

KWONG FONG INDUSTRIES CORPORATION
PARENT COMPANY ONLY FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS'REPORT
DECEMBER 31, 2024 AND 2023

INDEPENDENT AUDITORS' REPORT

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

Introduction

We have audited the accompanying parent company only balance sheets of Kwong Fong Industries Corporation as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Kwong Fong Industries Corporation as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" .

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of

most significance in our audit of the parent company's only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters of the parent company only financial statements for the year ended December 31, 2024 are as follows:

Investing in subsidiaries using the equity method- Measurement of Financial Assets at Fair Value of Fulcrest Limited

Description

As of December 31, 2023, Kwong Fong Industries Corporation holds a subsidiary - Kwong Fong Holdings Limitd, with an investment amount of NT\$2,123,693 thousand using the equity method, accounting for 41% of the total assets. It has a significant impact on the individual financial statements of Kwong Fong Industries Corporation. Therefore, The subsidiary holds Hong Kong-based Fulcrest Limited with a fair value of NT\$1,404,704 thousand. Since the assumptions used in the fair value assessment involve subjective judgment and uncertainty, the auditor has identified the key audit matter of Fulcrest Limited's financial asset fair value measurement as one of the most important audit matters for the current year.

How our audit addressed the matter

key audit procedures performed in respect of the above key audit matter included the following:

1. Investigate and assess the management's policy and evaluation procedures for financial assets measured at fair value through other comprehensive income.
2. Obtain and evaluate the value of the stock right evaluation report issued by an external evaluation expert appointed by the management, including determining the independence, competence, and objectivity of the external evaluation expert.
3. The evaluation model used in the value of stock right evaluation report is generally used where it is appropriate.

4. Evaluate the applicability and validity of the key assumptions used in the value of stock right evaluation report.
5. Ensure that the value of the stock right evaluation report's fair value corresponds to the carrying amount.

Investing in subsidiaries using the equity method- Accuracy of recognition of revenue from information software service.

Description

As of December 31, 2024, Kwong Fong Industrial Co., Ltd. holds an investment of NT\$50,880 thousand in its subsidiary, Mdb Digital Technology Co., Ltd., under the equity method. The subsidiary recognizes information system development revenue based on the percentage-of-completion method, with the completion percentage determined by the ratio of hours worked to estimated total hours as of the balance sheet date. This significantly impacts Kwong Fong 's individual financial statements, and the auditor has identified the accuracy of the subsidiary's revenue recognition as a key audit matter for the current year.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Understand and test the effectiveness of internal controls related to information system development revenue.
2. Obtain project contracts and revenue reports, sample and review supporting documents for hours worked and project cost budgets to confirm contract timelines and the accuracy of the hours worked proportion, verifying the reasonableness of the completion percentage calculation.
3. Verify the accuracy of the management's calculations for information system development revenue, cross-check customer contract terms and payment conditions, and recalculate the recognized revenue based on the completion percentage, ensuring consistency with the recorded revenue.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the audit evidence obtained, reach a conclusion on the appropriateness of the management's use of the going concern assumption and whether there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that such events or

conditions exist, the auditor is required to draw attention to the related disclosures in the financial statements in the audit report or, when such disclosures are inadequate, to modify the audit opinion. The auditor's conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause Guang Feng Industrial Co., Ltd. to lack the ability to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of the components of Kwong Fong Industries Corporation to express an opinion on the individual financial statements. The auditor is responsible for the direction, supervision, and performance of the individual audit engagement, as well as for forming an audit opinion on the individual financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lai, Chung-Hsi Chih, Ping-Chiun
For and on behalf of PricewaterhouseCoopers, Taiwan
March 14, 2025

Kwong Fong Industries Corporation
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS		Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
CURRENT ASSETS						
1100	Cash and cash equivalents	6(1)	\$ 9,306	-	\$ 107,222	3
1110	Financial assets at fair value	6(2)and8				
	through profit or loss - current		97,448	2	73,444	2
1200	Other receivables		8,065	-	57,252	1
1220	Income tax assets		6,947	-	4,190	-
1410	Prepayments		1,894	-	1,864	-
1470	Other current assets		58		-	
11XX	Total current assets		123,718	2	243,972	6
NONCURRENT ASSETS						
1510	Financial assets at fair value	6(2)				
	through profit or loss - noncurrent		252,153	5	-	
1517	Financial assets at fair value	6(3) and 8				
	through other comprehensive					
	income-noncurrent		1,802,307	35	1,287,319	32
1550	Investments accounted for using	6(4)				
	equity method		2,993,986	58	2,426,674	60
1600	Property, plant and equipment	6(5)	1,244	-	2,488	-
1755	Right-of-use assets	6(6)	5,934	-	11,868	-
1840	Deferred income tax assets	6(24)	3,211	-	5,549	-
1920	Refundable deposits	6(7)	2,074	2	58,742	2
15XX	Total noncurrent assets		5,060,909	98	3,792,640	94
1XXX	Total assets		\$ 5,184,627	100	\$ 4,036,612	100

(Continued)

Kwong Fong Industries Corporation
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY		Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current Liabilities						
2100	Short-term loans	6(8)	\$ 115,000	2	40,000	1
2110	Short-term bills payable	6(9)and8	199,792	4	19,985	1
2120	Financial liabilities measured at fair value through profit or loss- current	6(10)	-	-	56,783	1
2130	Current contract liabilities	6(17) and 7	57	-	\$ 57	-
2150	Notes payable		29	-	-	-
2200	Other payables	7	11,549	-	76,529	2
2280	Lease liabilities-Current		6,173	-	6,093	-
2300	Other current liabilities		143	-	187	-
21XX	Total current liabilities		332,743	6	199,634	5
Noncurrent liabilities						
2540	Long-term bank loans	6(11)and8	371,410	7	295,695	7
2570	Deferred income tax liabilities	6(24)	198,818	4	40,250	1
2580	Non-current lease liabilities		6	-	6,179	-
2645	Guarantee deposits		500	-	500	-
25XX	Total noncurrent liabilities		570,734	11	342,624	8
2XXX	Total liabilities		903,477	17	542,258	13
EQUITY						
Capital		6(13)				
3110	Capital stock		1,853,422	36	1,853,422	46
Capital surplus		6(14)				
3200	Capital surplus		50,069	1	50,079	2
Retained earnings		6(15)				
3310	Appropriated as legal capital reserve		425,230	8	415,698	10
3320	Appropriated as special capital reserve		76,252	2	76,252	2
3350	Unappropriated earnings		983,139	19	933,428	23
Other equity interest		6(16)				

The accompanying notes are an integral part of the parent company only financial statements.

Kwong Fong Industries Corporation
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

3400	Other equity interest		<u>893,038</u>	<u>17</u>	<u>165,475</u>	<u>4</u>
3XXX	Total equity		<u>4,281,150</u>	<u>83</u>	<u>3,494,354</u>	<u>87</u>
	Significant Contingent	9				
	Liabilities And Unrecognized					
	Contract Commitments					
	Significant Events After The	11				
	Balance Sheet Date					
3X2X	Total liabilities and equity		<u>\$ 5,184,627</u>	<u>100</u>	<u>\$ 4,036,612</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

Kwong Fong Industries Corporation
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	Items	Notes	2024		2023	
			Amount	%	Amount	%
4000	Net revenue	6(17) and 7	\$ 457	100	\$ 458	100
	Operating expenses	6(22)(23)				
6100	Selling expenses		(49)	(11)	-	-
6200	General and administrative		(42,281)	(9252)	(43,324)	(9459)
6000	Total operating expenses		(42,330)	(9263)	(43,324)	(9459)
6900	Loss from operations		(41,873)	(9163)	(43,866)	(9359)
	Non-operating income and expenses					
7100	Interest income	6(18) and 7	22,978	5028	4,957	1082
7010	Other income	6(19)	82,218	17991	103,150	22522
7020	Other gains and losses, net	6(20)	24,814	5430	(3,327)	(726)
7050	Finance costs	6(21)	(9,524)	(2084)	(4,880)	(1066)
7070	Share of profits of subsidiaries and associates	6(4)				
			76,132	16659	32,631	7125
7000	Total non-operating income and expenses		196,618	43024	132,531	28937
7900	Profit before income tax		154,745	33861	89,665	19578
7950	Income Tax (Expense) Benefit	6(24)	(7,815)	(1710)	5,438	1187
8200	Profit for the year		\$ 146,930	32151	\$ 95,103	20765
	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)	\$ 311,233	68103	\$ 121,409	26508
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		455,115	99588	(250,305)	(54652)
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently	(24)	(156,610)	(34269)	(8,786)	(1918)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		609,738	13342	(137,682)	(30062)

The accompanying notes are an integral part of the parent company only financial statements.

Kwong Fong Industries Corporation
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	Items that may be reclassified subsequently to profit or loss:				
8367	Net Unrealized gain/(loss) on investments in debt instruments at fair value through other comprehensive income	6(3)	10,301	2254	4,600 1004
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		114,782	25117	8,022 1752
8399	Income tax related to items that may be reclassified subsequently to profit or loss	(24)	(2,274)	(498)	
8360	Items that may be reclassified subsequently to profit or loss:		122,809	26873	12,622 2756
8300	Other comprehensive income (loss), net of income tax		\$ 732,547	16029 5	(\$ 125,060) (27306)
8500	Total comprehensive income for the year		\$ 879,477	19244 6	(\$ 29,957) (6541)
EARNINGS PER SHARE					
9750	Basic earnings per share (in dollars)	6(25)	\$ 0.79	\$ 0.51	
9850	Diluted earnings per share (in dollars)	6(25)	\$ 0.79	\$ 0.51	

The accompanying notes are an integral part of the parent company only financial statements.

