

**KWONG FONG INDUSTRIES CORPORATION AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS'REPORT  
DECEMBER 31, 2024 AND 2023**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

## INDEPENDENT AUDITORS' REPORT

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

### ***Introduction***

We have audited the accompanying consolidated balance sheets of Kwong Fong Industries Corporation and its subsidiaries (collectively referred herein as the "Group") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2024 and 2023, and its financial performance and cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

### ***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 Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial

statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

## **Measurement of Financial Assets at Fair Value of Fulcrest Limited**

### Explanation of Items

Regarding the accounting policy for measuring financial assets at fair value through other comprehensive income, please refer to the consolidated financial statement in Note 4 (8); for the estimations and assumptions of financial assets, please refer to the consolidated financial statement in Note 5; and for the explanation of the accounting item for financial assets measured at fair value through other comprehensive income, please refer to the consolidated financial statement in Note 6 (3).

As of December 31, 2024, the amount of Kwong Fong Industries Group of Companies and its subsidiaries' s financial assets measured at fair value through other comprehensive income is NT\$4,305,665 thousands, which represents 75% of total consolidated assets, of which Fulcrest Limited, a Hong Kong-based company, accounts for at fair value of NT\$1,404,704 thousands. As the assumptions used in the fair value evaluation are subjective and uncertain, and the results have a significant impact on the consolidated financial statement, the accountant has identified Fulcrest Limited's measurement of the fair value of its financial assets as one of the year's most important audited items.

### How our audit addressed the matter

Our 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

## **Accuracy of revenue recognition in information system development**

### Description

Please refer to Note 4(28) of the financial statements for accounting policies on revenue recognition, Note 5 for accounting Estimate on revenue recognition and Note 6(20) for details of operating revenue.

The operating income of Kwong Fong Industries and its subsidiaries mainly consists of revenue from information subscription services, information system development, and consulting services. In 2024, information system development revenue amounted to NT\$153,766 thousand, accounting for 46% of total revenue. This revenue is recognized using the percentage-of-completion method, based on the ratio of hours worked to the total estimated hours. Since the degree of completion involves management's subjective judgment, the accuracy of recognizing information system development revenue is one of the key audit matters for this 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, confirm the alignment with the contract schedule and the accuracy of the hours worked ratio to verify the reasonableness of the percentage-of-completion calculation.
3. Recalculate the accuracy of the information used by management to calculate information system development revenue, verify the contract price and payment

terms, and re-calculate the recognized revenue based on completion percentage, ensuring consistency with the recorded revenue.

***Other matter – Parent company only financial reports***

We have audited the parent company only financial statement of Kwong Fong Industries Corporation Limited as of and for the years ended December 31, 2024 and 2023 on which we have issued an unqualified opinion with explanatory paragraph thereon.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 Group’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 Group 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 Group’s financial reporting process.

***Auditors’ responsibilities for the audit of the consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the

consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 and Subsidiaries  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS			December 31, 2024		December 31, 2023			
			Amount	%	Amount	%		
CURRENT ASSETS								
1100	Cash and cash equivalents	6(1)	\$	145,856	3	\$	226,370	5
1110	Financial assets at fair value through profit or loss - current	6(2) and 8		106,217	2		81,165	2
1136	Financial assets at amortized cost - current	6(4) and 8		35,884	1		22,766	-
1140	Contract assets- current	6(20)		16,380	-		10,384	-
1170	Accounts receivable, net	6(5)		23,300	-		28,053	1
1200	Other receivables			9,060	1		58,934	1
1220	Income tax assets			6,967	-		4,190	-
130X	Inventories	6(6) and 8		629,621	11		629,621	14
1410	Prepayments			11,086	-		8,320	-
1470	Other current assets			99	-		33	-
11XX	Total current assets			984,470	17		1,069,836	23
NONCURRENT ASSETS								
1510	Financial assets at fair value through profit or loss - noncurrent	6(2)		252,153	5			
1517	Financial assets at fair value through other comprehensive income-noncurrent	6(3) and 8		4,305,665	75		3,205,820	70
1535	Financial assets at amortized cost - noncurrent	6(4)		5,000	-		5,000	-
1600	Property, plant and equipment	6(7) and 8		14,889	-		16,180	-
1755	Right-of-use assets	6(8)		14,111	-		25,960	1
1780	Intangible assets	6(9)		63,208	1		67,614	1
1840	Deferred income tax assets			81,347	2		120,147	3
1900	Other noncurrent assets	6(10) and 8		13,858	2		82,885	2
15XX	Total noncurrent assets			4,750,231	83		3,523,606	77
1XXX	Total assets		\$	5,734,701	100	\$	4,593,442	100



**Kwong Fong Industries Corporation and Subsidiaries**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY			December 31, 2024		December 31, 2023			
			Notes	Amount	%	Amount	%	
Current Liabilities								
2100	Short-term loans	6(11) and 8	\$	115,000	2	\$	40,000	1
2110	Short-term bills payable	6(12) and 8		199,792	4		19,985	-
2120	Financial liabilities measured at fair value through profit or loss- current	6(13)		-	-		56,783	1
2130	Current contract liabilities	6(20) and 7		46,694	1		43,341	1
2150	Notes payable			29	-		-	-
2170	Accounts payable			6,757	-		6,201	-
2219	Other payables			51,177	1		120,423	3
2230	Income tax payable			4,804	-		4,598	-
2280	Lease liabilities-Current			13,873	-		14,492	-
2399	Other current liabilities			2,186	-		1,735	-
21XX	Total current liabilities			440,312	8		307,558	6
Noncurrent liabilities								
2540	Long-term loans	6(14) and 8		655,078	11		585,223	13
2570	Deferred income tax liabilities			279,449	5		124,484	3
2580	Non-current lease liabilities			721	-		12,250	-
2600	Other noncurrent liabilities			573	-		573	-
25XX	Total noncurrent liabilities			935,821	16		722,530	16
2XXX	Total liabilities			1,376,133	24		1,030,088	22
EQUITY								
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT								
	Capital	6(16)						
3110	Capital stock			1,853,422	32		1,853,422	40
	Capital surplus	6(17)						
3200	Capital surplus			50,069	1		50,079	1
	Retained earnings	6(18)						
3310	Appropriated as legal capital reserve			425,230	8		415,698	9
3320	Appropriated as special capital reserve			76,252	1		76,252	1
3350	Unappropriated earnings			983,139	17		933,428	20
	Other equity interest	6(19)						
3400	Other equity interest			893,038	16		165,475	4
31XX	Equity attributable to shareholders of the parent			4,281,150	75		3,494,354	76
36XX	NON-CONTROLLING INTERESTS			77,418	1		69,000	2

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

Kwong Fong Industries Corporation and Subsidiaries  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

3XXX	<b>Total equity</b>	<u>4,358,568</u>	<u>76</u>	<u>3,563,354</u>	<u>78</u>
	Significant Contingent Liabilities 9				
	And Unrecognized Contract				
	Commitments				
	Significant Events After The 11				
	Balance Sheet Date				
3X2X	<b>Total liabilities and equity</b>	<u>\$ 5,734,701</u>	<u>10</u> <u>0</u>	<u>\$ 4,593,442</u>	<u>100</u>

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

Kwong Fong Industries Corporation and Subsidiaries  
CONSOLIDATED 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(20) and 7	\$ 333,508	100	\$ 295,859	100
5000 Cost of revenue	6(25) (26)	( 211,743)	( 64)	( 188,215)	( 64)
5900 Gross profit		<u>121,765</u>	<u>36</u>	<u>107,644</u>	<u>36</u>
Operating expenses	6(25)(26)				
6100 Selling expenses		( 1,394)	( -)	( 2,197)	( 1)
6200 General and administrative		( 117,120)	( 35)	( 116,605)	( 39)
6450 Expected credit loss (gain)	12(2)	<u>623</u>	<u>-</u>	<u>( 847)</u>	<u>-</u>
6000 Total operating expenses		( 117,891)	( 35)	( 119,649)	( 40)
6900 Income(Loss) from operations		<u>3,874</u>	<u>1</u>	<u>( 12,005)</u>	<u>( 4)</u>
Non-operating income and expenses					
7100 Interest income	6(21)	27,832	8	6,946	2
7010 Other income	6(22)	145,600	44	162,826	55
7020 Other gains and losses, net	6(23)	60,042	18	( 1,298)	( -)
7050 Finance costs	6(24)	( 13,609)	( 4)	( 7,827)	( 3)
7000 Total non-operating income and expenses		<u>219,864</u>	<u>66</u>	<u>160,647</u>	<u>54</u>
7900 Profit before income tax		223,739	67	148,642	50
7950 Income tax expense	6(27)	( 54,907)	( 17)	( 38,642)	( 13)
8200 Profit for the year		<u>\$ 168,832</u>	<u>50</u>	<u>\$ 110,000</u>	<u>37</u>

Kwong Fong Industries Corporation and Subsidiaries  
CONSOLIDATED 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	%
	<b>Other comprehensive income (loss)</b>					
	<b>Items that will not be reclassified subsequently to profit or loss:</b>					
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	6(3)(19)	\$ 763,368	229	(\$ 126,004)	( 42)
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently	6(27)	( 153,630)	( 46)	( 11,678)	( 4)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		609,738	183	( 137,682)	( 46)
	<b>Items that may be reclassified subsequently to profit or loss:</b>					
8361	Exchange differences arising on translation of foreign operations	6(19)	114,658	35	7,077	2
8367	Unrealized gain/(loss) on investments in debt instruments at fair value through other comprehensive income	6(3)(19)	10,425	3	5,545	2
8399	Income tax related to items that may be reclassified subsequently to profit or loss	6(27)	( 2,274)	( 1)		
8360	Items that may be reclassified subsequently to profit or loss:		122,809	37	12,622	4
8300	<b>Other comprehensive income (loss), net of income tax</b>		\$ 732,547	220	(\$ 125,060)	( 42)
8500	<b>Total comprehensive income for the year</b>		\$ 901,379	270	(\$ 15,060)	( 5)
	Profit attributable to:					
8610	Shareholders of the parent		\$ 146,930	43	\$ 95,103	32
8620	Non-controlling interests		21,902	5	14,897	5
	<b>TOTAL</b>		<u>\$ 168,832</u>	<u>50</u>	<u>\$ 110,000</u>	<u>37</u>
	Comprehensive income attributable to:					
8710	Shareholders of the parent		\$ 879,477	263	(\$ 29,957)	( 10)

