	455
	$ 6,837	$ 1,869

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Interest income from bank deposits	$ 1,590	$ 1,169
Interest income from financial assets at amortized cost	222	259
financial assets at fair value through profit or loss	4,272	-
Interest income from financial assets measured at fair value through other comprehensive income	12,628	1,053
Other Interest income	121	589
	$ 18,833	$ 3,070

(22).Other income

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Dividend income	$ 102,310	$ 135,738
Other income, others	11	33
	$ 102,321	$ 135,771

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Dividend income	$ 145,053	$ 145,883
Other income, others	385	111
	$ 145,438	$ 145,994

(23).Other gains and losses

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Unrealized gain on foreign currency exchange, net	($ 45,808)	$ 8,610
(Loss) interest in financial assets at fair value through profit or loss	3,029	(1,053)
Reversal of financial asset gains	-	5
Gain on disposal of property, plant and equipment	-	(61)
compensatory damages		(7,833)
Other gains and losses, net	(220)	1,831
	($ 42,999)	$ 1,499

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Unrealized gain on foreign currency exchange, net	$ 4,533	$ 34,830
Settlement loss	-	(37)
(Loss) interest in financial assets at fair value through profit or loss	12,786	2,293
Reversal of financial asset gains	5	15
Gain on disposal of property, plant and equipment	-	570
compensatory damages	-	(7,833)
Other losses	(395)	(96)
	$ 16,929	$ 29,742

(24).Finance costs

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Interest expense		
Bank loans	$ 3,247	$ 1,948
Commercial papers payable	871	-
Lease liabilities	84	116
Other finance expense	-	4
	$ 4,202	$ 2,068

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Interest expense		
Bank loans	$ 7,687	$ 5,270
Commercial papers payable	2,026	11
Lease liabilities	258	387
Other finance expense	-	13

	$ 9,971	$ 5,681

(25).Expenses by nature

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Depreciation charges on property, plant and equipment	$ 562	$ 511
Depreciation charges on right-of-use assets	3,951	3,544
Employee benefit expense	34,466	32,269
Amortisation charges	2,643	3,723
	$ 41,622	$ 40,047

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Depreciation charges on property, plant and equipment	$ 1,615	$ 1,868
Depreciation charges on right-of-use assets	11,149	10,647
Employee benefit expense	97,254	94,912
Amortisation charges	8,713	9,955
	$ 118,731	$ 117,382

(26).Employee benefit expense

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Wages and salaries	$ 29,391	$ 27,637
Labor and health insurance fees	2,788	2,582
Pension costs	1,101	1,309
Other personnel expenses	1,186	741
	$ 34,466	$ 32,269

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Wages and salaries	$ 82,326	$ 80,878
Labor and health insurance fees	7,553	7,357
Pension costs	3,714	3,952
Other personnel expenses	3,661	2,725
	$ 97,254	$ 94,912

A.According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees that account for 0.1%~ 2% and pay remuneration to the directors and supervisors that account for no more than 1% of the total distributed amount.

B.For the years ended July 1 to September 30, 2024 and 2023 and January 1 to

September 30, 2024 and 2023, employees' compensation was accrued at $150、$125、$450 and $141, respectively; while directors' and supervisors' remuneration was accrued at $225、$125、$675 and $141,respectively.The aforementioned amount is listed in the account of salary expenses.
Based on the profit for the six-month periods ended September 30, 2024, employees' compensation and directors remunerations were accrued at 0.26% and 0.39% respectively

On March 15, 2024, the Company's Board of Directors resolved to accrue employees' compensation and directors' remunerations amounting to $600 and $900, respectively. The amounts were in agreement with those amounts recognised as salary expenses in the 2023 financial statements. The employee and director compensation accrued for the year 2023 has not been actually distributed as of November 8, 2024.

Information about the appropriation of employees', directors' and supervisors' remuneration by the Company as proposed by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27).Income tax

A.Income tax expense

(a).Components of income tax expense

	July 1, 2024- September 30, 2024		July 1, 2023- September 30, 2023	
Current tax：				
Current tax on profits for the period	$	12,782	$	12,144
Deferred tax：				
Origination and reversal of temporary differences		1,299		199
Total deferred tax		1,299		199
Income tax expense	$	14,081	$	12,343

	January 1, 2024- September 30, 2024		January 1, 2023- September 30, 2023	
Current tax：				
Current tax on profits for the period	$	18,902	$	14,335
Prior year income tax		(1,451)	(	97)

overestimation		
Land value increment tax	-	1,420
Total current tax	17,451	15,658
Deferred tax：		
Origination and reversal of temporary differences	17,558	18,974
Total deferred tax	17,558	18,974
Income tax expense	$ 35,009	$ 34,632

(b).The income tax (charge)/credit relating to components of other comprehensive income is as Follows：

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Changes in fair value of financial assets at fair value through other comprehensive loss	$ 12,663	($ 8,371)

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Changes in fair value of financial assets at fair value through other comprehensive loss	$ 94,880	$ 8,565

B.In accordance with Article 45 of the Business Mergers and Acquisitions Act, with the company as the taxpayer, the business income tax settlement declaration was merged with its subsidiary Pao Fong Asset Management Co., Ltd.

C.The Company’s income tax returns through 2021 have been assessed as approved by the Tax Authority.