Kwong Fong Industries Corporation
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

		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 Equity
Year 2023									
Balance at January 1, 2023		\$ 1,853,422	\$ 43,767	\$ 406,305	\$ 76,450	\$ 940,173	\$ 132,396	\$ 158,157	\$ 3,610,670
Profit for the year		-	-	-	-	95,103	-	-	95,103
Other comprehensive income (loss) for the year	6(16)	-	-	-	-	-	7,077	(132,137)	(125,060)
Total comprehensive income (loss)		-	-	-	-	95,103	7,077	(132,137)	(29,957)
Appropriation of 2022 earnings									
Legal reserve	6(15)	-	-	9,393	-	(9,393)	-	-	-
Cash dividends to shareholders	6(15)	-	-	-	-	(92,671)	-	-	(92,671)
Disposal of equity instruments at fair value through other comprehensive income						18		(18)	-
Dividends unclaimed by shareholders with claim period elapsed	6(14)	-	6,312	-	-	-	-	-	6,312
Reversal of special reserve		-	-	-	(198)	198	-	-	-
Balance at December 31, 2023		\$ 1,853,422	\$ 50,079	\$ 415,698	\$ 76,252	\$ 933,428	\$ 139,473	\$ 26,002	\$ 3,494,354
Year 2023									
Balance at January 1, 2024		\$ 1,853,422	\$ 50,079	\$ 415,698	\$ 76,252	\$ 933,428	\$ 139,473	\$ 26,002	\$ 3,494,354
Profit for the year		-	-	-	-	146,930	-	-	146,930
Other comprehensive income (loss) for the year	6(16)	-	-	-	-	-	114,658	617,889	732,547
Total comprehensive income (loss)		-	-	-	-	146,930	114,658	617,889	879,477

The accompanying notes are an integral part of the parent company only financial statements.

Kwong Fong Industries Corporation
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

		Retained Earnings					Others		Total Equity
		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	
Notes									
Appropriation of 2023 earnings									
Legal reserve	6(15)	-	-	9,532	-	(9,532)	-	-	-
Cash dividends to shareholders	6(15)	-	-	-	-	(92,671)	-	-	(92,671)
Disposal of equity instruments at fair value through other comprehensive income	6(3)(16)					4,984		(4,984)	-
Expired unclaimed dividends transferred to capital surplus	6(14)	-	(10)	-	-	-	-	-	(10)
Balance at December 31, 2024		<u>\$ 1,853,422</u>	<u>\$ 50,069</u>	<u>\$ 425,230</u>	<u>\$ 76,252</u>	<u>\$ 983,139</u>	<u>\$ 254,131</u>	<u>\$ 638,907</u>	<u>\$ 4,281,150</u>

The accompanying notes are an integral part of the parent company only financial statements.

Kwong Fong Industries Corporation
COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 154,745	\$ 89,665
Adjustments for			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(22)	7,178	7,288
Gain on financial assets at fair value through profit or loss	6(20)	(7,187)	(960)
Loss (gain) on disposal of property, plant and equipment, net	6(20)		(633)
Share of profits of subsidiaries and associates	6(4)	(76,132)	(32,631)
Interest income	6(18)	(22,978)	(4,957)
Dividend income	6(19)	(81,962)	(80,209)
Interest expense	6(21)	9524	4,880
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Other receivables		2,251	29,429
Prepayments		(88)	351
Changes in operating liabilities			
Contract liabilities		-	(70)
Notes payable		29	(24)
Other payables		(66,153)	59,058
Provision		-	(114)
Other current liabilities		(44)	(170)
Cash out generated from operations		(80,817)	70,903
Interest received		15,624	3,200
Cash dividend received		160,679	104,371
Interest paid		(8,351)	(293)
Income tax paid		(8,550)	(9,417)
Net cash generated by operating activities		<u>78,585</u>	<u>168,764</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		(214,258)	(242,237)
Disposal of financial assets at fair value through other comprehensive income		27,237	-
Acquisition of financial instruments at fair value through profit or loss		(399,748)	(63,764)
Disposal of financial instruments at fair value through profit or loss		116,080	-
Financial assets at fair value through profit or loss(day trading)		5,222	4,532
Financial assets at fair value through profit or loss(futures).		19,526	(10,538)
Disposal of property, plant		-	1,144
Increase in refundable deposits paid		(28,645)	(49,022)
Decrease in refundable deposits paid		85,313	41,061
Net cash generated by (used in) investing activities		<u>(389,273)</u>	<u>(318,824)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans		1,410,750	60,000
Decrease in short-term loans		(1,335,750)	(20,000)
Increase in short-term bills payable		2,147,050	29,964
Decrease in short-term bills payable		(1,967,243)	(9,979)
Proceeds from long-term bank loans		75,715	18,137
Net change in financial liabilities measured at fair value through profit or loss (short selling).		(12,543)	(840)
Cash dividends	6(15)	(92,671)	(92,671)

The accompanying notes are an integral part of the parent company only financial statements.

Kwong Fong Industries Corporation
COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Decrease in guarantee deposits received		-	(570)
Repayment of the principal portion of lease liabilities		(6,093)	(6,009)
(Expired) unclaimed dividends transferred to capital surplus	6(14)	(10)	6,312
Net cash generated by (used in) financing activities		219,205	(15,656)
Effect of exchange rate changes		(6,433)	12,213
Net decrease in cash and cash equivalents		(97,916)	(153,503)
Cash and cash equivalents at beginning of year		107,222	260,725
Cash and cash equivalents at end of year		\$ 9,306	\$ 107,222

The accompanying notes are an integral part of the parent company only financial statements.

KWONG FONG INDUSTRIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

1.GENERAL

Kwong Fong Industries Corporation (henceforth the "Company") was established in June 1968. The company 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.

2.THE AUTHORIZATION OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board of Directors on March 14, 2025.

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")

New standards, interpretations and amendments endorsed by the FSC effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendment</u>	<u>Effective date by International Accounting Standards Board</u>
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

Except for the following, 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:

<u>New Standards, Interpretations and Amendment</u>	<u>Effective date by International Accounting Standards Board</u>
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:

<u>New Standards, Interpretations and Amendment</u>	<u>Effective date by International Accounting Standards Board Pending IASB decision</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
The amendments to IFRS 9 and IFRS 7: "Contracts Involving Natural Power"	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 Company, the standards and interpretations do not have significant impacts on the Company's financial situation or financial performance:

A. Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The update specifies that equity instruments designated as measured at fair value

through other comprehensive income (FVOCI) under an irrevocable election should disclose the fair value by category, without the need to disclose the fair value information for each individual asset. Additionally, it should disclose the fair value gains or losses recognized in other comprehensive income during the reporting period, separately showing the fair value gains or losses of investments derecognized during the period and those still held at the reporting period's end, as well as the accumulated gains or losses transferred to equity upon derecognition of investments during the period.

B. 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.

C. 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 parent company only 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 financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”)

(2). Basis of Preparation

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

- (a) Financial assets and liabilities (including derivatives) measured at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.

B. The preparation of financial statements in accordance with IFRSs requires the use of significant accounting estimates and management judgment, particularly for items involving high judgment or complexity, or significant assumptions and estimates in the individual financial statements, as detailed in Note 5.

(3). Foreign currency translation

Items included in the parent company only 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 parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional 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 Company 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.

(4).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 company classifies all assets that do not meet the above criteria 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).Those without the right to defer the settlement of liabilities for at least twelve months after the reporting period.

The company classifies all liabilities that do not meet the above criteria as non-current.

(5).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.

(6).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 Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7).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 Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a).The objective of the Company'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 Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:
 - (a).The changes in fair value of equity investments that were recognized 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 recognized as other income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

- (b). Changes in the fair value of debt instruments are recognised in other comprehensive gains or losses, impairment losses, interest income and gains and losses on foreign currency conversion are reclassified into gains or losses in profits and losses.

(8). 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 Company'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 Company's 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.

(9). Notes, accounts and receivables

A. Notes and account receivable entitle the Company 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.

(10). 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 Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes 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 Company recognises the impairment provision for lifetime ECLs.

(11).Derecognition of financial assets

The Company will delist financial assets when one of the following conditions applies:

- A.The contractual right to receive cash flows from financial assets lapses.
- B.Transfer of contractual rights to receive cash flows from financial assets, and substantially all of the risks and rewards of ownership of financial assets have been transferred.
- C.The contractual right to transfer the cash flow of financial assets, but does not retain control over the financial assets

(12).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.

(13).Investments accounted for using equity method- subsidiaries

- A.Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company 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.
- B.Unrealized gains or losses resulted from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.
- C.After acquisition of subsidiaries, the Company recognizes proportionately for the share of profit and loss and other comprehensive incomes in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company's interests in that subsidiary, the Company continues to recognize its shares in the subsidiary's loss proportionately.
- D. In accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, the profit or loss and other comprehensive income or loss presented on the parent company only financial statements are consistent with those presented on the consolidated financial statements. In addition, owner’s

equity presented on the parent company only financial statements is consistent with equity attributable to owners of parent presented on the consolidated financial statements.

(14).Property, plant and equipment

- A.Property, plant and equipment are initially recorded at cost.
- 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 Company 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:
Leasehold Improvements 15 years

(15).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 Company. 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 Company 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.

(16). Impairment of non-financial assets

The Company 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.

(17). 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.

(18). Notes, accounts and payable

A. It refers to the debts incurred as a result of the purchase of goods or services and the bills payable arising from business and non-business.

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.

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

A.It refers to the financial liabilities that are held for trading with the main purpose of repurchasing in the near future, and other than derivatives designated as hedging instruments under hedging accounting.