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

Kwong Fong Industries Corporation and Subsidiaries  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

8720	Non-controlling interest		21,902	7	14,897	5
	Total		<u>\$ 901,379</u>	<u>270</u>	<u>(\$ 15,060)</u>	<u>( 5)</u>
	Earnings per share					
9750	Basic earnings per share	6(28)	<u>\$ 0.79</u>		<u>\$ 0.51</u>	
9850	Diluted earnings per share		<u>\$ 0.79</u>		<u>\$ 0.51</u>	

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

**Kwong Fong Industries Corporation and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Shareholders of the Parent								
		Retained Earnings				Others				
Notes	Capital Stock - Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Financial statements translation differences of foreign operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
<b>Year 2023</b>										
	\$ 1,853,422	\$ 43,767	\$ 406,305	\$ 76,450	\$ 940,173	\$ 132,396	\$ 158,157	\$ 3,610,670	\$ 66,419	\$ 3,677,089
	-	-	-	-	95,103	-	-	95,103	14,897	110,000
Other comprehensive income (loss) for the year	-	-	-	-	-	7,077	( 132,137 )	( 125,060 )	-	( 125,060 )
Total comprehensive income (loss)	-	-	-	-	95,103	7,077	( 132,137 )	( 29,957 )	14,897	( 15,060 )
Appropriation of 2022 earnings										
Legal reserve	6(18)	-	-	9,393	-	( 9,393 )	-	-	-	-
Cash dividends to shareholders	6(18)	-	-	-	-	( 92,671 )	-	( 92,671 )	-	( 92,671 )
Reversal of special reserve		-	-	-	( 198 )	198	-	-	-	-
Disposal of equity instruments at fair value through other comprehensive income	6(3)	-	-	-	-	18	( 18 )	-	-	-
Dividends unclaimed by shareholders with claim period elapsed	6(17)	-	6,312	-	-	-	-	6,312	-	6,312
Changes in non-controlling interests		-	-	-	-	-	-	-	( 12,316 )	( 12,316 )
Balance at December 31, 2023	\$ 1,853,422	\$ 50,079	\$ 415,698	\$ 76,252	\$ 933,428	\$ 139,473	\$ 26,002	\$ 3,494,354	\$ 69,000	\$ 3,563,354
<b>Year 2024</b>										
	\$ 1,853,422	\$ 50,079	\$ 415,698	\$ 76,252	\$ 933,428	\$ 139,473	\$ 26,002	\$ 3,494,354	\$ 69,000	\$ 3,563,354
Profit for the year	-	-	-	-	146,930	-	-	146,930	21,902	168,832
Other comprehensive income (loss)	6(19)	-	-	-	-	114,658	617,889	732,547	-	732,547

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

Kwong Fong Industries Corporation and Subsidiaries  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Shareholders of the Parent								
		Retained Earnings					Others			
Notes	Capital Stock - Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Financial statements translation differences of foreign operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
for the year										
Total comprehensive income (loss)	-	-	-	-	146,930	114,658	617,889	879,477	21,902	901,379
Appropriation of 2023 earnings										
Legal reserve 6(18)	-	-	9,532	-	( 9,532 )	-	-	-	-	-
Cash dividends to shareholders 6(18)	-	-	-	-	( 92,671 )	-	-	( 92,671 )	-	( 92,671 )
Disposal of equity instruments at fair value through other comprehensive income 6(3)										
Expired unclaimed dividends transferred to capital surplus 6(17)										
Changes in non-controlling interests	-	( 10 )	-	-	-	-	( 4,984 )	(10)	-	(10)
Balance at December 31, 2024	\$ 1,853,422	\$ 50,069	\$ 425,230	\$ 76,252	\$ 983,139	\$ 254,131	\$ 638,907	\$ 4,281,150	\$ 77,418	\$ 4,358,568

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

Kwong Fong Industries Corporation and Subsidiaries  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

\_(In Thousands of New Taiwan Dollars)

	Notes	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		223,739	148,642
Adjustments for:			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(25)	17,367	16,586
Amortization expense	6(25)	11,126	13,897
Expected credit losses recognized (reversal) on investments in debt instruments	12(2)	( 623 )	847
Interest income	6(21)	( 27,832 )	( 6,946 )
Dividend income	6(22)	( 145,214 )	( 139,882 )
Loss (gain) on disposal of property, plant and equipment, net	6(23)		( 3,044 )
Gains on disposal of financial assets and liabilities at fair value through profit or loss	6(23)	( 14,233 )	( 5,786 )
Reversal of benefits of financial asset	6(23)	( 5 )	( 25 )
Interest expense	6(24)	13,609	7,827
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Contract assets		( 5,373 )	1,233
Accounts receivable		4,753	( 7,263 )
Other receivables		2,660	( 4,817 )
Inventories		-	17,785
Prepayments		( 2,832 )	( 4,332 )
Changes in operating liabilities			
Contract liabilities		3,353	21,198
Notes payable		29	( 24 )
Accounts payable		556	( 1,542 )
Payables to related parties		-	-
Other payables		( 71,215 )	76,940
Other payables to related parties			( 45 )
Other current liabilities		451	( 1,148 )
Provision			( 114 )
Cash (out)inflow generated from operations		10,316	129,987
Interest received		20,386	4,852
Cash dividend received		145,214	139,882
Interest paid		( 11,640 )	( 3,164 )
Income tax paid		( 16,400 )	( 16,700 )
Net cash generated by operating activities		147,876	254,857



Kwong Fong Industries Corporation and Subsidiaries  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

\_(In Thousands of New Taiwan Dollars)

	Notes	2024	2023
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at amortised cost		( 24,384 )	( 12,766 )
Disposal of financial assets at amortised cost		11,266	4,000
Acquisition of financial instruments at fair value through profit or loss		( 402,773 )	( 63,764 )
Disposal of financial instruments at fair value through profit or loss		120,131	5,716
Financial assets at fair value through profit or loss(day trading)		10,053	4,532
Financial assets at fair value through profit or loss(futures).		19,526	( 10,538 )
Capital surplus/Refund of revenue equalization reserve.		23	-
Acquisition of financial assets at fair value through other comprehensive income		( 347,342 )	( 275,469 )
Disposal of financial assets at fair value through other comprehensive income		27,237	630
Acquisition of property, plant and equipment		( 977 )	( 1,096 )
Disposal of property, plant and equipment		-	74,848
Acquisition of intangible assets		( 6,720 )	( 7,100 )
Increase in other financial assets - current		-	( 28 )
Increase in refundable deposits paid		( 29,952 )	( 59,388 )
Decrease in refundable deposits paid		98,979	39,677
Refund of invested capital upon liquidation.		1,026	54,982
Net cash generated by (used in) investing activities		( 523,907 )	( 245,764 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Net change in financial liabilities measured at fair value through profit or loss (short selling).		( 12,591 )	( 840 )
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		2,147,049	29,964
Decrease in short-term bills payable		( 1,967,242 )	( 9,979 )
Proceeds from long-term bank loans		75,716	20,080
Repayment of long-term bank loans		( 5,861 )	( 13,766 )
Cash dividends	6(18)	( 92,671 )	( 92,671 )
Repayment of the principal portion of lease liabilities	6(30)	( 15,398 )	( 14,295 )
Expired unclaimed dividends transferred to capital surplus	6(18)	( 10 )	6,312
Change in non-controlling interest-Cash dividends		( 13,849 )	( 2,995 )

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

Kwong Fong Industries Corporation and Subsidiaries  
CONSOLIDATED 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>
Subsidiary cash reduction		-	-
Net cash generated by (used in) financing activities		190,143	( 38,190 )
Effect of exchange rate changes		105,374	( 55,677 )
Net increase(decrease) in cash and cash equivalents		( 80,514 )	( 84,774 )
Cash and cash equivalents at beginning of year		226,370	311,144
Cash and cash equivalents at end of year		<u>\$ 145,856</u>	<u>\$ 226,370</u>

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

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

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

1 ° GENERAL

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

2 ° THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on 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:

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

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

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

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

<u>New Standards, Interpretations and Amendment</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	Pending IASB decision
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'	January 1, 2026
IFRS 17, 'Insurance contracts'	Pending IASB decision
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	January 1, 2026

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

financial performance:

A. 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 consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (1).Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, 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 consolidated financial statements have been prepared under the historical cost convention:

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

- (b) Financial assets at fair value through other comprehensive income.
- B. The preparation of financial reports in accordance with IFRSs requires the use of key accounting estimates. The application of the Group's accounting policies also requires management's judgment, particularly for items involving high levels of judgment or complexity, or significant assumptions and estimates in the consolidated financial statements, as detailed in Note 5.

### (3).Basis of Consolidation

#### A. The basis for the consolidated financial statements

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition

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

**B. The subsidiaries in the consolidated financial statements :**

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		<u>Description</u>
			December 31, 2024	December 31, 2022	
Company	Pao Fong Asset Management Co., Ltd.	Asset Management	100%	100%	-
"	Kwong Fong Holdings Limitd	General investment activities	100%	100%	-
"	Mdbs Digital Technology Co., Ltd.	Service of software	51%	51%	-
"	Galaxy Digital Co., Ltd.	Service of software	51%	51%	"
Galaxy Digital Co., Ltd.	Digital Securities Investment Consultant Co., Ltd.	Securities investment consultant	100%	100%	

**C. Subsidiary not included in the consolidated financial statements:**

None.