(28).Earnings per share

	July 1, 2024- September 30, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per Share (in dollars)
Basic earnings per share			
Net profit for the current period attributable to the parent company’s ordinary shareholders	$ 42,163	185,342	$ 0.23
Diluted earnings per share			
Net profit for the current period attributable to the parent company’s ordinary shareholders	$ 42,163	185,342	

	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per Share (in dollars)
Effect of potentially dilutive ordinary shares			
Employees' compensation	-	11	_
Net profit for the current period attributable to ordinary shareholders of the parent company plus the impact of potential ordinary shares	$ 42,163	185,353	$ 0.23

July 1, 2023- September 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per Share (in dollars)
Basic earnings per share			
Net profit for the current period attributable to the parent company's ordinary shareholders	$ 118,115	185,342	$ 0.64
Diluted earnings per share			
Net profit for the current period attributable to the parent company's ordinary shareholders	$ 118,115	185,342	
Effect of potentially dilutive ordinary shares			
Employees' compensation	-	30	
Net profit for the current period attributable to ordinary shareholders of the parent company plus the impact of potential ordinary shares	$ 118,115	185,372	$ 0.64

January 1, 2024- September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per Share (in dollars)
Basic earnings per share			
Net profit for the current period attributable to the parent company's ordinary shareholders	$ 121,633	185,342	$ 0.66
Diluted earnings per share			
Net profit for the current period attributable to the parent company's ordinary shareholders	$ 123,633	185,342	
Effect of potentially dilutive ordinary shares			
Employees' compensation	-	46	
Net profit for the current period attributable to ordinary shareholders of the parent company as a continuing business unit plus the impact of potential ordinary shares	$ 123,633	185,388	$ 0.66

January 1, 2023- September 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per Share (in dollars)
Basic earnings per share			

Net profit for the current period attributable to the parent company's ordinary shareholders	$ 118,229	185,342	$ 0.64
Diluted earnings per share			
Effect of potentially dilutive ordinary shares	$ 118,229	185,342	
Employees' compensation	-	30	
Net profit for the current period attributable to ordinary shareholders of the parent company as a continuing business unit plus the impact of potential ordinary shares	$ 118,229	185,372	$ 0.64

(29).Changes in liabilities from financing activities

	2024					
	Short-term loans	Short-term bills payable	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
January 1	$ 40,000	$ 19,985	$ 585,223	$ 573	$ 26,742	$ 672,523
Changes in cash flow from financing activities	120,000	144,858	100,015	-	(11,356)	353,517
Changes in other non-cash item	-	-	-	-	3,251	3,251
September 30	$ 160,000	$ 164,843	$ 685,238	$ 573	$18,637	$ 1,029,291

	2023					
	Short-term loans	Short-term bills payable	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
January 1	$ -	$ -	$ 578,307	$ 1,088	$ 40,292	$ 619,687
Changes in cash flow from financing activities	-	-	15,193	(515)	(10,706)	3,972)
Changes in other non-cash item	-	-	(19,170)	-	746	(18,424)
September 30	$ -	$ -	$ 574,330	$ 573	$ 30,332	$ 605,235

7 ◦ RELATED PARTY TRANSACTIONS

(1).Names of related parties and their relationship with the Group

Names of related parties	Relationship with the Group
Hemisphere Industries Corp.	Other related party
Luo Sheng Fong Co., Ltd.	Other related party
Luo Shengtai Co., Ltd.	Other related party

(2).Significant related party transactions and balances

A.Revenue

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Other operating revenue:		
Other related party	$ 115	$ 115

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Other operating revenue:		
Other related party	$ 343	$ 343

B.Contract liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Other related party	$ -	$ 57	$ 114

(3).Key management compensation

	July 1, 2024- September 30, 2024	July 1, 2023- September 30, 2023
Salaries and other short-term employee benefits	$ 5,051	$ 6,259
Post-employment benefits	189	217
Total	$ 5,240	$ 6,476

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Salaries and other short-term employee benefits	$ 15,015	$ 18,619
Post-employment benefits	563	686
Total	$ 15,578	$ 19,305

8。PLEDGED ASSETS

The Group’s assets pledged as collateral are as follows：

	Book value			
Pledged assets	September 30, 2024	December 31, 2023	September 30, 2023	Purpose
Inventories - Real property for sale	$ 49,042	$ 49,042	$ 49,042	Loan collateral
Property, plant and equipment	7,324	7,384	1,469	Loan collateral
Financial assets at fair value through other comprehensive income-noncurrent	1,986,038	1,617,472	1,675,550	Loan collateral

Financial assets at fair value through profit or loss	34,974	-	-	Loan collateral
Refundable deposit	5,000	15,000	5,000	Operating margin
Refundable deposit	6,945	6,740	6,759	Project undertaking
	$ 2,089,323	$ 1,695,638	$ 1,737,820	

9 ◦ SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT

(1).Contingencies

The Group sold Kwong Fong Plaza to Cathay Life Insurance Co., Ltd. (henceforth Cathay Life Insurance) on January 15, 2021, and the Group signed a "Leasing Contract Succession Agreement" with Decathlon and Cathay Life Insurance to settle utility costs. After amicable negotiations and a written agreement, the parties resolved to settle the rent arrearage of $7,833 for the period of January 1, 2021, through March 31, 2021, by the agreed means other than that specified in the lease agreement. As of September 30, 2021, however, the parties had not yet reached an agreement on the pricing of electricity charges and had not signed a written agreement as required by the tripartite agreement. The Group believes that the negotiations have yielded no results and that the tripartite agreement is no longer applicable; therefore, the terms of this lease agreement shall govern. The group filed for arbitration on November 16, 2021 (the court was held on January 10, 2022) and requested that Decathlon pay the Group's rent receivable of $7,833. In accordance with Article 6.1 of this contract, Decathlon counterclaimed the Group $8,527 for overpaid electricity charges after deducting the "deferred rent" on the basis that the electricity charges were overpaid.
The arbitral tribunal held a substantive hearing on July 28, 2022, at the Chinese Arbitration Association in Taipei (2021 Zhong-Sheng-He-Zi No. 053), and the arbitral tribunal decided that Decathlon shall demand that the Group pay the $1,770 in overcharged electricity charges from January to July 2017 as well as interest at a rate of 5% per year calculated up until the settlement date.
According to the arbitral tribunal's decision, the Group estimated on September 30, 2022 to pay $1,770 for the overpaid electricity fee. The compensation was paid on October 26, 2023. However, Decathlon still refuses to pay the remaining balance, showing no willingness to respect the arbitration award. Therefore, on November 9, 2022, the Group applied for a second arbitration to the Arbitration Association pursuant to the arbitration agreement reached in the aforementioned arbitration procedure. The Group seeks Decathlon to pay

outstanding rental receivables of $7,833 and the difference of $6,012 between the arbitration compensation for overpaid electricity charges plus interest amounting to $1,821, plus interest calculated at an annual rate of five percent from November 9, 2022, until the date of settlement. Following the arbitration tribunal's decision on September 5, 2023, in Case No. 111 Arbitration Dispute No. 052, the tribunal considered that it lacked jurisdiction over this case and dismissed further consideration.