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

(20).Derecognition of financial liabilities

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

(21).Non-hedging derivatives and roll-in derivatives

- A. Non-hedging derivatives are measured at fair value at the date of contract signing at the time of initial recognition, financial assets or liabilities at fair value through profit or loss, and subsequently at fair value, and their benefits or losses are recognized in profit or loss.
- B. In the case of a hybrid financial asset contract incorporated into a derivative instrument, the overall hybrid instrument is classified as a financial asset at fair value through profit or loss, a financial asset at fair value through other comprehensive profit or loss and a financial asset at amortized cost at the time of original recognition, according to the terms of the contract.
- C. In the case of a mixed contract of financial assets of the embedded derivatives, it has been decided whether to separate the economic characteristics and risks of the imported derivatives and the main contract according to the terms of the contract at the time of original recognition. When closely related, the overall hybrid instrument is treated according to the appropriate criteria according to its nature. When it is not closely related, the derivative is separated from the main contract and treated as a derivative, and the main contract is treated according to its nature according to the appropriate criteria; or the whole as a financial liability designated at fair value through profit or loss at the time of original recognition.

(22).Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

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.

(23).Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized 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 recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized 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.

(24).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.

(25).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.

(26).Revenue recognition

The company recognizes rental income from operating leases of real estate on a straight-line basis over the lease term, with the amounts recognized in profit or loss.

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

The preparation of these financial statements requires management to make critical judgements in applying the Company'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:

Critical accounting estimates and assumptions

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

The Company'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 Company's unlisted TWSE/TPEX stocks with no active market was \$281,113 as of December 31, 2024.

6.DETAILS OF SIGNIFICANT ACCOUNTS

(1).Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	\$ 33	\$ 75
Checking accounts and demand deposit	9,273	32,682
Time deposits	-	74,465
	<u>\$ 9,306</u>	<u>\$ 107,222</u>

A. The Company 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 Company has no cash and cash equivalents pledged to others.

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

Items	December 31, 2024	December 31, 20223
Current items :		
Mandatorily measured at FVTPL		
Listed (TSE) stocks	6,954	1,224
Derivative financial instruments	-	9,692
Structured Notes	66,398	62540
Convertible Bonds in Taiwan (Hybrid instruments)	11,279	-
Beneficiary Certificate	11,656	-
	<u>96,287</u>	<u>73,456</u>
Valuation adjustment	1,161	(12)
Total	<u>\$ 97,448</u>	<u>\$ 73,444</u>
Non-Current items :		
Mandatorily measured at FVTPL		
Preferred stock(Debt instruments)	\$ 250,000	\$ -
Valuation adjustment	<u>2,153</u>	<u>-</u>

Total	<u>\$ 252,153</u>	<u>\$</u>
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A. Amounts recognised in profit or loss in relation to the Financial assets at fair value through profit or loss are listed below :

	Year ended December 31, 2024	Year ended December 31, 2023
Mandatorily measured at FVTPL		
Equity instruments	\$ 5,161	\$ 4,527
Derivative financial instruments	7,406	817
Structured Notes	3,880	1,050
Hybrid instruments	(1,855)	
Beneficiary Certificate	492	
Debt instruments	2,153	
Total	<u>\$ 17,237</u>	<u>\$ 4,294</u>

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

	December 31, 2024	
	contract amount (Nominal principal)	Contracts period
Current items :		
Futures trading	<u>\$ -</u>	<u>-</u>
	December 31, 2023	
	contract amount (Nominal principal)	Contracts period
Current items :		
Futures trading	<u>\$ 9,692</u>	<u>112.11.15~113.01.17</u>

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

On December 31, 2024 and 2023, respectively, the retained margin balances in futures accounts were \$0 and \$19,765, while the excess margin balances were \$0 and \$10,073.

C.The Company will provide financial assets measured at fair value through profit or loss as collateral, as detailed in Note 8

D.Please refer to Note 12 and (2) for the credit risk information of financial assets measured at fair value through profit or loss.

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

Items	December 31, 2024	December 31, 2023
Non-current items :		
Debt instruments		
USD corporate bonds	\$ 400,410	\$ 189,287
Valuation adjustment	7,347	(2,954)
Subtotal	407,757	186,333
Equity instruments		
Hong Kong listed stocks	\$ 598,614	\$ 598,614
Vietnam Unlisted stocks	16,000	16,000
Taiwan Listed (TSE) stocks	451,656	470,774
Taiwan Unlisted stocks	9,954	9,954
Valuation adjustment	318,326	5,644
Subtotal	1,394,550	1,100,986
Total	\$ 1,802,307	\$ 1,287,319

A.The company has chosen to classify strategic investments, including listed and unlisted domestic and foreign stocks, as well as USD corporate bonds, as financial assets measured at fair value through other comprehensive income. The fair value of these investments as of December 31, 2024 and 2023 were \$1,802,307 and \$1,287,319, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the Financial assets at fair value through other comprehensive income are listed below :

Items	Year ended December 31, 2024	Year ended December 31, 2023
<u>Mandatorily measured at equity instruments</u>		
Changes in fair value recognized in other comprehensive gains or losses	\$ 317,666	\$ 121,409

Accumulated benefits are transferred to retained earnings due to delisting.	\$	4,984	\$	-
Dividend income recognized in profit or loss is still held at the end of the current period	\$	81,301	\$	74,051
<u>Mandatorily measured at debt instruments</u>				
Changes in fair value recognized in other comprehensive gains or losses	\$	10,301	\$	4,600
Interest income recognised in profit or loss	\$	16,186	\$	3,590

C.The Group's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, were NT\$1,802,307 and NT\$1,287,319 for financial assets at fair value through other comprehensive income, as of December 31, 2024 and 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 and (2) for information on the credit risk of financial assets at fair value through other comprehensive gains or losses.

(4).Investments accounted for using equity method

	2024	2023
At January 1	\$ 2,426,674	\$ 2,276,665
Increase investments for using equity method	-	383,823
Earnings distribution of investments accounted for using equity method	(78,717)	(24,162)
Share of profit or loss of investments accounted for using equity method	76,132	32,631
Changes in other equity items-	114,658	7,077

cumulative translation

adjustments

Changes in other equity items-

455,239 (249,360)

Unrealized gains and losses on

financial assets

At December 31

<u>\$</u>	<u>2,993,986</u>	<u>\$</u>	<u>2,426,674</u>
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	December 31, 2024	December 31, 2023
Subsidiaries		
Kwong Fong Holdings Limitd	\$ 2,123,693	\$ 1,541,489
Pao Fong Asset Management Co., Ltd.	767,907	791,179
Mdbs Digital Technology Co., Ltd.	50,880	49,456
Galaxy Digital Co., Ltd.	51,506	44,550
	<u>\$ 2,993,986</u>	<u>\$ 2,426,674</u>

A.The Company's reinvestment in Chin Fung Industrial Co., Ltd. and Grandcheer Construction Corporation were dissolved and liquidated in December 2000 and October 2007 respectively. As of December 31, 2024, they are still in the process of liquidation middle. The company stopped using the equity method when it handled the dissolution and liquidation.

B.On March 24, 2023, the Company was approved by the Board of Directors to acquire 12,641,792 shares issued by its subsidiary, Kwong Fong Holdings Limitd. Based on the amount of \$665,445 of financial asset measured at fair value through other comprehensive income and \$281,622 of long-term borrowings, net carrying book value of \$383,823, thus increasing the investment amount using the equity method by \$383,823.

(5).Property, plant and equipment

	2024			
	Office equipment	Others equipment	Leasehold Improvem ents	Total
At January 1				
Cost	\$ 3,189	\$ 402	\$ 6,200	\$ 9,791
Accumulated depreciation	(3,189)	(402)	(3,712)	(7,303)
	<u>\$ -</u>	<u>-</u>	<u>\$ 2,488</u>	<u>\$ 2,488</u>
At January 1	-	-	-	-
	\$ -	\$ -	\$ 2,488	\$ 2,488
Depreciation			(1,244)	(1,244)
At December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,244</u>	<u>\$ 1,244</u>
At December 31				
Cost	\$ 3,189	\$ 402	\$ 6,200	\$ 9,791
Accumulated depreciation	(3,189)	(402)	(4,956)	(8,547)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,244</u>	<u>\$ 1,244</u>

	2023			
	Office equipment	Others equipment	Leasehold Improvem ents	Total
At January 1				
Cost	\$ 6,389	\$ 402	\$ 6,200	\$ 12,991
Accumulated depreciation	(5,767)	(402)	(2,468)	(8,637)
	<u>\$ 622</u>	<u>-</u>	<u>\$ 3,732</u>	<u>\$ 4,354</u>
At January 1	622	-	-	4,354
	\$		3,732	
Delist – Cost	(511)		-	(511)
Depreciation	(111)	-	(1,244)	(1,355)
At December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,488</u>	<u>\$ 2,488</u>
At December 31				
Cost	\$ 3,189	\$ 402	\$ 6,200	\$ 9,791
Accumulated depreciation	(3,189)	(402)	(3,712)	(7,303)
	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ 2,488</u>	<u>\$ 2,488</u>

(6).Leasing arrangements - lessee

A.The 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 :

	December 31, 2024	Year ended December 31, 2024	December 31, 2023	Year ended December 31, 2023
	Amount	Depreciation	Amount	Depreciation
Buildings	\$ 5,260	\$ 5,260	\$ 10,519	\$ 5,259
Transportation equipment	674	674	1,349	674
	\$ 5,934	\$ 5,934	\$ 11,868	\$ 5,933

D. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were \$0 and \$745, respectively.

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

	Year ended December 31, 2024	Year ended December 31, 2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 122	\$ 201
Expense on short-term lease contracts	320	320
Expense on leases of low-value assets	73	68

F. For the years ended December 31, 2024 and 2023, the total cash outflow for leases amounted to \$6,608 and \$7,343, respectively.