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

**E. Significant restrictions: None.**

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

**(4). Foreign currency translation**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated

financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

A.Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re- translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B.Translation of foreign operations

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

- (a).Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b).Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c).All resulting exchange differences are recognised in other



comprehensive income.

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

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

- (a).Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle.
- (b).Assets held mainly for trading purposes.
- (c).Assets that are expected to be realised within twelve months from the balance sheet date.
- (d).Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

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

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

- (a).Liabilities that are expected to be settled within the normal operating cycle. °
- (b).Liabilities arising mainly from trading activities.
- (c).Liabilities that are to be settled within twelve months from the balance sheet date.
- (d).Does not have the right to defer the settlement of the liability for at least twelve months after the reporting period.

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

(6).Cash Equivalents

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

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

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

- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
  - (a). The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets;
  - (b). The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
  - (a). The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as other income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend

can be measured reliably.

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

#### (9). Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
  - (a). The objective of the Group's business model is achieved by collecting contractual cash flows.
  - (b). The assets' contractual cash flows represent solely payments of principal and interest.
- B. The Group applies trade date accounting for amortised cost financial assets under regular way purchases. .
- C. The Group measures it based on its fair value at the time of original recognition, and subsequently uses the effective interest method to recognize interest income and impairment losses during the circulation period according to the amortization procedure, and recognizes its benefits or losses in profit or loss.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

#### (10). Notes, accounts and receivables

- A. Notes and account receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term notes receivable, accounts receivable and other receivables without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

#### (11). Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income

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

#### (12).Derecognition of financial assets

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

- A.The contractual right to receive cash flows from the financial asset expires.
- B.Transfers the contractual rights to receive cash flows from a financial asset and has transferred substantially all risks and rewards of ownership of the financial asset.
- C.Transfers the contractual rights to receive cash flows from a financial asset without retaining control of the financial asset.

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

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

#### (14).Inventories

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

#### (15).Property, plant and equipment

- A.Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B.Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C.Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D.The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:
- |                        |             |
|------------------------|-------------|
| Buildings              | 50~55 years |
| Office equipment       | 3 ~ 5 years |
| Other equipment        | 3 ~ 5 years |
| Leasehold Improvements | 2 ~ 5 years |

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

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

are recognised as an expense on a straight-line basis over the lease term.

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

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

C. At the commencement date, the right-of-use asset is stated at cost.

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

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

#### (17). Intangible assets

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

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

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

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

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

#### (18).Impairment of non-financial assets

- A.The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B.The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C.For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

#### (19).Borrowings

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

#### (20).Notes, accounts and payable

- A.It refers to debts incurred due to the purchase of goods or services on credit and bills payable arising from business and non-business.
- B.The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is

immaterial.

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

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

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

(22). Derecognition of financial liabilities

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

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

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

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



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

#### (24).Employee benefits

##### A.Short-term employee benefits

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

##### B.Pensions

###### Defined contribution plans

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

##### C.Employees' compensation and directors' remuneration

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

#### (25).Income tax

##### A.The tax expense for the period comprises current and deferred tax.

Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is

recognised in other comprehensive income or equity.

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

C. Deferred income tax is recognised using the balance sheet liability method on temporary differences between the tax bases and carrying amounts of assets and liabilities in the consolidated balance sheet.

No deferred tax liability is recognised on goodwill arising from initial recognition. Deferred tax is also not recognised on the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit at the time of the transaction, and does not give rise to equal taxable and deductible temporary differences. Deferred tax on temporary differences arising from investments in subsidiaries is not recognised if the Group can control the timing of the reversal and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax assets are realised or liabilities are settled.

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

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance

sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

#### (26).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.

#### (27).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.

#### (28).Revenue recognition

##### A.Revenue in information system development

(a)The Group provides related services such as information software design, implementation, and maintenance. Revenue from information system development is recognized using the percentage-of-completion method. The completion level is estimated based on the ratio of hours worked to the total estimated hours up to the financial reporting date. When the transaction outcome cannot be reliably estimated, revenue is recognized to the extent that costs incurred are likely to be recovered. Customers pay the contract price according to the agreed payment schedule. If services provided by the Company exceed the amount payable by the customer, it is recognized as a contract asset. If the amount payable by the customer exceeds the services provided, it is recognized as a contract liability.

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

#### B. Revenue in information subscription revenue and consulting service

The Group provides services such as information usage, financial digital courses, and financial investment analysis. Revenue from information subscription and consulting services is recognized over time during the contractually agreed service period. For fixed-price contracts, revenue is recognized based on the proportion of services provided up to the balance sheet date. Customers pay the contract price according to the agreed payment schedule. If services provided exceed the amount payable by the customer, it is recognized as a contract asset; if the amount payable exceeds the services provided, it is recognized as a contract liability.

#### C. Rental income

The Group recognizes lease revenue from operating leases on a straight-line basis over the lease term as income.

#### D. Income from sale of real estate

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

#### (29). Operating segments

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

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a

significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

#### A.Revenue Recognition

The Group recognizes revenue from information system development services based on the percentage of completion method, calculated according to the degree of service provided during the contract period. Related costs are recognized as expenses when incurred. The degree of service is determined by the ratio of actual labor hours to the estimated total labor hours at the financial reporting period-end.

#### B.Inventory Valuation

Since inventory is valued at the lower of cost or net realizable value, the Group must use judgment and estimates to determine the net realizable value of inventory at the balance sheet date. Based on historical experience and market expectations, the Group adjusts inventory cost to net realizable value if it is lower. As of December 31, 2024, the Group's inventory amounted to \$629,621.

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

The Group's investments in securities of other unlisted companies at fair value through other comprehensive income, the fair values are measured with reference to the valuation of comparable companies, company technology development, market condition and other economic indicators. Any change of determination and estimation can affect the measurement at fair value. Please refer to Note 12 (3) for the details of fair value of financial instruments.

The carrying amount of the group's unlisted TWSE/TPEX stocks with no active market was \$1,685,817 as of December 31, 2024.

## 6 ° DETAILS OF SIGNIFICANT ACCOUNTS

### (1).Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and petty cash	\$ 1,498	\$ 1,487
Checking accounts and demand deposit	126,958	144,419
Time deposits	17,400	87,240
	<u>\$ 145,856</u>	<u>\$ 233,146</u>

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

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

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

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Current items : _		
Mandatorily measured at FVTPL		
Listed (TSE) stocks	\$ 10,139	\$ 8,374
Derivative financial instruments	-	9,692
Structured Notes	66,398	62,540
Convertible Bonds(Hybrid instruments )	11,800	-
Beneficiary Certificate	<u>13,817</u>	<u>-</u>
	102,154	80,606
Valuation adjustment	<u>4,063</u>	<u>559</u>
Total	<u>\$ 106,217</u>	<u>\$ 81,165</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>

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	\$ 12,362	\$ 7,253
Derivative instruments	7,406	817
Structured Notes	3,880	1,050
Hybrid instruments	( 1,840)	-
Beneficiary Certificate	369	-
Debt instruments_	2,153	-
Total	<u>\$ 24,330</u>	<u>\$ 9,120</u>

B. The following explains the Group'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>

#### Futures trading

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

On December 31, 2024 and 2023, respectively, the retained margin balances in futures accounts were \$531 and \$19,765, while the excess margin balances were \$531 and \$10,073.

C. The Group 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(2) for detailed information on credit risk related to financial assets measured at fair value through profit or loss.

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

<u>Items</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current items :		
Debt instruments		
USD corporate bonds	\$ 450,095	\$ 239,456
Valuation adjustment	8,421	( 2,004)
Effect of exchange rate changes	<u>1,407</u>	<u>( 1,935)</u>
Subtotal	<u>459,923</u>	<u>235,517</u>
Equity instruments		
Hong Kong listed stocks	\$ 1,205,469	\$ 1,205,469
Foreign unlisted shares		
Hong Kong Fulcrest Limited	1,079,212	1,079,212
Other	16,000	16,000
Taiwan Listed (TSE) stocks	551,084	570,201
Taiwan Unlisted stocks	9,954	9,954
Valuation adjustment	799,885	35,068
Effect of exchange rate changes	<u>184,138</u>	<u>54,399</u>
Subtotal	<u>3,845,742</u>	<u>2,970,303</u>
Total	<u>\$ 4,305,665</u>	<u>\$ 3,205,820</u>

A. The Group 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 such investments amounted to \$4,305,665 and \$3,205,820 as at December 31, 2024 and 2023, 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 :

	Year ended December 31, 2024	Year ended December 31, 2023
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Fair value changes recognized in other comprehensive income	<u>\$ 769,801</u>	<u>(\$ 126,004)</u>
Accumulated benefits are transferred to retained earnings due to delisting.	<u>\$ 4,984</u>	<u>\$ 18</u>
Dividend income recognized in profit or loss for the current period still held	<u>\$ 145,002</u>	<u>\$ 133,564</u>



Debt instruments measured at  
fair value through other  
comprehensive income

Fair value changes recognized in other comprehensive income	\$ 10,425	\$ 5,545
Interest income recognized in profit or loss	\$ 19,335	\$ 4,643

C.The Group's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, were NT\$4,305,665 and NT\$3,205,820 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).Financial assets at amortised cost

Items	December 31, 2024	December 31, 2023
Current items :		
Time deposits exceeding 3 months	\$ 35,884	\$ 22,766
Non-current items :		
Time deposits exceeding 3 months	5,000	5,000
Total	\$ 40,884	\$ 27,766

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

	Year ended December 31, 2024	Year ended December 31, 2023
Interest income	\$ 756	\$ 279

B.As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial

assets at amortised cost held by the Group was \$40,884 and \$27,766 respectively.

C. The Group will provide financial assets measured at amortized cost as collateral, as detailed in Note 8.

D. For information on the credit risk of financial assets measured at amortized cost, please refer to Note 12, (2). The Group's investments in time deposits are with financially sound institutions, and the likelihood of default is expected to be very low.