The Group filed a lawsuit on April 2, 2024, with the Taipei District Court in Taiwan to claim rent payments from Decathlon for the period from January 1, 2011, to March 31, 2011, amounting to $7,833. The case is currently being heard by the Taipei District Court under case (2024 Zhong-Su-Zi NO.316).

(2).Commitments

None.

10.SIGNIFICANT DISASTER LOSS

None.

11.SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12.OTHERS

(1).Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new shares to maintain an optimal capital structure.

(2).Financial instruments

A. Financial instruments by categor

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 346,788	$ 81,165	$ 20,603
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	3,489,982	2,970,303	3,034,734
Debt instruments that meet the criteria	460,699	235,517	238,669
Financial assets at amortized cost			
Cash and cash equivalents	146,452	233,146	134,171
Financial assets at amortized cost	30,299	20,990	20,990
Contract assets	12,687	10,384	7,854
Accounts receivable	34,083	28,053	31,395
Other receivables	11,980	58,934	34,275
Refundable deposits (Listed under "Other Non-Current Assets")	16,640	82,885	40,790
	$ 4,549,610	$ 3,721,377	$ 3,563,481

	September 30, 2024	December 31, 2023	September 30, 2023
Financial liabilities			
Financial liabilities measured at fair value through profit or loss			
Financial liabilities measured at fair value through profit or loss (FVTPL)	$ -	$ 56,783	$ 7,542
Financial liabilities at amortized cost			
Short-term loans	160,000	40,000	-
Short-term bills payable	164,843	19,985	-
Contract liabilities	50,619	43,341	42,031
Notes payable	37	-	32
Accounts payable	7,135	6,201	4,844
Other payables	41,350	120,423	40,135
Long-term liabilities - cunt portion	685,238	585,223	574,330
Guarantee deposits received	573	573	573
	$ 1,109,795	$ 872,529	$ 669,487
Lease liabilities	$ 18,637	$ 26,742	$ 30,332

B. Financial risk management policies

(a). The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b). Risk management is carried out by the Group’s Finance Department under policies approved by the Board of Directors. The Group’s Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Group’s Operating Department. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters such as foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a). Market risk

Foreign exchange risk

i. The Group’s main source of foreign exchange risk is the operational team’s net investment of institutions that operate as a team. The Group does not hedge the net investment of foreign operating institutions because it is a strategic investment.

ii. The aggregate amounts of all exchange gains and losses (including realized and unrealized) recognized in 2024 and 2023 from January 1 to September 30, 2023 due to the significant impact of exchange rate fluctuations on the Group's monetary items are $4,533 and $34,830 respectively.

iii. The Group’s businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	September 30, 2024 Foreign currency amount	Exchange rate	Carrying Amount Book Value (NTD)
Financial assets			
Monetary items			
USD：NTD	$ 8	31.650	$ 253
HKD：NTD	578	4.080	2,358
Non-monetary items			
USD：NTD	$ 15,053	31.650	$ 476,427
HKD：NTD	198,318	4.080	809,137
HKD：USD	488,672	4.080	1,993,782
Financial liabilities			
Monetary items			
JPY：NTD	$ 1,308,581	0.220	$ 287,888
CHF：NTD	2,637	37.550	99,013
JPY：USD	900,345	0.220	199,286
CHF：USD	2,639	37.550	99,051

(Foreign currency: functional currency)	December 31, 2023 Foreign currency amount	Exchange rate	Carrying Amount Book Value (NTD)
Financial assets			
Monetary items			
USD：NTD	$ 2,298	30.705	$ 71,881
HKD：NTD	1,018	3.929	4,000
Non-monetary items			
USD：NTD	$ 8,034	30.705	$ 246,440
HKD：NTD	162,028	3.929	636,608
HKD：USD	450,531	3.929	1,819,817
Financial liabilities			
Monetary items			
JPY：NTD	$ 922,077	0.217	$ 200,275
CHF：NTD	2,615	36.485	95,420
JPY：USD	895,091	0.217	194,858
CHF：USD	2,594	36.485	94,670

(Foreign currency: functional currency)	September 30, 2023 Foreign currency amount	Exchange rate	Carrying Amount Book Value (NTD)

Financial assets			
Monetary items			
USD：NTD	$ 314	32.270	$ 10,133
HKD：NTD	1,245	4.123	5,133
Non-monetary items			
USD：NTD	$ 44,999	32.270	$ 1,452,118
HKD：NTD	308,741	4.123	1,272,939
Financial liabilities			
Monetary items			
JPY：NTD	1,813,676	0.216	391,754
CHF：NTD	5,180	35.055	181,585

iv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	January 1, 2024- September 30, 2024		
		Sensitivity analysis	
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on othe comprehensive income
Financial assets			
Monetary items			
USD：NTD	1.00%	$ 3	$ -
HKD：NTD	1.00%	24	-
Non-monetary items			
USD：NTD	1.00%	$ 668	$ 4,096
HKD：NTD	1.00%	-	8,091
HKD：USD	1.00%	-	19,938
Financial liabilities			
Monetary items			
JPY：NTD	1.00%	$ 2,879	$ -
CHF：NTD	1.00%	990	-
JPY：USD	1.00%	1,993	-
CHF：USD	1.00%	991	-