(7). Refundable deposits

Items	December 31, 2024	December 31, 2023
Futures Trading Margin	\$ -	\$ 7,646
Leases margin	1,462	1,462
Securities margin	-	49,022
Other	612	612
	<u>\$ 2,074</u>	<u>\$ 58,742</u>

(8). Short-term loans

Type of borrowings	December 31, 2023	Interest rate	Collaterals
<u>Loans</u>			
Bank loans			
Secured loans	\$ 35,000	2.05%	Financial assets at fair value through other comprehensive income
Unsecured bank loans	80,000	1.98%	None

	<u>\$</u> <u>115,000</u>		
Type of borrowings	December 31, 2023	Interest rate	Collaterals
Loans			
Bank loans			
Unsecured bank loans	40,000	1.85%	None

A. In 2024 and 2023, the Company recognized interest accrued in the amounts of \$6,638 and \$4,636 related to its long-term and short-term borrowings, respectively.

B. Information relating to the Company's short-term loans pledged to others as collaterals are provided in Note 8.

(9). Short-term bills payable

Type of borrowings	December 31, 2024	December 31, 2023
Short-term bills payable	\$ 200,000	\$ 20,000
Less: Discount on short-term notes and bills payable	(208)	(15)
	<u>199,792</u>	<u>19,985</u>
Interest rate	1.72%~2.09%	1.52%

A. In 2024 and 2023, the Company recognized interest accrued in the amounts of \$2,764 and \$20.

B. Information relating to the Company's short-term bills payable pledged to others as collaterals are provided in Note 8.

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

Items	December 31, 2024	December 31, 2023
Current :		
Financial liabilities at FVTPL		
Held for trading		
Securities lending transaction	\$ -	\$ 54,465
Revaluation	-	2,318
Total	<u>\$ -</u>	<u>\$ 56,783</u>

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

	2024	2023
Net profit or loss recognized in profit or loss :		
Financial liabilities at FVTPL Held for trading	(\$ 10,050)	(\$ 3,334)

(11).Long-term bank loans

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	December 31, 2024	<u>Collaterals</u>
Long-term loans				
Secured loans-JPY	The loan in JPY(JPY 1,313,203 thousand) was taken from December 23, 2024 to January 27, 2025 .It may be extended if fully secured, with monthly interest payments..	1.09%	\$ 275,772	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 (CHF2,637 thousand) was taken from April 3, 2024 to April 3, 2025 .It may be extended if fully secured, with monthly interest payments..	2.00%	95,638	"
Less: Long-term liabilities - current portion			\$ -	
			<u>\$ 371,410</u>	

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	December 31, 2023	<u>Collaterals</u>
Long-term loans				
Secured loans-JPY	The loan in JPY(JPY922,077 thousand) was taken from November 17, 2023 to February 19, 2024 .It may be extended if fully secured, with monthly interest payments..	0.78%	\$ 200,275	Financial assets at fair value through other comprehensive income 、
Secured loans-CHF	The loan in CHF (CHF2,615 thousand) was taken from December 6, 2024 to January 3, 2025 .It may be extended if fully secured, with monthly interest payments..	2.50%	95,420	"
Less: Long-term liabilities - current portion			\$ -	
			<u>\$ 295,695</u>	

Information relating to the Company's long-term loans pledged to others as

collaterals are provided in Note 8.

(12).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 Company for the years ended December 31, 2024 and 2023 were \$599 and\$655 , respectively.

(13).Capital stock

As of December 31, 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.

(14).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	-	(10)	(10)
At December 31	\$ 30,861	\$ 19,208	\$	50,069

		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 December 31	\$ 30,861	\$ 19,218	\$	50,079

(15).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).When IFRSs are first adopted, the proportion of the original special reserve mentioned in the special surplus reserve mentioned in the letter No. 1090150022 dated March 31, 110 of the Republic of China will be reversed when the Company subsequently uses, disposes of or reclassifies the

relevant assets.

E. The Company held the regular shareholders' meeting on May 30, 2024, and May 31, 2023, and respectively resolved the 2023 and 2022 earnings distribution proposals as follows:

	2023		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	<u>92,671</u>	\$ 0.50	<u>92,671</u>	\$ 0.50
Total	\$ <u>102,203</u>		\$ <u>102,064</u>	

F. The appropriation of 2024 earnings resolved by the Board of Directors on March 14, 2025 is as follows:

	2024	
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	\$ 15,191	
Appropriation of cash dividends to shareholders	103,792	\$ 0.56
Total	<u>\$ 118,983</u>	

As of March 14, 2025, the above-mentioned 2024 earnings appropriation had not been resolved by the stockholders' meeting.

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

(16). Other equity items

	2024		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	\$ 26,002	\$ 139,473	\$ 165,475
Revaluation	327,967	-	327,967
Revaluation-	455,239	-	455,239

Subsidiaries			
Revaluation – tax	(158,884)	-	(158,884)
Evaluation	(4,984)	-	(4,984)
adjustments are carried out to retained surpluses			
Currency translation differences	-	114,658	114,658
Foreign exchange impact	(6,433)		(6,433)
At December 31	\$ 638,907	\$ 254,131	\$ 893,038

	2023		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	\$ 158,157	\$ 132,396	\$ 290,553
Revaluation	126,009	-	126,009
Revaluation-Subsidiaries	(249,360)	-	(249,360)
Revaluation – tax	(8,786)	-	(8,786)
Evaluation	(18)	-	(18)
adjustments are carried out to retained surpluses-			
Subsidiaries			
Currency translation differences	-	7,077	7,077
At December 31	\$ 26,002	\$ 139,473	\$ 165,475

(17).Operating revenue

- A. The revenue is mainly from the transfer of products and services over time or at a point in time.

	2024	2023
Revenue from external customer contracts		
Revenue from the	\$ 457	\$ 458

transfer of services
over time-Rental
revenue

B. Contract liabilities

(a).The Company has recognized the following revenue-related
contract assets and liabilities:

	December 31, 2024	December 31, 2023	At January 1, 2022
Contract liabilities	\$ 57	\$ 57	\$ 127

(b).Revenue recognised that was included in the contract liability balance
at the beginning of the period

	Year ended December 31, 2024	Year ended December 31, 2023
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Rent in advance	\$ 57	\$ 127

(18).Interest income

	2024	2023
Interest income from bank deposits	\$ 750	\$ 1,143
Interest income from financial assets at fair value through profit or loss	6,019	-
Interest income on financial assets at fair value through other comprehensive gains or losses	16,189	3,590
Other Interest income	23	224
	\$ 22,978	\$ 4,957

(19).Other income

	2024	2023
Dividend income	\$ 81,962	\$ 80,209

Other income, others	256	22,941
	\$ <u>82,218</u>	\$ <u>103,150</u>
<u>(20).Other gains and losses</u>		
	Year ended December 31, 2024	Year ended December 31, 2023
Loss on disposal of property, plant and equipment	\$ -	\$ 633
Unrealized gain on foreign currency exchange, net	18,071	(1,911)
(Loss) interest in financial assets (liabilities) at fair value through profit or loss	7,187	960
Other expenses	(444)	(3,009)
	\$ <u>24,814</u>	(\$ <u>3,327</u>)

(21).Finance costs

	Year ended December 31, 2024	Year ended December 31, 2023
Interest expense		
Bank loans	\$ 6,638	\$ 4,636
Commercial papers payable	27,64	20
Imputed interest for deposit		2
Other finance expense	122	222
	\$ <u>9,524</u>	\$ <u>4,880</u>

(22).Expenses by nature

	Year ended December 31, 2024	Year ended December 31, 2023
Employee benefit expense	\$ 23,230	\$ 23,072
Depreciation charges on right-of- use assets	5,934	5,933
Depreciation charges on property, plant and equipment	1,244	1,355
	\$ <u>30,408</u>	\$ <u>30,360</u>

(23).Employee benefit expense

	Year ended December 31, 2024	Year ended December 31, 2024
Wages and salaries	\$ 17,713	17,375
Labor and health insurance fees	1,172	1,275
Pension costs	599	655
Directors' remuneration	3,180	3,180
Other personnel expenses	566	587
	<u>\$ 23,230</u>	<u>\$ 23,072</u>

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 December 31, 2024 and 2023, employees' compensation was accrued at \$600, respectively; while directors' and supervisors' remuneration was accrued at \$900, respectively. The aforementioned amount is listed in the account of salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 0.38% and 0.58% of distributable profit of current year. The actual distributed amounts as resolved by the Board of Directors were in agreement with the accrued amounts. The employees' compensation will be distributed in the form of cash.

The employee compensation and director and supervisor remuneration for the year 2023, as resolved by the Board of Directors, are consistent with the amounts recognized in the 2023 financial report.

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.

(24).Income tax

A.Income tax (benefit) expense

(a).Components of income tax (benefit) expense

<u>Year ended</u>	<u>Year ended</u>
-------------------	-------------------

	December 31, 2024	December 31, 2023
Current tax :		
Current tax on profits for the period	\$ 43,611	\$ 35,311
Under/(Over)estimation of Income Tax in Prior Years	(9)	76
Income tax impact of Joint Return	(37,809)	(29,846)
Total current tax	<u>5,793</u>	<u>5,541</u>
Deferred tax :		
Origination and reversal of temporary differences	2,022	(10,979)
Income tax expense (benefit)	\$ <u>7,815</u>	(\$ <u>5,438</u>)

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

	Year ended December 31, 2024	Year ended December 31, 2023
Changes in fair value of financial assets at fair value through other comprehensive loss	\$ <u>158,884</u>	\$ <u>8,786</u>

B. Income Tax (Expense) Benefit and Accounting Profit Relationship:

	Year ended December 31, 2024	Year ended December 31, 2023
Tax calculated based on profit before tax and statutory tax rate	\$ 30,949	\$ 17,933
Income tax impact of items adjusted in accordance with tax laws	2,166	4,681
Under/(Over)estimation of Income Tax in Prior Years	(9)	76
Changes in the evaluation of deferred tax assets and liabilities	12,518	(10,000)
Income tax impact of stock-	-	11,718

priced investments

Income tax impact of Joint (37,809) (29,846)

Return

Income tax expense \$ 7,815 \$ 5,438
(benefit)

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows :

Year ended December 31, 2024				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences :				
Deferred tax assets :				
Unused compensated absences payable	\$ 172	(\$ 23)	\$ -	\$ 149
Loss on valuation of financial assets	592	-	(592)	-
Exchange loss	3,003	(2,105)	-	898
Other	1,782	382	-	2,164
Subtotal	5,549	(1,746)	(592)	3,211
Deferred tax liabilities :				
Investment income of foreign subsidiaries	(32,651)	342	-	(32,309)
Financial asset valuation benefits	(7,599)	(618)	(158,292)	(166,509)
Subtotal	(40,250)	(276)	(158,292)	(198,818)
Total	(\$ 34,701)	(\$ 2,022)	(\$ 158,884)	(\$ 195,607)

Year ended December 31, 2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences :				
Deferred tax assets :				
Unused compensated absences payable	\$ 198	(\$ 26)	\$ -	\$ 172
Loss on valuation of financial assets	1,779	-	(1,187)	592
Provisions for liabilities - onerous contracts	23	(23)	-	-

Tax losses	-	-	-	-
Exchange loss	2,570	433	-	3,003
Other	1,188	594	-	1,782
Subtotal	<u>5,758</u>	<u>978</u>	<u>(1,187)</u>	<u>5,549</u>
Deferred tax liabilities :				
Investment income of foreign subsidiaries	(42,652)	10,001	-	(32,651)
Financial asset valuation benefits	-	-	(7,599)	(7,599)
Subtotal	(<u>42,652</u>)	<u>10,001</u>	(<u>7,599</u>)	(<u>40,250</u>)
Total	(\$ <u>36,894</u>)	\$ <u>10,979</u>	(\$ <u>8,786</u>)	(\$ <u>34,701</u>)

D. Deductible temporary differences that are not recognized as deferred income tax Assets by the Company.

	December 31, 2024	December 31, 2023
Deductible temporary differences	\$ <u>16,000</u>	\$ <u>13,911</u>

E. 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.

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

(25).Earnings per share

	Amount after tax	Year ended December 31, 2024 Weighted average number of ordinary shares outstanding(share in thousands)	Earnings per share(in dollars)
<u>Basic earnings per share</u>			
Net profit	\$ 146,930	185,342	\$ 0.79
<u>Diluted earnings per share</u>			
Net profit	\$ 146,930	185,342	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	55	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of	\$ 146,930	185,397	\$ 0.79

all shares

		Year ended December 31, 2023	
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Net profit	\$ 95,103	185,342	\$ 0.51
<u>Diluted earnings per share</u>			
Net profit	\$ 95,103	185,342	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	63	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all shares	\$ 95,103	185,405	\$ 0.51

(26). Changes in liabilities from financing activities

	2024					
	Short-term loans	Short-term bills payable	Long-term borrowings	Guarantee deposits received	Lease liabilities	Liabilities from financing activities- gross
January 1	\$ 40,000	\$ 19,985	\$ 295,695	\$ 500	\$ 12,272	\$ 368,452
Changes in cash flow from financing activities	75,000	179,807	75,715	-	(6,093)	324,429
December 31	\$ 115,000	\$ 199,792	\$ 371,410	\$ 500	\$ 6,179	\$ 692,881

	2023					
	Short-term loans	Short-term bills payable	Long-term borrowings	Guarantee deposits received	Lease liabilities	Liabilities from financing activities- gross
January 1	\$ 40,000	\$ -	\$ 564,541	\$ 1,070	\$ 17,535	\$ 583,146
Changes in cash flow from financing activities	75,000	19,985	18,137	(570)	(6,008)	71,544)

Impact of exchange rate changes	-		(6,438)			(6,438)	
Transfer of pricing investment subsidiary	-		(281,622)			(281,622)	
Changes in other non-cash item	-	-	1,077	-	745	1,822	
December 31	\$ 40,000	\$ 19,985	\$ 295,695	\$ 500	\$ 12,272	\$ 368,452	

7. RELATED PARTY TRANSACTIONS

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

Names of related parties	Relationship with the Company
Pao Fong Asset Management Co., Ltd.	Subsidiary
Kwong Fong Holdings Limitd	Subsidiary
Mdb's Digital Technology Co., Ltd.	Subsidiary
Galaxy Digital Co., Ltd.	Subsidiary
Digital Securities Investment Consultant Co., Ltd.	Sub-subsidiary
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. Operating revenue

	Year ended December 31, 2024	Year ended December 31, 2023
Hemisphere Industries Corp.	\$ 229	\$ 229
Luo Sheng Fong Co., Ltd.	114	114
Luo Shengtai Co., Ltd.	114	114
	<u>\$ 457</u>	<u>\$ 457</u>

B. Operating expenses

	Year ended December 31, 2024	Year ended December 31, 2023
Digital Securities Investment Consultant Co., Ltd.	\$ 462	\$ -
	<u></u>	<u></u>

C. Contract liabilities

	Year ended December 31, 2024	Year ended December 31, 2023
Luo Sheng Fong Co., Ltd.	\$ 29	\$ 29
Luo Shengtai Co., Ltd.	28	28
	<u>\$ 57</u>	<u>\$ 57</u>
D. Payables to related parties		
	December 31, 2024	December 31, 2023
Other payables	\$ 1,533	\$ 2,586
Kwong Fong Holdings Limitd		
E. Fund loan and related parties		
<u>Loans to related parties</u>		
Interest income		
	Year ended December 31, 2024	Year ended December 31, 2023
Mdb's Digital Technology Co., Ltd.	\$ -	\$ 56

The terms of lending to affiliated companies are monthly repayment within 1 year after the loan is made, and the interest in the 2023 of the Republic of China is charged at an annual rate of 1.89%.

F. Provision of endorsements and guarantees to related parties

	December 31, 2024	December 31, 2023
Galaxy Digital Co., Ltd.	\$ 50,000	\$ 20,000

(3). Key management compensation

	2024	2023
Salaries and other short-term employee benefits	\$ 13,606	13,243
Post-employment benefits	361	354
Total	<u>\$ 13,967</u>	<u>13,597</u>

8 ° PLEDGED ASSETS

The Company's assets pledged as collateral are as follows :

Pledged assets	Book value		Purpose
	December 31, 2024	December 31, 2023	
Financial assets at fair value through other comprehensive income	\$ 1,596,674	\$ 880,432	Loan and note guarantee
Financial assets at fair value through profit or loss	47,356	-	loan collateral
	<u>\$ 1,644,030</u>	<u>\$ 880,432</u>	

9 ◦ SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT

None.

1 0 ◦ SIGNIFICANT DISASTER LOSS

None.

1 1 ◦ SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The company's proposed 2024 profit distribution was approved by the board on March 14, 2025. For details, please refer to section 6, item (15).

1 2 ◦ OTHERS

(1).Capital management

The Company's objectives when managing capital are to safeguard the Company'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 Company 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 category

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 349,601	\$ 73,444
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	1,394,549	1,100,986
Qualifying debt instrument investment	407,758	186,333
Financial assets at amortized cost		

Cash and cash equivalents	9,306	107,222
Other receivables	8,065	57,252
Guarantee deposits paid	2,074	58,742
	<u>\$ 2,171,353</u>	<u>\$ 1,583,979</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Financial liabilities		
Financial liabilities measured at fair value through profit or loss		
Financial liabilities held for trading	\$	\$ 56,783
Financial liabilities at amortized cost		
Short-term loans	115,000	40,000
Short-term bills payable	199,792	19,985
Contract liabilities	57	57
Notes payable	29	-
Other payables	11,549	76,529
Long-term liabilities	371,410	295,695
Guarantee deposits received	500	500
	<u>\$ 698,337</u>	<u>\$ 489,549</u>
Lease liabilities	<u>\$ 6,179</u>	<u>\$ 12,272</u>

B. Financial risk management policies

- (a). The Company'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 Company's Finance Department under policies approved by the Board of Directors. The Company's Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Company'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, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a). Market risk

Foreign exchange risk

- I. The Company's main source of foreign exchange risk is the operational team's net investment of institutions that operate as a team. The Company

does not hedge the net investment of foreign operating institutions because it is a strategic investment.

II. The company's business and foreign investments involve several non-functional currencies (with the functional currency for the company and some subsidiaries being TWD, and one subsidiary using USD). As a result, foreign currency assets and liabilities are significantly impacted by exchange rate fluctuations, as detailed below:

(Foreign currency: functional currency)	December 31, 2024		
	Foreign currency amount	Exchange rate	Book value(NTD)
<u>Financial assets</u>			
<u>Non-monetary items</u>			
USD : NTD	\$ 79,675	32.790	\$ 2,612,587
HKD : NTD	223,724	4.220	944,115
<u>Financial liabilities</u>			
<u>Non-monetary items</u>			
JPY : NTD	\$ 1,313,203	0.210	\$ 275,772
CHF : NTD	2,637	36.270	95,638
(Foreign currency: functional currency)	December 31, 2023		
	Foreign currency amount	Exchange rate	Book value(NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 2,295	30.705	\$ 70,467
<u>Non-monetary items</u>			
USD : NTD	\$ 58,229	30.705	\$ 1,787,929
HKD : NTD	162,028	3.929	636,608
<u>Financial liabilities</u>			
<u>Non-monetary items</u>			
JPY : NTD	\$ 922,926	0.217	\$ 200,275
CHF : NTD	2,615	36.485	95,420

III. The aggregate amounts of all exchange gains and losses (including realized and unrealised) recognized in the Group's monetary items in 2024 and 2023 were \$18,071 and (\$1,911) respectively due to the significant impact of exchange rate fluctuations.