(5).Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable	\$ 23,729	\$ 29,105
Less: Allowance for bad debts	( 429 )	( 1,052 )
	<u>\$ 23,300</u>	<u>\$ 28,053</u>

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

	December 31, 2024	December 31, 2023
Not past due	\$ 22,244	\$ 25,615
Past due within 30 days	1,485	1,265
31 to 90 days	-	-
91 to 180 days	-	1,500
More than 181 days	-	724
	<u>\$ 23,729</u>	<u>\$ 29,105</u>

The above ageing analysis was based on past due date.

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

C. Without considering the collateral or other credit enhancements held, the amounts that best represent the Group's maximum exposure to credit risk for accounts receivable as of December 31, 2024, and 2023, are \$23,729 and \$29,105, respectively.

D. For credit risk information of accounts receivable, please refer to Note 12,2.

(6).Inventories

	December 31, 2024	December 31, 2023
Real property for sale	\$ 129,597	\$ 129,597
Land held for construction site	500,024	500,024
Total	<u>\$ 629,621</u>	<u>\$ 629,621</u>

A.Real property for sale

	December 31, 2024	December 31, 2023
Dazhi Section of Bade City	\$ 17,811	\$ 17,811
Tamsui Shulinkou section	219,300	219,300
Taode Section and Qiancheng Section of Bade City	1,029	1,029
Taoyuan City Middle Road Section	666	666
Subtotal	<u>238,806</u>	<u>238,806</u>
Less: Allowance for valuation losses	( 109,209 )	( 109,209 )
Total	<u>\$ 129,597</u>	<u>\$ 129,597</u>

B.Land held for construction site

	December 31, 2024	December 31, 2023
Land held for construction site	\$ 509,757	\$ 509,757
Less: Allowance for valuation losses	( 9,733 )	( 9,733 )
Total	<u>\$ 500,024</u>	<u>\$ 500,024</u>

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

	Year ended December 31, 2024	Year ended December 31, 2023
Cost of selling premises	\$ -	\$ 17,785
Inventory Turnover Benefit	-	( 198)
Leases cost	49	47
Total	<u>\$ 49</u>	<u>\$ 17,634</u>

D. In 2023, the Group recognised an inventory reversal gain of \$198 from the sale of certain properties held for sale.

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

(7).Property, plant and equipment

	2024								
	Land	Buildings	Office equipment	Others equipment	Lease asset-Buildings	Leasehold Improvements		Total	
At January 1	\$ 7,713	\$ 4,628	\$ 5,408	\$ 614	\$ 2,442	\$ 7,371		\$ 28,177	
Accumulated depreciation	-	( 1,348 )	( 4,987 )	( 536 )	( 985 )	( 4,142 )		( 11,997 )	
	\$ 7,713	\$ 3,280	\$ 421	\$ 79	\$ 1,457	\$ 3,229		\$ 16,180	
At January 1	\$ 7,713	\$ 3,280	\$ 421	\$ 79	\$ 1,457	\$ 3,229		\$ 16,180	
Additions	-	-	197	127	-	653		977	
Disposals	-	-	( 315 )	-	-	( 140 )		( 455 )	
Accumulated depreciation on disposal date	-	-	315	-	-	140		455	
Depreciation	-	( 117 )	( 146 )	( 68 )	( 49 )	( 1,888 )		( 2,268 )	
At December 31	\$ 7,713	\$ 3,163	\$ 472	\$ 138	\$ 1,408	\$ 1,995		\$ 14,889	
At December 31									
Cost	\$ 7,713	\$ 4,628	\$ 5,290	\$ 741	\$ 2,442	\$ 7,884		\$ 28,699	
Accumulated depreciation	-	( 1,466 )	( 4,818 )	( 603 )	( 1,034 )	( 5,889 )		( 13,810 )	
	\$ 7,713	\$ 3,163	\$ 472	\$ 138	\$ 1,408	\$ 1,995		\$ 14,889	
	2023								
	Land	Buildings	Office equipment	Others equipment	Lease asset-Buildings	Leasehold Improvements		Total	
At January 1	\$ 22,489	\$ 8,307	\$ 8,510	\$ 615	\$ 2,442	\$ 10,362		\$ 52,725	
Accumulated depreciation	-	( 1,872 )	( 7,477 )	( 485 )	( 935 )	( 6,188 )		( 16,957 )	
	\$ 22,489	\$ 6,435	\$ 1,033	\$ 130	\$ 1,507	\$ 4,174		\$ 35,768	
At January 1	\$ 22,489	\$ 6,435	\$ 1,033	\$ 130	\$ 1,507	\$ 4,174		\$ 35,768	
Additions	-	-	190	-	-	906		1,096	
Disposals	( 14,776 )	( 3,679 )	( 3,292 )	-	-	( 3,897 )		( 25,644 )	
Accumulated depreciation on disposal date	-	678	2,781	-	-	3,897		7,356	
Depreciation	-	( 154 )	( 291 )	( 51 )	( 50 )	( 1,850 )		( 2,396 )	
At December 31	\$ 7,713	\$ 3,280	\$ 421	\$ 79	\$ 1,457	\$ 3,230		\$ 16,180	
At December 31									
Cost	\$ 7,713	\$ 4,628	\$ 5,408	\$ 615	\$ 2,442	\$ 7,371		\$ 28,177	
Accumulated depreciation	-	( 1,348 )	( 4,987 )	( 536 )	( 985 )	( 4,141 )		( 11,997 )	
	\$ 7,713	\$ 3,280	\$ 421	\$ 79	\$ 1,457	\$ 3,230		\$ 16,180	

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

(8).Leasing arrangements - lessee

A.The Group leases various assets including Parking lot,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 :

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Carrying Amount</u>	<u>Carrying Amount</u>
land (parking lot)	\$ 222	\$ -
Buildings	13,215	24,611
Transportation equipment	674	1,349
	<u>\$ 14,111</u>	<u>\$ 25,960</u>

	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
land (parking lot)	\$ 222	\$ -
Buildings	14,203	13,500
Transportation equipment	674	690
	<u>\$ 15,099</u>	<u>\$ 14,190</u>

D.For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were \$3,250 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	\$ 326	\$ 491
Expense on short-term lease contracts	385	698
Expense on leases of low-value assets	160	115

F. For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases amounted to \$16,269 and \$15,599, respectively.

(9). Intangible assets

	2024						
	Computer software	Goodwill	Technological expertise	Patents	Client relationship	Total	
At January 1							
Cost	\$ 26,504	\$ 32,583	\$ 18,643	\$ 13,657	\$ 10,784	\$ 102,171	
Accumulated depreciation and accumulated impairment losses	( 17,086 )	-	( 3,729 )	( 4,097 )	( 9,645 )	( 34,557 )	
	\$ 9,418	\$ 32,583	\$ 14,914	\$ 9,560	\$ 1,139	\$ 67,614	
At January 1	\$ 9,418	\$ 32,583	\$ 14,914	\$ 9,560	\$ 1,139	\$ 67,614	
Additions-derived from separate acquisition	577	-	-	-	-	577	
Additions-derived from internal development	6,143					6,143	
Delist – Cost	( 775 )					( 775 )	
Delist – Accumulated depreciation and accumulated impairment losses	775					775	
Amortization expenses	( 7,379 )	-	( 1,242 )	( 1,366 )	( 1,139 )	( 11,126 )	
At December 31	\$ 8,759	\$ 32,583	\$ 13,672	\$ 8,194	\$ -	\$ 63,208	
At December 31							
Cost	\$ 32,449	\$ 32,583	\$ 18,643	\$ 13,657	\$ 10,784	\$ 108,116	
Accumulated depreciation and accumulated impairment losses	( 23,690 )	-	( 4,971 )	( 5,463 )	( 10,784 )	( 44,908 )	
	\$ 8,759	\$ 32,583	\$ 13,672	\$ 8,194	\$ -	\$ 63,208	
	2023						
	Computer software	Goodwill	Technological expertise	Patents	Client relationship	Total	

At January 1																
Cost	\$	19,607	\$	32,583	\$	18,643	\$	13,657	\$	10,784	\$	95,274				
Accumulated depreciation and accumulated impairment losses	(	9,232	)	-	(	2,486	)	(	2,731	)	(	6,430	)	(	20,879	)
	\$	10,375	\$	32,583	\$	16,157	\$	10,926	\$	4,354	\$	74,395				
At January 1	\$	10,375	\$	32,583	\$	16,157	\$	10,926	\$	4,354	\$	74,395				
Additions		7,100		-		-		-		-		7,100				
Delist –Cost	(	219	)								(	219	)			
Delist – Accumulated depreciation and accumulated impairment losses		219										219				
Reclassifications		16		-		-		-		-		16				
Amortization expenses	(	8,073	)	-	(	1,243	)	(	1,366	)	(	3,215	)	(	13,897	)
At December 31	\$	9,418	\$	32,583	\$	14,914	\$	9,560	\$	1,139	\$	67,614				
At December 31																
Cost	\$	26,504	\$	32,583	\$	18,643	\$	13,657	\$	10,784	\$	102,171				
Accumulated depreciation and accumulated impairment losses	(	17,086	)	-	(	3,729	)	(	4,097	)	(	9,645	)	(	34,557	)
	\$	9,418	\$	32,583	\$	14,914	\$	9,560	\$	1,139	\$	67,614				

The goodwill of the Group is allocated to cash-generating units identified at the operating segment level. The Group engages external valuation firms annually to perform impairment assessment tests, where the recoverable amount is assessed based on the value in use, derived from the management's estimated pre-tax cash flow forecasts over a five-year financial budget period. As of December 31, 2024, the recoverable amount calculated based on the value in use exceeded the carrying amount, hence no impairment of goodwill was recognized.