(Foreign currency: functional currency)	January 1, 2023- September 30, 2023		
		Sensitivity analysis	
	Degree of variation	Effect on profit or loss	Effect on othe comprehensive income
Financial assets			
Monetary items			
USD：NTD	1.00%	$ 101	$ -
HKD：NTD	1.00%	51	-
Non-monetary items			
USD：NTD	1.00%	$ -	14,521
HKD：NTD	1.00%	-	12,729
Financial liabilities			
Monetary items			
HKD：NTD	1.00%	3,918	-
CHF：NTD	1.00%	1,816	-

Price risk

i. The Group's equity instruments exposed to price risk consist of financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. To manage the price risk of equity investments, the Group diversifies its investment portfolio according to limits set by the company.

ii. The Group primarily invests in equity instruments issued by domestic and foreign companies, whose prices are influenced by uncertainties regarding the future value of these investments. If the prices of these equity instruments rise or fall by 1%, with all other factors held constant, the after-tax net profit for the period from January 1 to September 30 of 2024 and 2023 would increase or decrease by $260 and $132, respectively, due to gains or losses from equity instruments measured at fair value through profit or loss. Additionally, the gains or losses in other comprehensive income for equity instruments classified as measured at fair value through other comprehensive income would increase or decrease by $29,083 and $19,028, respectively.

Cash flow and fair value interest rate risk

i. The Group's interest rate risk primarily arises from long-term borrowings issued at variable interest rates, exposing the Group to cash flow interest rate risk.

ii. The Group's borrowings are measured at amortized cost and are subject to annual repricing based on contractual agreements, thereby exposing the Group to the risk of future changes in market interest rates.

iii. If the interest rates on foreign currency borrowings rise or fall by 1%, with all other factors held constant, the after-tax net profit for the period from January 1 to September 30 of 2024 and 2023, would decrease or increase by $6,938 and $2,766, respectively. This is primarily due to fluctuations in interest expenses resulting from variable rate borrowings.

(b).Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations.

ii. The Group manages it credit risk based on a Group -oriented system. For corresponding banks and financial institutions, it is set that only those with an independent credit rating equal to or higher than the investment grade can be accepted as trading counterparties. Following the internal credit policies, before setting the terms and conditions for payments and delivery with a new customer, each entity of the Group should assess new customer’s credit risk and conduct credit risk management. The internal risk control considers the financial position, past experience and other factors in order to assess the credit quality of customers. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.

iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The indicators used by the Group to assess impairment of debt instrument investments are as follows:

(i) The issuer experiences significant financial difficulties or is likely to enter bankruptcy or other financial reorganization;

(ii) The issuer's financial difficulties lead to the disappearance of an active market for the financial asset;

(iii) The issuer delays or defaults on interest or principal payments;

(iv) Adverse changes in national or regional economic conditions leading to issuer default.

v. The Group will use a condensed method based on the characteristics of client ratings and a provision matrix to calculate expected credit losses for client accounts receivable. The expected credit loss rate over the life of the company takes clients' past contract violations and the current financial, industrial, and economic climate into account. Given that the Group's historical credit loss experience does not reveal any major differences in the loss patterns across different customer groups, the provision matrix makes no further differentiation of customer groups and instead computes the expected credit loss rate based on the number of days that accounts receivable are past due.

vi. The Group used forecast data to adjust historical and timely information, accounts receivable, and overdue receivables. As of September 30, 2024, December 31, 2023, and September 30, 2023, the loss rate methodology is as follows:

September 30, 2024	Not past due	Less than 30 days	31 to 90 days	91 to 180 days	More than 181 days	Total
Expected loss rate	0.03%~4.07%	6.53%	18.83%	31.09%	100%	
Total book value	$ 42,545	$ 4,311	$ 514	$ 2,192	$ 1,650	$ 51,212
Loss allowance	($ 1,731)	($ 282)	($ 97)	($ 682)	($ 1,650)	($ 4, 442)

December 31, 2023	Not past due	Less than 30 days	31 to 90 days	91 to 180 days	More than 181 days	Total

	Not past due	Less than 30 days	31 to 90 days	91 to 180 days	More than 181 days	Total
Expected loss rate	0.03%~0.01%	0.01%	6.44%	21.41%	100%	
Total book value	$ 36,000	$ 1,265	$ -	$ 1,500	$ 724	$ 39,489
Loss allowance	($ 6)	$ -	$ -	($ 322)	($ 724)	($ 1,052)

September 30, 2023	Not past due	Less than 30 days	31 to 90 days	91 to 180 days	More than 181 days	Total
Expected loss rate	0.03%	0.03%	0.03%	20.80%	100%	
Total book value	$ 37,397	$ 1,871	$ 20	$ 725	$ -	$ 40,013
Loss allowance	($ 613)	($ -)	$ -	($ 151)	($ -)	($ 764)

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2024	2023
At January 1	$ 1,052	$ 205
Provision for impairment	3,390	559
At September 30	$ 4,442	$ 764

(c). Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group's Finance Department. Group's Finance Department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. The Group invests surplus cash from all operating units in interest bearing current accounts, time deposits, and choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. Detail of the loan credit not yet drawn down by the Group is as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Floating rate			
Less than 1 year	$ 440,976	$ 1,046,504	$ 1,145,291
Over 1 years	834,520	341,021	343,206
	$ 1,275,496	$ 1,387,525	$ 1,488,497

iv. The table below analyses the Group’s non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non- derivative financial liabilities.

on-derivative financial liabilities:

September 30, 2024	Less than 1 year	Over 1 year
Short-term loans	$ 160,263	$ -
Short-term bills payable	164,859	-
Contract liabilities	50,619	-
Notes, accounts payable	7,172	-
Other payables	41,350	-
Lease liabilities	15,047	3,788
Long-term loans (including current portion)	-	695,455