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

(Foreign currency: functional currency)	Year ended December 31, 2024			
	Sensitivity analysis			
	Degree of variation		Effect on profit or loss	Effect on othe comprehensive income
<u>Financial assets</u>				
<u>Non-monetary items</u>				
USD : NTD	1.00%	\$	811	\$ 25,315
HKD : NTD	1.00%		-	9,441
<u>Financial liabilities</u>				
<u>Non-monetary items</u>				
JPY : NTD	1.00%	\$	2,758	\$ -
CHF : NTD	1.00%		956	-
(Foreign currency: functional currency)	Year ended December 31, 2023			
	Sensitivity analysis			
	Degree of variation		Effect on profit or loss	Effect on othe comprehensive income
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1.00%	\$	705	-
<u>Non-monetary items</u>				
USD : NTD	1.00%	\$	604	\$ 17,275
HKD : NTD	1.00%		-	6,366
<u>Financial liabilities</u>				
<u>Non-monetary items</u>				
JPY : NTD	1.00%	\$	2,003	\$ -
CHF : NTD	1.00%		954	-

Price risk

I. The Company's equity instruments exposed to price risk are financial assets held at fair value through profit or loss and at fair value through other comprehensive gains or losses. In order to manage the price risk of investments in equity instruments, the Group diversifies its investment portfolio in accordance with the limits set by the Company.

II. The Company primarily invests in equity instruments and open-end funds issued by domestic and foreign companies, whose prices are influenced by the uncertainties regarding the future value of these investments. If the prices of these equity instruments change by 1%, with all other factors held constant, the after-tax net profit for 2024 and 2023 would increase or decrease by \$69 and \$12, 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 \$12,057 and \$9,732, respectively.

Cash flow and fair value interest rate risk

The Company's borrowings are measured at amortized cost and are subject to annual repricing in accordance with the contract, so the Company is exposed to the risk of future market interest rate fluctuations.

(b).Credit risk

- I. The Company's credit risk arises from the risk of financial loss due to customers or counterparties failing to fulfill contractual obligations, mainly from uncollected receivables and contractual cash flows of debt instrument investments measured at fair value through profit or loss and other comprehensive income.
- II. The Company has established a credit risk management system. Only counterparties, such as banks and financial institutions, with high independent credit ratings are accepted for transactions. In accordance with the Company's internal credit policy, each new customer undergoes a credit assessment and risk analysis prior to the establishment of payment terms and delivery conditions. Internal risk control procedures evaluate the credit quality of customers based on their financial position, the Company's internal credit ratings, historical experience, and other relevant factors. Individual credit limits are determined by the Board of Directors based on internal or external credit ratings and are monitored on a regular basis.
- III. The Company adopts IFRS 9 and provides the assumptions stated above. When contract payments are overdue for more than 90 days according to the agreed payment terms, it is considered a default.
- IV. The Company adopts IFRS 9 and provides the assumptions stated

above. When contract payments are overdue for more than 90 days according to the agreed payment terms, it is considered a default.

- (i) If contract payments are overdue by more than 30 days, the credit risk of the financial asset is considered to have significantly increased.
- (ii) For bond investments traded on the over-the-counter market, if any external rating agency assigns an investment grade at the balance sheet date, the financial asset is considered to have low credit risk.

V. The indicators used by the Company 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.

(c). Liquidity risk

I. Cash flow forecasts are prepared by the Company. The Finance Department monitors projected liquidity requirements to ensure sufficient funding for operations and maintains adequate unused credit lines to avoid breaches of borrowing limits or covenants. These forecasts take into account the Company's debt financing plans, compliance with loan covenants, and internal balance sheet ratio targets.

II. The Finance Department centrally manages surplus funds by investing in interest-bearing demand deposits, time deposits, and highly liquid marketable securities with appropriate maturities or sufficient liquidity to meet forecasted cash needs. As of December 31, 2024 and 2023, the Company held money market positions of \$9,306 and \$107,222, respectively, which are expected to generate immediate cash flows to manage liquidity risk.

III. Detail of the loan credit not yet drawn down by the Company is as follows:

	December 31, 2024	December 31, 2023
Fixed rate		
Less than 1 year	\$ 414,784	\$ 438,407
Over 5 years	409,503	341,021

\$	<u>824,287</u>	\$	<u>779,428</u>
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Note: The limit due within one year is the annual limit and will be renegotiated in 2025.

iv. The table below analyses the Company'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.

December 31, 2023		Less than 1 year		Over 1 year
<u>Non-derivative financial liabilities</u>				
Short-term loans	\$	155,436	\$	-
Short-term bills payable		200,021		-
Contract liabilities		57		-
Notes payable		29		-
Other payables		11,549		-
Lease liabilities		6,216		6
Long-term loans		-		376,141

December 31, 2023		Less than 1 year		Over 1 year
<u>Non-derivative financial liabilities</u>				
Short-term loans	\$	40,062	\$	-
Short-term bills payable		20,000		-
Financial liabilities measured at fair value through profit or loss		56,783		-
Contract liabilities		57		-
Other payables		76,529		-
Lease liabilities		6,216		6,221
Long-term loans		-		295,643

(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 available on the measurement date are used. An active market is one with sufficient frequency and volume of transactions to provide ongoing pricing information. The fair values of the Company's investments in listed domestic and foreign equities, mutual funds,

actively traded foreign corporate bonds, convertible bonds, and publicly quoted derivatives and structured products are classified under this category.

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 Company's active market.

- B. Financial instruments not measured at fair value, including cash and cash equivalents, other receivables, short-term borrowings, accounts payable, other payables, are approximate to their fair values.
- 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:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 6,886	\$ -	\$ -	\$ 6,886
Structured Notes	69,228	-	-	69,228
Hybrid instruments	9,425			9,425
Beneficiary Certificate	11,909			11,909
Debt instruments	-		252,153	252,153
Financial assets at fair value through other comprehensive income				
Equity instruments	1,365,590	-	28,960	1,394,550
Debt instruments	407,757	-	-	407,757
Total	\$ <u>1,870,795</u>	\$ <u>-</u>	\$ <u>281,113</u>	\$ <u>2,151,908</u>

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,219	\$ -	\$ -	\$ 1,219

Derivative instruments	12,119	-	-	12,119
Structured Notes	60,106	-	-	60,106
Financial assets at fair value through other comprehensive income				
Equity securities	1,068,602	-	32,384	1,100,986
Liabilities securities				
	186,333	-	-	186,333
Total	\$ 1,328,379	\$ -	\$ 32,384	\$ 1,360,763
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities measured at fair value through profit or loss				
Securities lending transaction	\$ 56,783	\$ -	\$ -	\$ 56,783

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

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

	Listed shares	Open-end fund	Corporate bonds	Structured Notes
Market quoted price	Closing price	Net value	Weighted average price of 100 yuan	Closing price

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. When evaluating non-standardized and less complex financial instruments, such as illiquid debt instruments, interest rate swaps, currency swaps, and

options, the Group uses valuation techniques commonly applied by market participants. The parameters in these valuation models are typically based on observable market data.

IV. The output of the evaluation model is an estimate and the evaluation technique may not reflect all the factors involved in the Company's holdings of financial and non-financial instruments. Therefore, the estimate of the evaluation model will be adjusted appropriately according to additional parameters, such as model risk or liquidity risk. In accordance with the Company's fair value valuation model management policy and related control procedures, the management believes that valuation adjustments are appropriate and necessary to fairly express the fair value of financial instruments and non-financial instruments in the consolidated balance sheet. The price information and parameters used in the evaluation process have been carefully evaluated and adjusted appropriately according to current market conditions.

V. The Company has adjusted the credit risk assessment into the calculation of the fair value of financial instruments and non-financial instruments to reflect the credit risk of counterparties and the credit quality of the Group, respectively.

D. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2

E. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023

	<u>2024</u>	
	<u>Equity Securities-Unlisted shares</u>	<u>Debt instruments-Preferred stock</u>
At January 1	\$ 32,384	\$ -
Current period purchases	-	250,000 -
Unrealized gains and losses on debt instrument investments measured at fair value through profit or loss	-	2,153
Unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income	3,424	-
At December 31	<u>\$ 28,960</u>	<u>\$ 252,153</u>

	<u>2023</u>	
	<u>Equity Securities-Unlisted shares</u>	<u>Debt instruments-Preferred stock</u>

At January 1	\$	27,158	\$	-
Unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income		5,226		-
At December 31	<u>\$</u>	<u>32,384</u>	<u>\$</u>	<u>-</u>

F. For the years ended December 31, 2024 and 2023, there was no transfer in and out of the Level 3

G. The Company 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 December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument :					
Unlisted shares \$	20,123	Market comparable companies	Discount for lack of marketability P/M value multiple P/B value multiple	10% 1.94 2.59	The greater the lack of market liquidity, the higher the discount and the lower the fair value; the higher the multiplier, the higher the fair value; the higher the control premium, the lower the fair value.
	8,837	Asset approaches	Control discount	27.48%	

	\$	28,960				
Non-derivative debt instruments						
Preferred stock		252,153	Discounted Cash Flow	Discount for lack of marketability Discount rate	10% 10.6%	The higher the lack of market liquidity discount, the lower the fair value; the higher the discount rate, the lower the fair value.
		Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument :						
Unlisted shares	\$	19,956	Market comparable companies	Discount for lack of marketability P/M value multiple P/B value multiple	10% 1.69 2.31	The greater the lack of market liquidity, the higher the discount and the lower the fair value; the higher the multiplier, the higher the fair value; the higher the control premium, the lower the fair value.
		12,428	Asset approaches	Control discount	29.82%	
	\$	32,384				

I. The Company 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 categorized within Level 3 if the inputs used to valuation models have changed :

	Input	Change	December 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity						

instrument									
Unlisted shares	Long-term dividend yield, Comparable company volatility, Discount for lack of marketability, Control discount (or premium), Volatility	±1%	\$	-	\$	-	\$	387	(\$ 385)
Debt instruments:									
Preferred stock	Discount rate, discount for lack of marketability	±1%		<u>8,613</u>	(<u>8,248</u>)		
			\$	8,613	(8,248)	\$ 387	(\$ 385)
								December 31, 2023	
				Recognized in profit or loss			Recognized in other comprehensive income		
	Input	Change		Favorable change		Unfavorable change		Favorable change	Unfavorable change
Financial assets									
Equity instrument									
Unlisted shares	Long-term dividend yield, Comparable company volatility, Discount for lack of marketability, Control discount (or premium), Volatility	±1%	\$	-	\$	-	\$	457	(\$ 453)

1 3 • 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

1 4 ◦ SEGMENT INFORMATION

None.