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

<u>Items</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Futures Trading Margin	\$ 531	\$ 8,144
Contract project deposit	4,145	6,740
Operating margin	5,000	15,000
Leases margin	3,270	3,068
Margin for securities lending	-	49,021
Other	<u>912</u>	<u>912</u>
Total	<u>\$ 13,858</u>	<u>\$ 82,885</u>

(11).Short-term loans

<u>Nature of borrowing</u>	<u>December 31, 2024</u>	<u>Interest rate</u>	<u>Collaterals</u>
Bank borrowings			
Secured loans			Financial assets at fair value through other comprehensive income
	\$ 35,000	2.05%	
Unsecured loans	<u>80,000</u>	1.98%	None
	<u>\$ 115,000</u>		-

<u>Nature of borrowing</u>	<u>December 31, 2023</u>	<u>Interest rate</u>	<u>Collaterals</u>
Bank borrowings			
Unsecured loans	<u>\$ 40,000</u>	1.85%	None

A. In 2024 and 2023, the Group recognized interest accrued in the amounts of \$10,518 and \$7,293 related to its long-term and short-term borrowings, respectively.

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

(12)Short-term bills payable

<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
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.The Group's interest expense recognized in profit or loss for 2024 and 2023 years was \$2,764 and \$20 respectively.

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



(13) 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	\$ -	\$ 54,465
transaction		
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 :

	December 31, 2024	December 31, 2023
Net profit or loss recognized in profit or loss :		
Financial liabilities at FVTPL		
Held for trading		
Securities lending	(\$ 10,097)	(\$ 3,334 )
transaction		

(14).Long-term bank loans

Type of borrowings	Borrowing period and repayment term	Interest rate	December 31, 2024	Collaterals
Long-term loans				
Secured loans-JPY	The loan in JPY(JPY2,214,854 thousand) was taken from November 1, 2024 to January 27, 2025 .It may be extended if fully secured, with monthly interest payments..	0.93%~1.09%	\$ 463,906	Financial assets at fair value through other comprehensive income 、 Financial assets at fair value through profit or loss
Secured loans-CHF	The loan in CHF (CHF5,276 thousand) was taken from April 3, 2024 to April 3, 2025 .It may be extended if fully secured, with monthly interest payments..	1.86%~2.00%	191,172	"
Less: Long-term liabilities - current portion			\$ -	
			<u>\$ 655,078</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(JPY1,817,168 thousand) was taken from November 17, 2023, to February 19,2024 . It may be extended if fully secured, with monthly interest payments..	0.78%	\$ 395,133	Financial assets at fair value through other comprehensive income
Secured loans-CHF	The loan in CHF (CHF5,209 thousand) was taken from December 6, 2023, to January 10, 2024, It may be extended if fully secured, with monthly interest payments..	1.78%	190,090	
Less: Long-term liabilities - current portion			\$ _____	
			\$ <u>585,223</u>	

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

#### (15).Pension

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

B.The pension costs and expenses under defined contribution pension plans of the Group for the years ended December 31, 2024 and 2023 were \$5,475 and \$5,246, respectively.

#### (16).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.

#### (17).Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and

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

	Adjustments to share of changes in equity of associates and joint ventures	2024 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

	Adjustments to share of changes in equity of associates and joint ventures	2023 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

#### (18). Retained earnings

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

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

C. Legal reserve Except for covering accumulated deficit or issuing new

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

- D.(a).In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b).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 2024 and 2023 earnings distribution proposals as follows:

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

	Year ended December 31, 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.

(19).Other equity items

		2024		Total
	Unrealised gains (losses) on valuation	Currency translation		
At January 1	\$ 26,002	\$ 139,473	\$	165,475
Revaluation	780,226	-		780,226
Revaluation – tax	( 155,904 )	-	(	155,904 )
Transfer of valuation adjustment to retained earnings	( 4,984 )		(	4,984 )
Currency translation differences	-	114,658		114,658
Foreign exchange impact	( 6,433 )		(	6,433 )
At December 31	\$ 638,907	\$ 254,131	\$	899,471

  

		2023		Total
	Unrealised gains (losses) on valuation	Currency translation		
At January 1	\$ 158,157	\$ 132,396	\$	290,553
Revaluation	( 120,459 )	-	(	120,459 )
Revaluation – tax	( 11,678 )	-	(	11,678 )
Evaluation adjustments are carried out to retained surpluses	( 18 )		(	18 )
Currency translation differences	-	7,077		7,077
At December 31	\$ 26,002	\$ 139,473	\$	165,475

(20).Operating revenue

A.The Group's revenue originates from the provision of goods and services that transfer over time or at a specific point in time. Revenue can be further broken down into the following main product categories:

	Year ended December 31, 2024	Year ended December 31, 2023
Information subscription revenue	\$ 176,475	\$ 138,072
Information system development revenue	153,766	133,516
Consulting services revenue	2,384	
Rental revenue	883	838
Sale of property revenue	-	23,433
Total	\$ 333,508	\$ 295,859

B.Contract assets and liabilities

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

	December 31, 2024	December 31, 2023	At January 1, 2023
Contract assets	\$ 16,380	\$ 10,384	\$ 11,617
Contract liabilities	\$ 46,694	\$ 43,341	\$ 22,143

(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 recognised that was included in the contract liability balance at the beginning of the period		
Pre-received of information subscription revenue	11,721	6,913
Pre-received of information system development revenue	27,398	14,470
Pre-received of Rental revenue	57	126
	\$ 39,176	\$ 21,509

(21).Interest income

	Year ended December 31, 2024	Year ended December 31, 2023
Interest income from bank deposits	\$ 1,592	\$ 1,818
Interest income from financial assets at amortized cost	756	279
Interest income from financial assets at fair value through profit or loss	6,019	-
Interest income from financial assets measured at fair value through other comprehensive income	19,335	4,643
Other Interest income	130	206
	<u>\$ 27,832</u>	<u>\$ 6,946</u>

(22).Other income

	Year ended December 31, 2024	Year ended December 31, 2023
Dividend income	\$ 145,214	\$ 139,882
Other income, others	386	22,944
	<u>\$ 145,600</u>	<u>\$ 162,826</u>

(23).Other gains and losses

	Year ended December 31, 2024	Year ended December 31, 2023
Unrealized gain on foreign currency exchange, net	\$ 46,256	\$ 894
(Loss) interest in financial assets at fair value through profit or loss	14,233	5,786
Reversal of financial asset gains	5	25
Gain on disposal of property, plant and equipment	-	3,044
Other losses	( 452)	( 11,047)
	<u>\$ 60,042</u>	<u>(\$ 1,298)</u>

(24).Finance costs

	Year ended December 31, 2024	Year ended December 31, 2023
Interest expense		
Bank loans	\$ 10,518	\$ 7,293
Commercial papers payable	2,764	20
Interest accrued on deposits	1	2
Lease liabilities	326	491
Other finance expense	-	21
	<u>\$ 13,617</u>	<u>\$ 7,827</u>

(25).Cost and expenses by nature

	Year ended December 31, 2024	Year ended December 31, 2023
Depreciation charges on property, plant and equipment	\$ 2,268	\$ 2,396
Depreciation charges on right-of-use assets	15,099	14,190
Employee benefit expense	141,534	130,119
Amortisation charges	<u>11,126</u>	<u>13,897</u>
	<u>\$ 170,027</u>	<u>\$ 160,602</u>

(26).Employee benefit expense

	Year ended December 31, 2024	Year ended December 31, 2023
Wages and salaries	\$ 117,458	\$ 108,061
Labor and health insurance fees	10,483	9,967
Pension costs	5,475	5,246
Directors' remuneration	3,180	3,180
Other personnel expenses	<u>4,938</u>	<u>3,665</u>
	141,534	130,119

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees that account for no more than 0.1% 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.

(27).Income tax

A.Income tax expense

(a).Components of income tax expense

	Year ended December 31, 2024	Year ended December 31, 2023
Current tax :		
Current tax on profits for the period	\$ 18,497	\$ 16,790
Prior year income tax overestimation	(1,451)	( 97)
Land value increment tax	<u>-</u>	<u>1,236</u>
Total current tax	<u>7,046</u>	<u>17,929</u>
Deferred tax :		
Origination and reversal of temporary differences	<u>37,861</u>	<u>20,713</u>
Total deferred tax	<u>7,861</u>	<u>20,713</u>
Income tax expense	<u>\$ 54,907</u>	<u>\$ 38,642</u>

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

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

	December 31, 2024	December 31, 2023
Changes in fair value of financial assets at fair value through other comprehensive loss	\$ 155,904	\$ 11,678

**B. Income tax expense 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(Note)	\$ 43,098	\$ 25,147
Income tax impact of items adjusted in accordance with tax laws	( 2,784 )	4,849
Land value increment tax included in current tax	-	1,236
Temporary differences not recognized as deferred tax assets	( 1 )	( 71 )
Tax losses from prior years not recognized as deferred tax assets are utilized in the current period	( 338 )	( 399 )
Changes in the evaluation of deferred tax assets and liabilities	10,653	( 9,138 )
Prior year income tax overestimation	( 1,451 )	( 97 )
Income tax impact of stock-priced investments	-	11,718
Impact of withholding tax on overseas income	5,730	5,397
Income tax expense (benefit)	\$ 54,907	\$ 38,642

Note: The tax rate basis is calculated according to the applicable tax rate in the relevant country.