Non-derivative financial liabilities:

December 31, 2023	Less than 1 year	Over 1 year
Short-term loans	$ 40,062	$ -
Short-term bills payable	20,000	-
Contract liabilities	43,341	-
Notes, accounts payable	6,201	-
Other payables	120,423	-
Lease liabilities	14,766	12,334
Long-term loans (including current portion)	-	591,075

Non-derivative financial liabilities:

September 30, 2023	Less than 1 year	Over 1 year
Contract liabilities	$ 42,031	$ -
Notes, accounts payable	4,876	-
Other payables	40,135	-
Lease liabilities	14,777	16,024
Long-term loans (including current portion)	-	579,624

(3).Fair value estimation

A.The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows :

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active if it meets all the following conditions:

the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair values of the company's investments in domestically and internationally listed stocks, foreign corporate bonds classified as popular securities, and derivatives with publicly quoted prices in active markets are all included.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. It includes the investment in equity instruments without the group's active market.

B.Non-financial instruments measured at fair value

(a).The carrying amounts of cash and cash equivalents, other receivables, short-term borrowings, notes payable, and other payables approximate their fair values.

(b).The methods and assumptions used to estimate fair value are as follows:Investment-grade corporate bonds: Measured using publicly quoted prices in active markets.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a).The related information of natures of the assets and liabilities is as follows:

September 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 13,575	$ -	$ -	$ 13,575
Debt instruments	-	-	253,818	253,818
Hybrid instruments	10,866	-	-	10,866
Structured Notes	66,846	-	-	66,846
Beneficiary Certificate	1,683			1,683
Financial assets at fair value through other comprehensive income				
Equity securities	2,171,607	-	1,318,375	3,489,982
Debt warrants	460,699	-	-	460,699
Total	$ 2,725,276	$ -	$ 1,572,193	$ 4,297,469

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 8,940	$ -	$ -	$ 8,940
Derivative instruments	12,119	-	-	12,119
Structured Notes	60,106			60,106
Financial assets at fair value through other comprehensive income				
Equity securities	1,807,015	-	1,163,288	2,970,303
Debt warrants	235,517	-	-	235,517
Total	$ 2,123,697	$ -	$ 1,163,288	$ 3,286,985
LIABILITIES				
Recurring fair value measurements				
Financial liabilities measured at fair value through profit or loss				
Margin trading	$ 56,783	$ -	$ -	$ 56,783

September 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 17,570	$ -	$ -	$ 17,570
Derivative instruments	3,033	-	-	3,033
Financial assets at fair value through other comprehensive income				
Equity securities	1,791,794	-	1,242,940	3,034,734
debt securities	238,669	-	-	238,669
Total	$ 2,051,066	$ -	$ 1,242,940	$ 3,294,066
LIABILITIES				
Recurring fair value measurements				
Financial liabilities measured at fair value through profit or loss				
Securities Lending	$ 7,542	$ -	$ -	$ 7,542

(b).The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Corporate bonds
Market quoted price	Closing price	Weighted average price per hundred units

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters)

iii. The outputs of valuation models are estimated approximations, and valuation techniques may not reflect all relevant factors related to the financial and non-financial instruments held by the company. Therefore, estimated values from valuation models are appropriately adjusted based on additional parameters such as model risk or liquidity risk. According to the company's fair value measurement policies and related control procedures, management believes that adjustments to fair values are necessary and appropriate to fairly represent the fair values of financial and non-financial instruments in the consolidated balance sheet. Price information and parameters used in the valuation process are carefully evaluated and adjusted as appropriate based on current market conditions.

iv. The Group incorporates credit risk adjustments into the fair value calculations of financial and non-financial instruments to separately reflect counterparty credit risk and the Group's credit quality.

D. There were no transfers between Level 1 and Level 2, for the nine-month periods ended September 30, 2024 and 2023.

E.The following chart is the movement of Level 3 for the six-month periods ended September 30, 2024 and 2023:

	2024	
	Equity Securities-Unlisted shares	Debt instruments-Preferred stock
At January 1	$ 1,163,288	$ -
Current period purchases	-	250,000 -
Unrealized gains and losses on debt instrument investments measured at fair value through profit or loss	-	3,818
Unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income	121,755 -	
Effect of exchange rate changes	33,332	-
At September 30	$ 1,318,375	$ 253,818

	2023	
	Equity Securities-Unlisted shares	Debt instruments-Preferred stock
At January 1	$ 1,375,254	$ -
Unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income	(192,347)	
Effect of exchange rate changes	60,033	-
At September 30	$ 1,242,940	$ -

F.There were no transfers into or out of Level 3, for the nine-month periods ended September 30, 2024 and 2023.

G.The Group is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H.The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement：

	Fair value at September 30, 2024	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Non-derivative equity instrument：				
Unlisted shares	$ 1,309,538	Market comparable companies	liquidity discount	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
"	8,837	Net asset value	〃	〃
	$ 1,318,375			
Debt instruments:				
Preferred stock	$ 253,818	Cash flow analysis	Discount rate, liquidity discount	The higher the discount rate, the lower the fair value; the higher the liquidity discount, the lower the fair value.

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Non-derivative equity instrument：				
Unlisted shares	$ 1,150,860	Market comparable companies	liquidity discount	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
"	12,428	Net asset value	〃	〃
	$ 1,163,288			

	Fair value at September 30, 2023	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Non-derivative equity instrument：				
Unlisted shares	$ 1,230,383	Market comparable companies	liquidity discount	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
"	12,557	Asset approach	〃	〃
	$ 1,242,940			

I.The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in difference measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed：

			September 30, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument						
Unlisted shares	Discount for lack of marketability	±1%	$ -	$ -	$ 12,614	($ 12,612)
Debt instruments:						
Preferred stock	Discount rate, discount for lack of marketability	±1%	9,349	(8,930)	-	-
Total			$ 9,349	($ 8,930)	$ 12,614	($ 12,612)

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument						
Unlisted shares	Discount for lack of marketability	±1%	$ -	$ -	$ 12,232	($ 12,228)

			1 September 30, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument						
Unlisted shares	Discount for lack of marketability	±1%	$ -	$ -	$ 23,183	($ 23,180)

13。SUPPLEMENTARY DISCLOSURES

(1).Significant transactions information

A.Loans to others: None.