Item	Description	Amount
Cash on hand and Petty cash		\$ 33
Checking accounts and Demand deposits		9,273
		<u>\$ 9,306</u>

Kwong Fong Industries Corporation
Statement of changes in Financial assets at fair value through other comprehensive income
For the year ended December 31, 2024

Expressed in thousands of TWD

	Balance at January 1, 2022		Additions in Investment		Decrease in Investment		Balance at December 31, 2022			Collateral	Footnote
	Shares/Units (In Thousands)	Fair value	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Percentage of Ownership (%)	Fair value		
Shin hua wool spinning co., ltd.	437	\$ 10,339	-	\$ -	-	(\$ 1,502)	437	15.17%	\$ 8,837	No	
Lian An Health Business Co., Ltd.	401	19,957	-	166	-	-	401	3.10%	20,123	"	
ASCCHARWIE COMPANY	922	2,089	-	-		(2,089)	922	8.00%	-	"	
Bank of China Co., Ltd.	25,000	292,711	-	126,125	-	-	25,000	0.01%	418,836	Note	
Agricultural Bank of China Co., Ltd.	18,800	222,334	-	129,124	-	-	18,800	0.01%	351,458	"	"
Bank of Communications Co., Ltd.	4,000	76,537	-	31,326	-	-	4,000	0.01%	107,863	"	"
Industrial and Commercial Bank of China Co., Ltd.	3,000	45,026	-	20,933	-	-	3,000	0.00%	65,959	"	"
Union Bank of Taiwan Special Shares	1,700	87,210	-	3,740	-	-	1,700	0.04%	90,950	"	"
Yulon Finance Corporation	401	19,829	-	702	-	-	401	0.06%	20,531	"	"
Special Shares											
Fubon Financial Holdings	152	9,287	-	319	-	-	152	0.00%	9,606	No	"
Special Shares											
Asia Cement co., ltd.	3,300	136,785	-	-	-	(3,465)	3,300	0.09%	133,320	Note	Pledge
Mega Financial Holdings Co., Ltd.	10	405	1	15	-	-	11	0.00%	420	No	
Taiwan Cement co., ltd.	3,481	121,322	-	-	-	(10,966)	3,481	0.04%	110,356	"	

Kwong Fong Industries Corporation
Statement of changes in Financial assets at fair value through other comprehensive income
For the year ended December 31, 2024

Expressed in thousands of TWD

Shin Kong Financial Holdings Co., Ltd.	2,000	17,700	79	2,083	(2,079)	(19,783)	-	-	-	"
Yunta Futures Co., Ltd.	650	39,455	-	16,835	-	-	650	0.22%	56,290	"
Standard Chartered PLC 7.767% 22/28		89,395		6,288		(1,028)	-		94,655	Note
Barclays PLC 7.385% 22/28		32,756		2,274		(253)			34,777	
HSBC Holdings PLC 7.39% 22/28	-	32,915		2,133		(303)	-		34,745	"
Nomura Holdings Inc. 5.605% 22/29	-	31,267		2,033		-	-		33,300	"
Gredit Agricole SA 6.251% 24/35		-		101,032		(1,668)			99,364	
HSBC Holdings PLC 8.113% 23/33		-		112,562		(1,645)			110,917	
		<u>\$ 1,287,319</u>		<u>\$ 557,690</u>		<u>(\$ 42,702)</u>			<u>\$ 1,802,307</u>	

Note: The company pledged the stocks and bonds for borrowing.

Kwong Fong Industries Corporation
Statement of changes in investment accounted for using equity meth
For the year ended December 31, 2023

Expressed in thousands of shares/TWD

	Balance at January 1, 2023		Additions in Investment		Decrease in Investment		Balance at December 31, 2023			Market Value or Net Assets Value		Collateral
	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Ownership (%)	Amount	Price (TWD)	Total Amount	
Kwong Fong Holdings Limitd	30,442	\$ 1,541,489	-	\$ 646,506	-	(\$ 64,302)	30,442	100.00%	\$ 2,123,693	\$69.76	\$ 2,123,693	無 No
Pao Fong Asset Management Co., Ltd.	10,000	791,179	-	3,259	-	(26,531)	10,000	100.00%	767,907	76.79	767,907	"
Mdbs Digital Technology Co., Ltd.	1,612	49,456	-	7,136	-	(5,712)	1,612	51.00%	50,880	31.56	50,880	"
Galaxy Digital Co., Ltd.	2,169	44,550	-	15,660	-	(8,704)	2,169	51.00%	51,506	23.75	51,506	"
		<u>\$ 2,426,674</u>	-	<u>\$ 672,561</u>		<u>(\$ 105,249)</u>			<u>\$ 2,993,986</u>		<u>\$ 2,993,986</u>	

Kwong Fong Industries Corporation
Statement of short-term loans
For the year ended December 31, 2024

Expressed in thousands of shares/TWD

Type of borrowings	Description	Balance at December 31, 2023	Contracts period	Interest rate	Loan Commitments	Collaterals	Note
Secured loans	Shin Kong BANK	\$ 35,000	113/12/25~114/1/23	2.05%	% 72,143	Financial assets at fair value through other comprehens ive income	
Unsecured bank loans	First Bank	80,000	113/12/31~114/03/31	1.98%	-	No	
		<u>\$ 115,000</u>					

Kwong Fong Industries Corporation
Statement of short-term bills payable
For the year ended December 31, 2024

Expressed in thousands of shares/TWD

Item	Guarantee or acceptance agency	Contracts period	Interest rate	Amount	Unamortised Premiums (DISCOUNTS)	Book Value	Note
Commercial Paper	Taiwan Finance Corporation	113/12/23~114/1/22	2.03%~2.05%	\$ 100,000	(\$ 101)	99,899	
“	Grand Bills Finance Corporation	113/12/25~114/1/22	2.09%	55,000	(62)	54,938	
“	Ta Ching Bills Finance Corporation	113/12/31~114/01/22	1.72%	45,000	(45)	\$ 44,955	
				<u>\$ 200,000</u>	<u>(208)</u>	<u>199,792</u>	

Kwong Fong Industries Corporation
Statement of long-term loans
For the year ended December 31, 2024

Expressed in thousands of shares/TWD

Creditor	Description	Loan amount	Contracts period	Interest rate	Collaterals	Note
UBS	Secured loans-JPY	\$ 275,772	.2024/12/23~2025/1/27It may be extended if fully secured	1.09%	%	Financial assets at fair value through other comprehens ive income 、 Financial assets at fair value through profit or loss
"	Secured loans-CHF	95,638	2024/4/3~2025/4/3 It may be extended if fully secured	2.00%	"	"
		\$ 371,410				

Kwong Fong Industries Corporation
Statement of administrative expenses
For the year ended December 31, 2024

Expressed in thousands of shares/TWD

Item	Description	Amount	Note
Wages and salaries		\$ 17,713	
Depreciation expense		7,178	
Service expense		3,455	
Directors' remuneration		3,180	
Other expenses		10,755	
		\$ <u>42,281</u>	

Kwong Fong Industries Corporation
Summary statement of current period employee benefits, depreciation, and amortization expenses by function
For the year ended December 31, 2024

	2024			Expressed in thousands of TWD 2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and salaries	\$ -	\$ 17,713	\$ 17,713	\$ -	\$ 17,375	\$ 17,375
Labor and health insurance fees	-	1,172	1,172	-	1,275	1,275
Pension costs	-	599	599	-	655	655
Directors' remuneration	-	3,180	3,180	-	3,180	3,180
Other personnel expenses	-	566	566	-	587	587
	<u>\$ -</u>	<u>\$ 23,230</u>	<u>\$ 23,230</u>	<u>\$ -</u>	<u>\$ 23,072</u>	<u>\$ 23,072</u>
Depreciation expenses	\$ -	\$ 7,178	\$ 7,178	\$ -	\$ 7,288	\$ 7,288
Amortisation expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note:

1. As at December 31, 2024 and 2023, the Company had 19 and 19 employees, including 7 and 6 non-employee directors, respectively.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :
 - (1) Average employee benefit expense in current year was \$1,671 ('total employee benefit expense in current year – total directors' remuneration in current year' / 'the number of employees in current year – the number of non-employee directors in current year').
 Average employee benefit expense in previous year was \$1,530 ('total employee benefit expense in previous year – total directors' remuneration in previous year' / 'the number of employees in previous year – the number of non-employee directors in previous year')
 - (2) Average employees salaries in current year were \$1,476 (total salaries and wages in current year / 'the number of employees in current year - the number of non-employee directors in current year').
 Average employees salaries in previous year were \$1,337 (total salaries and wages in previous year / 'the number of employees in previous year -the number of non-employee directors in previous year').