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

January 1	Recognised in profit or loss	Recognised in other comprehen	December 31
--------------	------------------------------------	----------------------------------	----------------

sive  
income

Deferred tax

assets :

Temporary  
differences :

Unused compensated absences payable	\$	257	\$	292	\$	-	\$	549				
Loss on valuation of financial asses		592		-	(	592	)	-				
Impairment Loss		10,549				-		10,549				
Unrealized Exchange loss		3,003	(	2,106	)			897				
Tax losses		105,746	(	36,394	)		-	69,352				
Subtotal		120,147	(	38,208	)	(	592	)	81,347			
Deferred tax liabilities :												
Unrealized exchange gain	(	10	)	3		-	(	7	)			
Financial asset valuation benefits	(	10,580	)	(	617	)	(	155,312	)	(	166,509	)
Foreign subsidiaries have not realized investment benefits	(	32,651	)	342		-	(	32,309	)			
Reserve for land value increment tax	(	76,252	)	-		-	(	76,252	)			
Acquisition of subsidiary intangible assets	(	4,991	)	619		-	(	4,372	)			
Subtotal	(	124,484	)	347	(	155,312	)	(	279,449	)		
Total	(\$	4,337	)	(\$	37,861	)	(\$	155,904	)	(\$	198,102	)

Year ended December 31, 2023

	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Exchange difference	December 31
Deferred tax assets :					
Temporary differences :					
Unused compensated absences payable	\$ 352	(\$ 95 )	\$ -	-	\$ 257
Loss on valuation of financial asses	1,779	-	( 1,187 )	-	592
Provisions for liabilities - onerous contracts	23	( 23)	-	-	23
Impairment Loss	13,011	( 2,462 )	-	-	10,549

Unrealized Exchange loss	2,570		433		-		3,003							
Tax losses	135,675	(	29,929	)	-	-	105,746							
Subtotal	153,410	(	32,076	)	(	1,187	)	-	120,147					
Deferred tax liabilities :														
Unrealized exchange gain	(	10	)	-	-	-	(	10	)					
Financial asset valuation benefits	-	-	-	(	10,491	)	43	(	10,448	)				
Foreign subsidiaries have not realized investment benefits	(	42,652	)	10,001	-	-	(	32,651	)					
Reserve for land value increment tax	(	76,450	)	198	-		(	76,252	)					
Acquisition of subsidiary intangible assets	(	6,287	)	1,164	-		(	5,123	)					
Subtotal	(	125,399	)	11,363	(	10,491	)	43	(	124,484	)			
Total	(\$	28,011	)	(\$	20,713	)	(\$	11,678	)	\$	43	(\$	4,337	)

D.Expiration dates of loss carryforward and amounts of unrecognized deferred tax assets are as follows:

Year of occurrence	Declared / Approved	Year ended			The final year in which the tax deduction is applied
		December 31, 2024			
		Amount not deducted	Non-recognized amount of deferred income tax assets		
Kwong Fong Industries Corporation & Pao Fong Asset Management Co., Ltd.					
2016	369,764	130,882	-	2026	
2019	127,568	127,568	-	2029	
2021	708,745	639,644	551,338	2031	
Digital Securities Investment Consultant Co., Ltd.					
2022	1,258	192	192	2032	
2023	1,505	1,505	1,505	2033	
	\$ 1,208,840	\$ 899,791	\$ 553,035		

Year ended  
December 31, 2023

Year of occurrence	Declared / Approved	Amount not deducted	Non-recognized amount of deferred income tax assets	The final year in which the tax deduction is applied
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Kwong Fong Industries Corporation & Pao Fong Asset Management Co., Ltd.

2016	369,764	304,850	-	2026
2019	127,568	127,568	-	2029
2021	708,745	639,644	551,338	2031
Mdb's Digital Technology Co., Ltd.				
2021	13,162	125	125	2031
Digital Securities Investment Consultant Co., Ltd.				
2022	1258	405	405	2032
2023	1505	1505	1,505	2034
	\$ 1,222,002	\$ 1,074,097	\$ 553,373	

E. Deductible temporary differences that are not recognized as deferred income tax Assets by the Group.

	December 31, 2024	December 31, 2023
Deductible temporary differences	\$ <u>16,016</u>	\$ <u>13,911</u>

F. 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.

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

## (28). Earnings per share

Year ended December 31, 2024		
Amount after tax	Weighted average number of ordinary shares	Earnings per share

		outstanding (share in thousands)	share (in dollars)
<u>Basic earnings per share</u>			
Net profit for the current period attributable to the parent company's ordinary shareholders	\$ 146,930	185,342	\$ 0.79
<u>Diluted earnings per share</u>			
Net profit for the current period attributable to the parent company's ordinary shareholders	\$ 146,930	185,342	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	55	
Net profit for the current period attributable to ordinary shareholders of the parent company plus the impact of potential ordinary shares	\$ 146,930	185,397	\$ 0.79

	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 for the current period attributable to the parent company's ordinary shareholders	\$ 95,103	185,342	\$ 0.51
<u>Diluted earnings per share</u>			
Net profit for the current period attributable to the parent company's ordinary shareholders	\$ 95,103	185,342	

Assumed conversion of all  
dilutive potential ordinary  
shares

Employees' compensation		-		63		
Net profit for the current	\$	95,103		185,405	\$	0.51
period attributable to ordinary						
shareholders of the parent						
company plus the impact of						
potential ordinary shares						

## (29).Changes in liabilities from financing activities

	2024					
	Short-term loans	Short-term bills payable	Long-term borrowings (including current portion)	Guaran tee deposit s receive d	Lease liabilitie s	Liabiliti es from financi ng activitie s-gross
January 1	\$ 40,000	\$ 19,985	\$ 585,223	\$ 573	\$ 26,742	\$ 672,523
Changes in cash flow from financing activities	75,000	179,807	69,855	-	( 15,398 )	309,264
Changes in other non-cash item	-	-	-	-	3,250	3,250
December 31	\$ 115,000	\$ 199,792	\$ 655,078	\$ 573	\$ 14,594	\$ 985,037

  

	2023					
	Short-term loans	Short-term bills payable	Long-term borrowings (including current portion)	Guaran tee deposit s receive d	Lease liabilitie s	Liabiliti es from financi ng activitie s-gross
January 1	\$ -	\$ -	\$ 578,307	\$ 1,088	\$ 40,292	\$ 619,687
Changes in cash flow from financing activities	40,000	19,985	6,314	( 515 )	( 14,295 )	51,489
Impact of exchange rate changes	-	-	602	-	-	602

Changes in other non-cash item	-	-	-	-	745	745
December 31	\$ 40,000	\$ 19,985	\$ 585,223	\$ 573	\$ 26,742	\$ 672,523

## 7 ° RELATED PARTY TRANSACTIONS

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

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

### (2).Significant related party transactions and balances

#### **A.Revenue**

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

The lease transaction price and payment terms are similar to those with unrelated parties.

#### **B.Contract liabilities**

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Luo Sheng Fong Co., Ltd.	29	29
Luo Shengtai Co., Ltd.	29	28
Other related party	<u>\$ 58</u>	<u>\$ 57</u>



### (3).Key management compensation

		Year ended December 31, 2024	Year ended December 31, 2023
Salaries and other short-term employee benefits	\$	21,960	19,287
Post-employment benefits		753	354
Total	\$	<u>22,713</u>	<u>19,641</u>

### 8 ° PLEDGED ASSETS

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

	<u>Book value</u>		
<u>Pledged assets</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>Purpose</u>
Inventories - Real property for sale	\$ 49,042	\$ 49,042	Short loan guarantee limit
Property, plant and equipment	7,289	7,384	Long loan guarantee limit
Financial assets at fair value through other comprehensive income-noncurrent	2,693,316	1,617,472	Loan and note guarantee
Financial assets at fair value through profit or loss	47,356	-	Long loan collateral
Financial assets at amortised cost	1,885	6,776	"
Refundable deposit	5,000	15,000	Operating margin
Refundable deposit	<u>4,145</u>	<u>6,740</u>	Project undertaking
	<u>\$ 2,808,033</u>	<u>\$ 1,702,414</u>	

### 9 ° SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT

#### (1).Contingencies

The Group sold Kwong Fong Plaza to Cathay Life Insurance Co., Ltd. (henceforth Cathay Life Insurance) on January 15, 2021, and the Group signed a "Leasing Contract Succession Agreement" with Decathlon and Cathay Life Insurance to settle utility costs. After amicable negotiations and a written agreement, the parties resolved to settle the rent arrearage of \$7,833 for the period of January 1, 2021, through March 31, 2021, by the agreed means other than that

specified in the lease agreement. As of September 30, 2021, however, the parties had not yet reached an agreement on the pricing of electricity charges and had not signed a written agreement as required by the tripartite agreement. The Group believes that the negotiations have yielded no results and that the tripartite agreement is no longer applicable; therefore, the terms of this lease agreement shall govern. The group filed for arbitration on November 16, 2021 (the court was held on January 10, 2022) and requested that Decathlon pay the Group's rent receivable of \$7,833. In accordance with Article 6.1 of this contract, Decathlon counterclaimed the Group \$8,527 for overpaid electricity charges after deducting the "deferred rent" on the basis that the electricity charges were overpaid.

The arbitral tribunal held a substantive hearing on July 28, 2022, at the Chinese Arbitration Association in Taipei (2021 Zhong-Sheng-He-Zi No. 053), and the arbitral tribunal decided that Decathlon shall demand that the Group pay the \$1,770 in overcharged electricity charges from January to July 2017 as well as interest at a rate of 5% per year calculated up until the settlement date. According to the arbitral tribunal's decision, the Group estimated on September 30, 2022 to pay \$1,770 for the overpaid electricity fee. The compensation was paid on October 26, 2023. However, Decathlon still refuses to pay the remaining balance, showing no willingness to respect the arbitration award. Therefore, on November 9, 2022, the Group applied for a second arbitration to the Arbitration Association pursuant to the arbitration agreement reached in the aforementioned arbitration procedure. The Group seeks Decathlon to pay outstanding rental receivables of \$7,833 and the difference of \$6,012 between the arbitration compensation for overpaid electricity charges plus interest amounting to \$1,821, plus interest calculated at an annual rate of five percent from November 9, 2022, until the date of settlement. Following the arbitration tribunal's decision on September 5, 2023, in Case No. 111 Arbitration Dispute No. 052, the tribunal considered that it lacked jurisdiction over this case and dismissed further consideration.

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

## (2).Commitments

None.