B.Provision of endorsements and guarantees to others: Please refer to table 1.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: Note 6(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 3.

(2). Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4

(3). Information on investments in Mainland China

A. Basic information: None.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4). Information of major shareholder

Information of major shareholder: Please refer to table 5

１４◦SEGMENT INFORMATION

(1).General information

Aimed at management, the Group’s operating units are divided into the five reportable departments listed below, based on the products and services offered:

A. Kwong Fong Department : Specialized investment business.

B.Pao Fong Asset Management Department: Real estate development, construction and property management.

C.Kwong Fong Holdings Department: Overseas asset investment business.

D. Digital Technology department: Information Software Services.

(2).Measurement of segment information

The Group evaluates the performance based on segment revenue and segment net operating profit (loss).

The accounting policies of the reportable operating segments is in a manner consistent with the significant accounting policies provided in Note 4.

(3).Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows：

January 1, 2024 to September 30, 2024	Kwong Fong Department	Pao Fong Asset Management Department	Kwong Fong Holdings Department	Digital Technology Department	Adjustments and written-off	Total
Revenue：						
Revenue from external customers	$ 343	$ 305	$ -	$ 238,353	$ -	$ 239,001
Revenue from internal customers	-	-	-	11,422	(11,422)	-
Segment revenue	$ 343	$ 305	$ -	$ 249,775	($ 11,422)	$ 239,001
Segment profit (loss)(Note)	$ 77,185	($ 19,762)	$ 54,696	$ 44,243	$ 1,116	$ 157,478
Share of income (loss) of associates and joint ventures accounted for using equity method	49,832	-	-	-	(49,832)	-
Depreciation and amortisation	(5,383)	(57)	-	(13,782)	(2,255)	(21,477)
Segment profit (loss)	121,634	(19,819)	54,696	30,461	(50,971)	136,001
Segment assets	$ 4,825,629	$ 858,372	$ 2,156,202	$ 227,391	($ 2,686,811)	$ 5,380,783
Segment liabilities	$ 855,018	$ 85,061	$ 298,599	$ 98,914	$ 2,786	$ 1,340,378

Note: Excludes the share of profit and loss recognized using the equity method and depreciation and amortization.

January 1, 2023 to September 30, 2023	Kwong Fong Department	Pao Fong Asset Management Department	Kwong Fong Holdings Department	Digital Technology Department	Adjustments and written-off	Total
Revenue：						
Revenue from external customers	$ 344	$ 23,529	$ -	$ 91,471	$ 96 ,910	$ 212,254
Revenue from internal customers	-	-	-	11,061	(11,061)	-
Segment revenue	$ 344	$ 23,529	$ -	$ 102,532	$ 85,849	$ 212,254
Segment profit (loss) (Note)	$ 50,233	($ 1,360)	$ 68,045	$ 30,936	($ 290)	$ 147,564
Share of income (loss) of associates and joint ventures accounted for using equity method	73,492	-	-	-	(73,492)	-
Depreciation and amortisation	(5,496)	(73)	-	(13,254)	(3,647)	(22,470)
Segment profit (loss)	$ 118,229	($ 1,433)	$ 68,045	$ 17,682	($ 77,429)	$ 125,094
Segment assets	$ 3,949,831	$ 908,772	$ 1,917,249	$ 200,956	($ 2,494,037)	$ 4,482,770
Segment liabilities	$ 384,649	$ 87,258	$ 284,248	$ 91,885	($ 2,169)	$ 850,209

Note: Excludes the share of profit and loss recognized using the equity method and depreciation and amortization.

(4).Reconciliation for segment income (loss)

The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

The profit and loss of department portals in 2024 and January 1, 2023-September 30, 2023 of the Republic of China and the profit and loss before deduction of subsequent business departments are adjusted as follows:

	January 1, 2024- September 30, 2024	January 1, 2023- September 30, 2023
Reportable Segment Profit and Loss	($ 219)	($ 13,399)
Non-operating income and expenses	171,229	173,125
Continuing operations profit (loss) before income tax	$ 171,010	$ 159,726

Kwong Fong Industries Corporation and Subsidiaries
Provision of endorsements and guarantees to other
January 1 to September 30, 2024

Table 1

Expressed in thousands of TWD

Number (Note 1)	Endorser / Guarantor	Party being endorsed/guaranteed		Limit on endorsements / guarantees provided for a single party (Note 3)	Maximum outstanding endorsement / guarantee amount as of December 31, 2021 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2021 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsement /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements / guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements / guarantees by subsidiary to parent company (Note 7)	Provision of endorsements / guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Kwong Fong Industries Corporation	Galaxy Digital Co., Ltd.	2	$ 3,970,611	$ 50,000	$ 50,000	$ 30,000	$ -	1.26	$ 3,970,611	Y	N	N	Note 8

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1)The Company is ‘0’
(2)The subsidiaries are numbered in order starting from ‘1’

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:
(1) Having business relationship
(2) The endorser/guarantor parent company directly and indirectly owns more than 50% voting shares of the endorsed/guaranteed company.
(3) The endorsed/guaranteed parent company directly and indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
(4) The parent company directly or indirectly owns more than 90% voting shares of the companies that make endorsements/guarantees for each other.
(5) The parent company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project. (
(6) Due to joint venture, all capital contributing shareholders make endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company’s “Procedures for Provision of Endorsements and Guarantees”, and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorized by the Board of Directors.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary, provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 8: According to the company's "fund loan and endorsement guarantee operation procedures"
1. The limit of endorsement guarantee for individual objects is limited to 100% of the net value of the latest financial statement.
2. The maximum amount of external endorsement guarantee is the same as the limit of endorsement guarantee for individual objects.