Kwong Fong Industries Corporation
Summary statement of current period employee benefits, depreciation, and amortization expenses by function
For the year ended December 31, 2024

Expressed in thousands of TWD

- (3) Adjustments of average employees salaries were 10% ('the average employee salaries and wages in current year - the average employee salaries and wages in previous year' / the average employee salaries and wages in previous year)
- (4) The remuneration of the audit committee members this year was \$1,080, and the remuneration of the audit committee members and supervisors in the previous year was \$1,080.
(The company re-elected all directors through the resolution of the shareholders' meeting on July 1, 2021, and set up an audit committee to replace the supervisor)
- (5) Salary policy for directors, managers, employees.
- A. The Articles of Incorporation of the Company, if the Company has profits in a given year, it shall allocate 0.1%–2% of such profits as employee remuneration and no greater than 1% as director remuneration. The payment will be made upon approval by the Salary and Remuneration Committee.
 - B. The emoluments of the employee and manager consists of salary, bonus and employees' compensation. This emoluments policy is to offer appropriate emoluments based on their education and work experience and degree of contribution to recognise the responsibilities.
 - C. The Company may pay directors the transportation fee on a monthly basis, regardless of being in profit or loss; such amount shall be determined by the Board of Directors. The Board of Directors is authorized to determine the remuneration for the directors based on the extent of their participation in, and contribution to, the Company's operations, and by referencing the industry standards among peers.
 - D. Directors' remuneration and manager's remuneration are submitted to the Board of Directors for approval after the Remuneration Committee makes recommendations in accordance with regulations.

Kwong Fong Industries Corporation
Provision of endorsements and guarantees to others
For the year ended December 31, 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 endorsemen t/ guarantee amount at December 31, 2021 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsem ent /guarantee s secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsemen ts / guarantees provided (Note 3)	Provision of endorsem ents/ guarantee s by parent company to subsidiary (Note 7)	Provisio n of endorse ments / guarant ees by subsidia ry to parent compan y (Note 7)	Provisio n of endorse ments / guarante es to the party in Mainlan d China (Note 7)	Foot note
		Company name	Relationshi p with the endorser/ guarantor (Note 2)											
0	Kwong Fong Industries Corporation	Galaxy Digital Co., Ltd.	2	\$ 4,281,150	\$ 50,000	\$ 50,000	\$ 30,000	\$ -	1.17	\$ 4,281,150	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: The maximum outstanding balance of endorsements/guarantees provided for others during the year.

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"

Kwong Fong Industries Corporation
Provision of endorsements and guarantees to others
For the year ended December 31, 2024

Table 1

Expressed in thousands of TWD

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
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2024

Expressed in thousands of TWD

Table 2

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	20,123	3.10%	20,123	
"	Unlisted common stock in Vietnam	ASCCHARWIE COMPANY		"	922	-	8.00%	-	
"	Listed common stock in Hong Kong	Bank of China Co., Ltd.		"	25,000	418,836	0.01%	418,836	Note 4
"	"	Agricultural Bank of China Co., Ltd.		"	18,800	351,458	0.01%	351,458	Note 4
"	"	Bank of Communications Co., Ltd.		"	4,000	107,863	0.01%	107,863	Note 4
"	"	Industrial and Commercial Bank of China Co., Ltd.		"	3,000	65,959	0.00%	65,959	Note 4
"	Listed preferred stock in Taiwan	Union Bank of Taiwan Special Shares		"	1,700	90,950	0.04%	90,950	Note 4
"	"	Yulon Finance Corporation Special Shares		"	401	20,531	0.06%	20,531	Note 4
"	"	Fubon Financial Holdings Special Shares			152	9,606	0.00%	9,606	
"	Listed common stock in Taiwan	Asia Cement co., ltd.		"	3,300	133,320	0.09%	133,320	Note 4
"	"	Mega Financial Holdings Co., Ltd.		"	11	420	0.00%	420	
"	"	Taiwan Cement co., ltd.		"	3,481	110,356	0.04%	110,356	
"	"	Yuanta Futures Co., Ltd.		"	650	56,290	0.22%	56,290	

Kwong Fong Industries Corporation
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2024

Expressed in thousands of TWD

Table 2

	USD bonds	Standard Chartered PLC 7.767% 22/28		"		94,655		94,655	
	"	BARCLAYS PLC 7.385% 22/28		"		34,777		34,777	
	"	HSBC Holding PLC 7.39% 22/28		"		34,745		34,745	
	"	Nomura Holdings Inc 5.605% 22/29		"		33,300		33,300	
	"	Gredit Agricole SA 6.251% 24/35		"		99,364		99,364	
	"	HSBC Holdings PLC 8.113% 23/33		"		110,917		110,917	
	Structured Notes	FCN NOM-C_CON_BK/AGRI_BOC/BOC_LTD EQUITY LINKED NOTESE		Financial assets at fair value through profit or loss – current		32,682		32,682	
	"	BNP PARIBAS 9M USD REVERSE CONVERTIBLE NOTE		"		36,545		36,545	Note 4
	Overseas money market fund	Pictet SICAV-Pictet-Short-Term Money Market USD P-capitalisation				10,811		10,811	Note 4
	"	BNP Paribas Funds USD Money Market - Classic Cap				1,099		1,099	
	Listed common stock in Taiwan	ACC			3	121	0.00%	121	
	"	UNI-PRESIDENT			1	81	0.00%	81	
	"	TAIROUN			7	125	0.00%	125	
	"	Lian Hwa Foods			2	277	0.00%	277	
	"	NIEN HSING			6	118	0.00%	118	
	"	GKB			1	150	0.00%	150	

Kwong Fong Industries Corporation
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2024

Expressed in thousands of TWD

Table 2

	"	SUNREX			8	488	0.00%	488	
	"	GW			11	452	0.00%	452	
	"	STARK			1	138	0.00%	138	
	"	HANPIN			2	111	0.00%	111	
	"	EMC			1	225	0.00%	225	
	"	CAL			10	257	0.00%	257	
	"	EVAAIR			9	399	0.00%	399	
	"	WOWPRIME			1	237	0.00%	237	
	"	SK Insurance			2	213	0.00%	213	
	"	FIRST INS			10	250	0.00%	250	
	"	HNFHC			10	262	0.00%	262	
	"	KGI Financial			15	258	0.00%	258	
	"	Yuanta Group			7	238	0.00%	238	
	"	SCI			5	453	0.00%	453	
	"	PAHSCO			5	488	0.00%	488	
	"	KING CHOU			3	123	0.00%	123	
	"	Sinher			4	133	0.00%	133	
	"	FORMOSA			5	544	0.00%	544	

Kwong Fong Industries Corporation
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2024

Expressed in thousands of TWD

Table 2

	"	GAMANIA			1	76	0.00%	76	
	"	SYSTEX			1	144	0.00%	144	
	"	YFC-BonEagle			5	135	0.00%	135	
	"	BAI SHA			13	390	0.00%	390	
	Taiwan convertible bonds	Alexander Marine Co., Ltd. 1st Domestic Unsecured Convertible Bond				6,247	0.00%	6,247	
		MERRY ELECTRONICS CO.,LTD. Domestic 5th Unsecured Convertible Bonds				3,178	0.00%	3,178	
	Unlisted preferred stock in Taiwan	Codak Archi Special Preferred Stock		Financial assets at fair value through profit or loss - noncurrent	25,000	252,153	67.57%	252,153	
Kwong Fong Holdings Limited	Unlisted common stock in Hong Kong	FULCREST LIMITED		Financial asset measured at fair value through other comprehensive income - noncurrent	2,716	1,404,704	44.24%	1,404,704	
"	Listed common stock in Hong Kong	Bank of China Co., Ltd.		"	20,800	348,603	0.01%	348,603	Note 4
"	Listed common stock in Hong Kong	Agricultural Bank of China Co., Ltd.		"	17,000	317,929	0.06%	317,929	Note 4
"	"	Bank of Communications Co., Ltd.		"	6,800	183,437	0.01%	183,437	Note 4
"	"	Industrial and Commercial Bank of China Co., Ltd.		"	4,300	94,576	0.00%	94,576	Note 4
	USD bonds	BARCLAYS PLC 7.385% 22/28		"		52,165		52,165	
Pao Fong Asset Managem	Listed preferred stock in Taiwan	Cathay Financial Holdings Special Shares		"	1,115	68,015	0.01%	68,015	Note 4

Kwong Fong Industries Corporation
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2024

Expressed in thousands of TWD

Table 2

ent Co., Ltd.									
"		Fubon Financial Holdings Special Shares		"	505	31,916	0.00%	31,916	Note 4
"	Listed common stock in Taiwan	Fubon Financial Holding Co., Ltd.		"	21	2,013	0.00%	2,013	
"	"	Cathay Financial Holding Co., Ltd.		Financial assets at fair value through profit or loss – current	91	6,216	0.00%	6,216	
	Taiwan Index ETF	ETF00713		Financial assets at fair value through profit or loss - noncurrent		1,063		1,063	
		ETF00915				491		491	
	International Exchange Traded Fund	Yuanta S&P500				484		484	
	Taiwan convertible bonds	Far Eastern New Century Corporation 1st Domestic Unsecured Exchangeable Bonds				515		515	

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: The company pledges its financial assets for loan purposes.

Kwong Fong Industries Corporation
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2022

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	Mdb Digital Technology Co., Ltd.	Galaxy Digital Co., Ltd.	3	Project income	12,790	Note 4	3.83%
2	Galaxy Digital Co., Ltd.	Mdb Digital Technology Co., Ltd.	"	Project cost	9,000	"	2.70%

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, 2024-December 31, 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		Shares held as of December 31, 2022			Net profit (loss) of the investee For the year ended December 31, 2024 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2024 (Note 2(3))	Footnot e
				Balance as of December 31, 2024	Balance as of December 31, 2023	Number of shares	Owner ship (%)	Book value			
Kwong Fong Industries Corporation	Kwong Fong Holdings Limitd	British Virgin Islands(BVI)	General Investment	USD 30,442	USD 30,442	30,442	100%	\$ 2,123,693	\$ 79,867	\$ 79,867	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%	767,907	(26,530)	(26,530)	"
"	Mdb 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%	50,880	12,910	7,136	"
"	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%	51,506	32,071	15,659	"
Galaxy Digital Co., Ltd.	Digital Securities Investment Consultant 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%	21,068	1,069	1,069	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 "Investee company's profit and loss for the period" column should include the profit and loss amount for each investee company.
- (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.

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	12,066,004	6.51%