## 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 (18).

## 1 2 ° OTHERS

### (1).Capital management

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

### (2).Financial instruments

#### A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</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	\$ 358,370	\$ 81,165
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	3,845,742	2,970,303
Debt instruments that meet the criteria	459,923	235,517
Financial assets at amortized cost		
Cash and cash equivalents	145,856	226,370
Financial assets at amortized cost	40,884	27,766
Contract assets	16,380	10,384
Accounts receivable	23,300	28,053
Other receivables	9,060	58,934
Refundable deposits (Listed under "Other Non-Current Assets" )	<u>13,858</u>	<u>82,885</u>
	<u>\$ 4,913,373</u>	<u>\$ 3,721,377</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 at FVTPL 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	46,694	43,341
Notes payable	29	-
Accounts payable	6,757	6,201
Other payables	51,172	120,423
Long-term loans	655,078	585,223
Refundable deposits (Listed under "Other Non-Current Assets" )	<u>573</u>	<u>573</u>
	<u>\$ 1,075,100</u>	<u>\$ 872,529</u>
Lease liabilities	<u>\$ 14,594</u>	<u>\$ 26,742</u>

#### B. Financial risk management policies

- (a). The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b). Risk management is carried out by the Group's Finance Department under policies approved by the Board of Directors. The Group's Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Group's Operating Department. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, 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 Group's main source of foreign exchange risk is the operational team's net investment of institutions that operate as a team. The Group does not hedge the net investment of foreign operating institutions because it is a strategic investment.

II. The group'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:

		December 31, 2024		
(Foreign currency: functional currency)	<u>Foreign currency amount</u>	<u>Exchange rate</u>	<u>Carrying Amount Book Value (NTD)</u>	
<u>Financial assets</u>				
<u>Monetary items</u>				
HKD : USD	2,417	4.220		10,200
<u>Non-monetary items</u>				
USD : NTD	\$ 14,909	32.790	\$	488,866
HKD : NTD	223,724	4.220		944,116
HKD : USD	513,059	4.220		2,165,109
<u>Financial liabilities</u>				
<u>Monetary items</u>				
JPY : NTD	\$ 1,313,203	0.210	\$	275,773
CHF : NTD	2,637	36.270		95,638
JPY : USD	901,651	0.210		188,133
CHF : USD	2,639	36.270		95,534

  

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

JPY : USD	895,091	0.217	194,858
CHF : USD	2,594	36.485	94,670

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 \$46,256 and \$894 respectively due to the significant impact of exchange rate fluctuations.

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

Year ended December 31, 2024

(Foreign currency: functional currency)	<u>Degree of variation</u>	<u>Sensitivity analysis</u> <u>Effect on</u> <u>profit or loss</u>		
<u>Financial assets</u>				
<u>Monetary items</u>				
HKD : USD	1.00%		102	-
<u>Non-monetary items</u>				
USD : NTD	1.00%	\$	811	\$ 4,078
HKD : NTD	1.00%		-	9,441
HKD : USD	1.00%		-	21,651
<u>Financial liabilities</u>				
<u>Monetary items</u>				
JPY : NTD	1.00%	\$	2,758	\$ -
CHF : NTD	1.00%		956	-
JPY : USD	1.00%		1,881	-
CHF : USD	1.00%		955	-

Year ended December 31, 2023

(Foreign currency: functional currency)	<u>Sensitivity analysis</u>			
	<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on othe comprehensive income</u>	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1.00%	\$	719	\$ -
HKD : NTD	1.00%		40	-
<u>Non-monetary items</u>				
USD : NTD	1.00%	\$	604	1,860
HKD : USD	1.00%		-	6,366

## Financial liabilities

### Monetary items

HKD : NTD	1.00%	2,003	-
CHF : NTD	1.00%	954	-
JPY : USD	1.00%	1,949	-
CHF : USD	1.00%	947	-

## I.Price risk

- i.The Group's equity instruments exposed to price risk consist of financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. To manage the price risk of equity investments, the Group diversifies its investment portfolio according to limits set by the company.
- ii. The Group primarily invests in equity instruments 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 \$260 and \$89, respectively, due to gains or losses from equity instruments measured at fair value through profit or loss. Additionally, the gains or losses in other comprehensive income for equity instruments classified as measured at fair value through other comprehensive income would increase or decrease by \$29,083 and \$24,884, respectively.

### Cash flow and fair value interest rate risk

The Group's borrowings are measured at amortized cost, with annual interest rates re-priced per the contract, exposing the Group to future interest rate risks.

## (b).Credit risk

- i.The Group'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 Group manages its credit risk based on a Group -oriented

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

- iii. The Group adopts 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 Group adopts IFRS 9 and uses the following assumptions to assess significant increases in credit risk since initial recognition:
  - (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 Group to assess impairment of debt instrument investments are as follows:
  - (i) The issuer experiences significant financial difficulties or is likely to enter bankruptcy or other financial reorganization;
  - (ii) The issuer's financial difficulties lead to the disappearance of an active market for the financial asset;
  - (iii) The issuer delays or defaults on interest or principal payments;
  - (iv) Adverse changes in national or regional economic conditions leading to issuer default.



vi. The Group estimates expected credit losses for receivables and contract assets based on customer ratings, using a simplified approach and provision matrix. The expected credit loss over the life of the asset considers the customer's past defaults and current financial and economic conditions. Given the Group's historical credit loss experience shows no significant differences in loss patterns across customer groups, the provision matrix does not further differentiate customer groups, but instead calculates the expected credit loss rate based on the days past due.

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

	Not past due	Less than 30 days	31~90 days	91~180 days	More than 181 days	Total
December 31, 2024						
Expected loss rate	0.03%<1.35 %	6.29%	18.12%	30.12%	100%	
Total book value	\$ 38,624	\$ 1,485	\$ -	\$ -	-	\$ 40,109
Loss allowance	(\$ 336)	(\$ 93)	\$ -	\$ -	-	(\$ 429)
	Not past due	Less than 30 days	31~90 days	91~180 days	More than 181 days	Total
December 31, 2023						
Expected loss rate	0.00%<0.01 %	0.00%~0.01 %	6.44%	21.41%	100%	
Total book value	\$ 36,000	\$ 1,265	\$ -	\$ 1,500	724	\$ 39,489
失 Loss allowance	(\$ 6)	\$ -	\$ -	(\$ 322)	(\$ 724)	(\$ 1,052)

viii. The Group's provision for loss changes on contract assets and accounts receivable under the simplified approach is as follows:

		2024		2023
At January 1	\$	1,052	\$	205
Expected credit loss (gain)	(	623)		847
At December 31	\$	<u>429</u>	\$	<u>1,052</u>

(c). Liquidity risk

i. Cash flow forecasts are prepared by the Group's operating units and consolidated by the Group's finance team. The finance team monitors the forecasted liquidity needs to ensure sufficient funds for operations and maintains adequate unused loan commitments to avoid breaching borrowing limits or terms. These forecasts consider the Group's debt plans, covenant compliance, and internal financial ratio targets.

ii. The Group invests surplus cash from all operating units in interest bearing current accounts, time deposits, and choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As of December 31, 2024 and 2023, the Group's position held in money market were NT\$145,856 and NT\$226,370. Expected to generate immediate cash flow to manage liquidity risk.

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

		December 31, 2024		December 31, 2023
Floating rate				
Less than 1 year	\$	524,729	\$	1,046,504
Over 1 years		945,586		341,021
	\$	<u>1,470,315</u>	\$	<u>1,387,525</u>

Note: The limit due within one year is the annual limit and will be renegotiated in 2025.

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

	<u>Less than 1 year</u>	<u>Over 1 year</u>
<u>Non-derivative financial liabilities</u>		
December 31, 2023		
Short-term loans	\$ 115,436	\$ -
Short-term bills payable	200,021	-
Contract liabilities	46,694	-
Notes, accounts payable	6,786	-
Other payables	51,177	-
Lease liabilities	13,998	725
Long-term loans	-	663,523

	<u>Less than 1 year</u>	<u>Over 1 year</u>
<u>Non-derivative financial liabilities</u>		
December 31, 2023		
Short-term loans	\$ 40,062	\$ -
Short-term bills payable	20,000	-
Contract liabilities	43,341	-
Notes, accounts payable	6,201	-
Other payables	120,423	-
Lease liabilities	14,766	12,334
Long-term loans	-	591,075

### (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 USD 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 assets or liabilities, including the Group's investments in non-active market equity and debt instruments.

B. Financial instruments not measured at fair value, including cash and cash equivalents, Accounts receivable, 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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 13,102	\$ -	\$ -	\$ 13,102
Debt instruments	-	-	252,153	252,153
Structured Notes	69,227			69,227
Hybrid instruments	9,940			9,940
Beneficiary Certificate	13,948	-		13,948
Financial assets at fair value through other comprehensive income				
Equity securities	2,412,077	-	1,433,664	3,845,742
Liabilities securities	459,923	-		459,923
Total	\$ <u>2,978,218</u>	\$ <u>-</u>	\$ <u>1,685,817</u>	\$ <u>4,664,035</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	\$ 8,940	\$ -	\$ -	\$ 8,940
Derivative instruments	12,119	-	-	12,119
Structured Notes	60,106	-	-	60,106
Financial assets at fair value through other comprehensive income				
Equity securities	1,807,015	-	1,163,288	2,970,303
Liabilities securities	235,517	-	-	235,517
Total	\$ 2,123,697	\$ -	\$ 1,163,288	\$ 3,286,985
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 Group used to measure fair value are as follows:

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

	Listed shares	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 Group 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	\$ 1,163,288	\$ -
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	189,498	
Effect of exchange rate changes	80,878	-
At December 31	<u>\$ 1,433,664</u>	<u>\$ 252,153</u>

	<u>2023</u>	
	<u>Equity Securities-Unlisted shares</u>	<u>Debt instruments-Preferred stock</u>
At January 1	\$ 1,375,254	\$ -
Unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income	( 214,925)	
Effect of exchange rate changes	2,959	-
At December 31	<u>\$ 1,163,288</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 Group is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