Kwong Fong Industries Corporation and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

September 30, 2024

Table 2

Expressed in thousands of TWD

Securities held by	Types of securities	Securities name (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2024				Footnote
					Shares/Units (In Thousands)	Book value (Note 3)	Percentage of Ownership (%)	Fair value	
Kwong Fong Industries Corporation	Unlisted common stock in Taiwan	Shin hua wool spinning co., ltd.		Financial asset measured at fair value through other comprehensive income - noncurrent	437	$ 8,837	15.17%	$ 8,837	
〃	〃	Lian An Health Business Co., Ltd.		〃	401	21,192	3.10%	21,192	
〃	Unlisted common stock in Vietnam	ASCCHARWIE COMPANY		〃	922	-	8.00%	-	
〃	Listed common stock in Hong Kong	Bank of China Co., Ltd.		〃	25,000	374,340	0.01%	374,340	Note 4
〃	〃	Agricultural Bank of China Co., Ltd.		〃	18,800	280,737	0.01%	280,737	Note 4
〃	〃	Bank of Communications Co., Ltd.		〃	4,000	97,267	0.01%	97,267	Note 4
〃	〃	Industrial and Commercial Bank of China Co., Ltd.		〃	3,000	56,794	0.00%	56,794	Note 4
〃	Listed preferred stock in Taiwan	Union Bank of Taiwan Special Shares		〃	1,700	89,080	0.04%	89,080	Note 4
〃	〃	Yulon Finance Corporation Special Shares		〃	401	20,491	0.06%	20,491	Note 4
	〃	Fubon Financial Holdings Special Shares			152	9,409	0.00%	9,409	
〃	Listed common stock in Taiwan	Asia Cement co., ltd.		〃	3,300	157,575	0.09%	157,575	Note 4
〃	〃	Mega Financial Holdings Co., Ltd.		〃	11	414	0.00%	414	
〃	〃	Taiwan Cement co., ltd.		〃	3,481	117,667	0.04%	117,667	
		Yuanta Futures Co., Ltd.		〃	650	56,160	0.22%	56,160	
	USD bonds	Standard Chartered PLC 7.767% 22/28		〃		93,381		93,381	
	〃	BARCLAYS PLC 7.385% 22/28		〃		34,184		34,184	

Kwong Fong Industries Corporation and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
September 30, 2024

Table 2

Expressed in thousands of TWD

Securities held by	Types of securities	Securities name (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2024				Footnote
					Shares/Units (In Thousands)	Book value (Note 3)	Percentage of Ownership (%)	Fair value	
	〃	HSBC Holding PLC 7.39% 22/28		〃		34,306		34,306	
	〃	Nomura Holdings Inc 5.605% 22/29		〃		33,014		33,014	
		Gredit Agricole SA 6.251% 24/35		〃		101,871		101,871	
		HSBC Holdings PLC 8.113%		〃		112,812		112,812	
	Structured Notes	FCN NOM-C_CON_BK/AGRI_BOC/BOC_LTD EQUITY LINKED NOTESE		Financial assets at fair value through profit or loss – current		31,872		31,872	
		BNP PARIBAS 9M USD REVERSE CONVERTIBLE NOTE		〃		34,974		34,974	Note 4
	Listed common stock in Taiwan	Tung Ho Steel			7	554	0.00%	554	
		TWM			2	230	0.00%	230	
		CHC			4	265	0.00%	265	
		KUNG LONG			2	300	0.00%	300	
		Far EasTone			4	363	0.00%	363	
		ALLTEK			3	111	0.00%	111	
		Asia Cement co., ltd.			6	287	0.00%	287	
		TTET			2	298	0.00%	298	
		TAIHAN			5	133	0.00%	133	
		ZENG HSING			2	231	0.00%	231	
	〃	Taiyen			8	280	0.00%	280	
	〃	SANITAR			6	253	0.00%	253	

Kwong Fong Industries Corporation and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
September 30, 2024

Table 2

Expressed in thousands of TWD

Securities held by	Types of securities	Securities name (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2024				Footnote
					Shares/Units (In Thousands)	Book value (Note 3)	Percentage of Ownership (%)	Fair value	
	〃	KHC			5	164	0.00%	164	
	〃	CHUN YU			9	239	0.00%	239	
	〃	FH			5	425	0.00%	425	
	〃	FRG			5	129	0.00%	129	
	〃	UMC			4	215	0.00%	215	
	〃	CATCHER			1	237	0.00%	237	
	〃	CHANG HWA BANK			14	251	0.01%	251	
	〃	TFMI			9	256	0.00%	256	
	〃	PCSC			1	295	0.00%	295	
		Y.S.H.			2	123	0.00%	123	
		PAHSCO			1	89	0.00%	89	
		KING CHOU			7	282	0.00%	282	
		TCFHC			5	130	0.00%	130	
		Dafeng TV Ltd.			2	105	0.00%	105	
		TSU			1	107	0.00%	107	
		Cleanaway			1	185	0.00%	185	
		HTGas			2	123	0.00%	123	
		Xxentria			2	123	0.00%	123	
		TON YI			8	134	0.00%	134	

Kwong Fong Industries Corporation and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
September 30, 2024