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

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument :					
Unlisted shares	\$ 1,424,827	Market comparable companies	Discount for lack of marketability P/S value multiple P/M value multiple P/B value multiple	10%~31.21 %  0.33~0.52  1.94 0.88~2.59	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.
		Comparabl e company analysis	Control discount P/S value multiple Discount for lack of marketability	16.04%  0.27~0.47  10%	
	8,837	Asset approaches	Control discount	27.48%	
	\$ 1,433,664				
Non-derivative debt instruments					
Preferred stock		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	\$ 1,150,860	Market comparable companies	Discount for lack of marketability P/S value multiple P/M value multiple P/B value multiple	10%~31.12%  0.17~0.85  1.69  0.77~2.31	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.
		Comparabl e company analysis	Control discount P/S value multiple Discount for lack of marketability	16.04%  0.27~1.21  10%	
	12,428	Asset approaches	Control discount	29.82%	
	<u>\$ 1,163,288</u>				

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

December 31, 2024						
			<u>Recognised in profit or loss</u>		<u>Recognised in other comprehensive income</u>	
			<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets	<u>Input</u>	<u>Change</u>				
Equity instrument						

Unlisted shares	Long-term dividend yield,		\$	-	\$	-	\$ 12,287	(\$ 12,281)
	Comparable company volatility,							
	Discount for lack of marketability ,	±1%						
	Control discount (or premium),							
	Volatility							
Debt instruments:								
Preferred stock	Discount rate, discount for lack of marketability	±1%						
				8,613	( 8,248)	-	-	
Total			\$	8,613	(\$ 8,248)	\$ 12,287	(\$ 12,281)	

December 31, 2023						
	Input	Change	Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable 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%	\$ -	\$ -	\$ 12,232	(\$ 12,228)

### 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

(1).General information

For management purposes, the Group divides its operating units by products and services into the following reportable segments:

- A.Kwong Fong Department : Specialized investment business.
- B.Pao Fong Asset Management Department: Real estate development, construction and property management.
- C.Kwong Fong Holdings Department: Overseas asset investment business.
- D. Digital Technology department: Information Software Services.

(2).Measurement of segment information

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

The accounting policies of the reportable operating segments is in

a manner consistent with the significant accounting policies provided in Note 4.

### (3).Segment information

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

Year ended December 31, 2024	Kwong Fong Department	Pao Fong Asset Management Department	Kwong Fong Holdings Department	Digital Technology Department	Adjustments and written-off	Total
Revenue :						
Revenue from external customers	\$ 457	\$ 409	\$ -	\$ 332,642	\$ -	\$ 333,508
Revenue from internal customers	-	-	-	17,124	( 17,124 )	-
Segment revenue	\$ 457	\$ 409	-	\$ 349,766	(\$ 17,124 )	\$ 333,508
Segment profit (loss)	\$ 77,976	(\$ 26,454 )	\$ 79,867	\$ 64,430	\$ 1,506	\$ 197,325
Share of income (loss) of associates and joint ventures accounted for using equity method	76,132	-	-	-	( 76,132 )	-
Depreciation and amortisation	( 7,178 )	( 76 )	-	( 18,381 )	( 2,858 )	( 28,493 )
Segment profit (loss)	146,930	( 26,530 )	79,867	46,049	( 77,484 )	168,832
Segment assets	\$ 5,184,627	\$ 852,422	\$ 2,408,262	\$ 247,902	(\$ 2,958,512 )	\$ 5,734,701
Segment liabilities	\$ 903,477	\$ 84,515	\$ 284,569	\$ 101,037	\$ 2,535	\$ 1,376,133

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

Year ended December 31, 2023	Kwong Fong Department	Pao Fong Asset Management Department	Kwong Fong Holdings Department	Digital Technology Department	Adjustments and written-off	Total
Revenue :						
Revenue from external customers	\$ 458	\$ 23,630	\$ -	\$ 271,771	\$ -	\$ 295,859
Revenue from internal customers	-	-	-	13,329	( 13,329 )	-

Segment revenue	\$	<u>458</u>	\$	<u>23,630</u>	<u>-</u>	\$	<u>285,100</u>	(\$	<u>13,329</u>	)\$	<u>295,859</u>	
Segment profit (loss)	\$	<u>69,760</u>	(\$	<u>31,327</u>	)\$	<u>48,627</u>	\$	<u>49,306</u>	(\$	<u>10,779</u>	)\$	<u>125,587</u>
Share of income (loss) of associates and joint ventures accounted for using equity method		32,631		-		-		-	(	32,631	)	-
Depreciation and amortisation	(	7,288	)(	92	)	-	(	17,865	)(	5,239	)(	30,484)
Segment profit (loss)		<u>95,103</u>	(	<u>31,419</u>	)	<u>48,627</u>		<u>31,441</u>	(	<u>48,649</u>	)	<u>95,103</u>
Segment assets	\$	<u>4,036,612</u>	\$	<u>875,616</u>	\$	<u>1,833,966</u>	\$	<u>217,630</u>	(\$	<u>2,370,382</u>	)\$	<u>4,593,442</u>
Segment liabilities	\$	<u>542,258</u>	\$	<u>84,437</u>	\$	<u>292,477</u>	\$	<u>108,548</u>	\$	<u>2,368</u>	\$	<u>1,030,088</u>

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

#### (4).Reconciliation for segment income (loss)

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

The profit and loss of department portals in 2024 and 2023 of the Republic of China and the profit and loss before deduction of subsequent business departments are adjusted as follows:

		Year ended December 31, 2024		Year ended December 31, 2023	
Reportable Segment Profit and Loss	\$	<u>3,874</u>	(\$	<u>12,005</u>	)
Non-operating income and expenses		219,865		160,647	
Continuing operations profit (loss) before income tax	\$	<u>223,799</u>	\$	<u>148,642</u>	

(5).Information on products and services

Revenue from external customers is mainly derived from information services, software sales, and real estate sales. For details, please refer to Note 6(20).

(6).Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows :

	Year ended December 31, 2024		Year ended December 31, 2023	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ <u>333,508</u>	\$ <u>4,655,026</u>	\$ <u>295,859</u>	\$ <u>3,320,574</u>

Non-current assets refer to financial assets measured at fair value through other comprehensive income, real estate, factories and equipment, right-of-use assets, intangible assets, and other non-current assets (excluding deferred income tax assets and refundable deposits).

(7).Major customer information

The Group had no single customer whose sales accounted for more than 10% of the net operating revenue on the income statement for the years 2024 and 2023.

Kwong Fong Industries Corporation and Subsidiaries  
Provision of endorsements and guarantees to otherS  
January 1, 2024- December 31, 2024

Table 1

Expressed in thousands of TWD

Number (Note 1)	Endorser / Guarantor	Party being endorsed/guaranteed		Limit on endorsement s / guarantees provided for a single party (Note 3)	Maximum outstanding endorsement / guarantee amount (Note 4)	Outstanding endorsement t/ guarantee amount (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsement /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsement s provided (Note 3)	Provision of endorsement s by parent company to subsidiary (Note 7)	Provision of endorsement s by subsidiaries to parent company (Note 7)	Provision of endorsement s to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	<b>Kwong Fong Industries Corporation</b>	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) Companies with business dealings
- (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: Maximum outstanding balance of endorsements and guarantees made on behalf of others during the year..

Note 5: The amount approved by the Board of Directors. However, for amounts authorized by the Chairman under Article 12, Item 8 of the Guidelines for the Handling of Loans and Endorsements/Guarantees by Public Companies, the amount decided by the Chairman applies.

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

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

Note 8: According to the company's "fund loan and endorsement guarantee operation procedures"

1. The limit of endorsement guarantee for individual objects is limited to 100% of the net value of the latest financial statement.



2. The maximum amount of external endorsement guarantee is the same as the limit of endorsement guarantee for individual objects.

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

Table 2 Expressed in thousands of shares/thousands of TWD

Securities held by	Types of securities	Securities name (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2024				Footnote
					Shares/Units (In Thousands)	Book value (Note 3)	Percentage of Ownership (%)	Fair value	
Kwong Fong Industries Corporation	Unlisted common stock in Taiwan	Shin hua wool spinning co., Ltd.		Financial asset measured at fair value through other comprehensive income - noncurrent	437	\$ 8,837	15.17%	\$ 8,837	
"	"	Lian An Health Business Co., Ltd.		"	401	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	
"	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	
	"	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	0.01%	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	
		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			65	6,247	0.00%	6,247	
		MERRY ELECTRONICS CO.,LTD. Domestic 5th Unsecured Convertible Bonds			30	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	0.02%	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	0.02%	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 Management Co., Ltd.	Listed preferred stock in Taiwan	Cathay Financial Holdings Special Shares		"	1,115	68,015	0.01%	68,015	Note 4
"		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	2,012	0.00%	2,012	

		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 and Subsidiaries  
Significant inter-company transactions during the reporting periods  
January 1, 2024-December 31, 2024

Table 3

Expressed in thousands of shares/thousands of TWD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Mdb's Digital Technology Co., Ltd.	Galaxy Digital Co., Ltd.	3	Project income	12,790	Note 4:	3.83%
2	Galaxy Digital Co., Ltd.	Mdb's 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))	Footnote
				Balance as of December 31, 2024	Balance as of December 31, 2023	Number of shares	Ownership (%)	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	註 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)	"
"	Mdbs Digital Technology Co., Ltd.	18F., No.105, Sec.2, Dunhua S, Rd., Da'an Dist., Taipei City 106, Taiwan	Information software service industry	60,000	60,000	1,612	51%	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 Consulant Co., Ltd.	18F., No.105, Sec.2, Dunhua S, Rd., Da'an Dist., Taipei City 106, Taiwan	Securities Investment Advisory Industry	20,000	20,000	2,000	100%	21,068	1,069	1,069	註 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, 2024' 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.

Kwong Fong Industries Corporation and Subsidiaries  
Major shareholders information  
December 31, 2024

Table 5

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Luo Sheng Fong Co., Ltd.	16,695,400	9.00%
Hemisphere Industries Corp.	16,296,746	8.79%
Leo Ho	12,066,004	6.51%