Table 2

Expressed in thousands of TWD

Securities held by	Types of securities	Securities name (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2024				Footnote
					Shares/Units (In Thousands)	Book value (Note 3)	Percentage of Ownership (%)	Fair value	
		TAIWAN SECOM			1	137	0.00%	137	
		SKS			9	375	0.00%	375	
		CTCI			2	94	0.00%	94	
	Taiwan convertible bonds	Alexander Marine Co., Ltd. 1st Domestic Unsecured Convertible Bond				7,244	0.00%	7,244	
		MERRY ELECTRONICS CO.,LTD. Domestic 5th Unsecured Convertible Bonds				3,510	0.00%	3,510	
	Unlisted preferred stock in Taiwan	Codak Archi Special Preferred Stock		Financial assets at fair value through profit or loss - noncurrent	25,000	253,818	67.57%	253,818	
Kwong Fong Holdings Limitd	Unlisted common stock in Hong Kong	FULCREST LIMITED		Financial asset measured at fair value through other comprehensive income - noncurrent	2,716	1,288,346	44.24%	1,288,346	
〃	Listed common stock in Hong Kong	Bank of China Co., Ltd.		〃	20,800	311,056	0.02%	311,056	Note 4
〃	Listed common stock in Hong Kong	Agricultural Bank of China Co., Ltd.		〃	17,000	253,536	0.06%	253,536	Note 4
〃	〃	Bank of Communications Co., Ltd.		〃	6,800	165,145	0.02%	165,145	Note 4
〃	〃	Industrial and Commercial Bank of China Co., Ltd.		〃	4,300	81,301	0.00%	81,301	Note 4
	USD bonds	BARCLAYS PLC 7.385% 22/28		〃		51,131		51,131	
Pao Fong Asset Management Co., Ltd.	Listed preferred stock in Taiwan	Cathay Financial Holdings Special Shares		〃	1,115	67,457	0.01%	67,457	Note 4
〃		Fubon Financial Holdings Special Shares		〃	505	31,259	0.00%	31259	Note 4
〃	Listed common stock in Taiwan	Fubon Financial Holding Co., Ltd.		〃	21	1,919	0.00%	1,919	

Kwong Fong Industries Corporation and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

September 30, 2024

Table 2

Expressed in thousands of TWD

Securities held by	Types of securities	Securities name (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2024				Footnote
					Shares/Units (In Thousands)	Book value (Note 3)	Percentage of Ownership (%)	Fair value	
〃	〃	Cathay Financial Holding Co., Ltd.		Financial assets at fair value through profit or loss – current	91	6,052	0.00%	6,052	
	Taiwan Index ETF	ETF00713		Financial assets at fair value through profit or loss - noncurrent		1,148		1,148	
	〃	ETF00915				535		535	
	Taiwan convertible bonds	Far Eastern New Century Corporation 1st Domestic Unsecured Exchangeable Bonds				112		112	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS9, 'Financial instruments: recognition and measurement'

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: Our company pledges financial assets for borrowing purposes.

Kwong Fong Industries Corporation and Subsidiaries
Significant inter-company transactions during the reporting periods
January 1 to September 30, 2024

Table 3

Expressed in thousands of shares/thousands of TWD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Mdbs Digital Technology Co., Ltd.	Galaxy Digital Co., Ltd.	3	Project income	8,151	Note4	3.41%
“	Galaxy Digital Co., Ltd.	Mdbs Digital Technology Co., Ltd.	“	Project cost	6,750	“	2.82%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows：

(1). Parent company is ‘0’.

(2) .The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; Fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Terms are approximately the same as for general transactions.

Kwong Fong Industries Corporation and Subsidiaries
Information on investees (not including investee company of Mainland China)
January 1 to September 30, 2024

Table 4

(Amounts in Thousands of NTD/USD, Unless Specified Otherwise)

Investor	Investee (Note 1、Note 2)	Location	Main business activities	Initial investment amount: Balance as of June 30, 2024	Initial investment amount: Balance as of December 31, 2023	Shares held as of December 31, 2022: Number of shares	Shares held as of December 31, 2022: Ownership (%)	Shares held as of December 31, 2022: Book value	Net profit (loss) of the investee For the year ended December 31, 2021 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2021 (Note 2(3))	Footnote
Kwong Fong Industries Corporation	Kwong Fong Holdings Limitd	British Virgin Islands(BVI)	General Investment	USD 30,442	USD 30,442	30,442	100%	$ 1,857,603	$ 54,696	$ 54,696	Note 3
"	Pao Fong Asset Management Co., Ltd.	28F., No.97, Sec.2, Dunhua S, Rd., Da'an Dist., Taipei City 106, Taiwan	Real estate sale, lease, development	$ 1,337,716	$ 1,337,716	10,000	100%	773,311	(19,819)	(19,819)	"
"	Mdbs Digital Technology Co., Ltd.	18F., No.105, Sec.2, Dunhua S, Rd., Da'an Dist., Taipei City 106, Taiwan	Information software service industry	60,000	60,000	1,612	51%	46,230	5,013	2,486	"
"	Galaxy Digital Co., Ltd.	18F., No.105, Sec.2, Dunhua S, Rd., Da'an Dist., Taipei City 106, Taiwan	"	34,900	34,900	2,169	51%	48,315	25,473	12,469	"
Galaxy Digital Co., Ltd.	Digital Securities Investment Consulant Co., Ltd.	18F., No.105, Sec.2, Dunhua S, Rd., Da'an Dist., Taipei City 106, Taiwan	Securities Investment Advisory Industry	20,000	20,000-	2,000	100%	17,174	(25)	(25)	Note 3

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations：

(1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2021' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

(2) The 'Net profit (loss) of the investee for the year ended December 31, 2021' column should fill in amount of net profit (loss) of the investee for this period.

(3) The'Investment income (loss) recognised by the Company for the year ended December 31, 2022' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Note3: This transaction was written off when the consolidated financial statements were prepared.

Kwong Fong Industries Corporation and Subsidiaries
Major shareholders information
September 30, 2024

Table 5

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Luo Sheng Fong Co., Ltd.	16,695,400	9.00%
Hemisphere Industries Corp.	16,296,746	8.79%
Leo Ho	12,772,701	6.89%