

**KWONG FONG INDUSTRIES CORPORATION  
PARENT COMPANY ONLY FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2025 AND 2024**

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 TRANSLATED FROM CHINESE

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

### *Opinion*

We have audited the accompanying parent company only balance sheets of Kwong Fong Industries Corporation as of December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Kwong Fong Industries Corporation as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### *Basis for opinion*

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

## ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only 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 parent company only financial statements for the year ended December 31, 2025 are as follows:

### ***Investments accounted for using the equity method - Measurement of Financial Assets at Fair Value of Fulcrest Limited***

#### Description

As of December 31, 2025, Kwong Fong Industries Corporation holds a subsidiary - Kwong Fong Holdings Limited, with an investment amount of NT\$2,114,230 thousand using the equity method, accounting for 39% of the total assets. It has a significant impact on the individual financial statements of Kwong Fong Industries Corporation. Therefore, The subsidiary holds Hong Kong-based Fulcrest Limited with a fair value of NT\$1,240,219 thousand. Since the assumptions used in the fair value assessment involve subjective judgment and uncertainty, the auditor has identified the key audit matter of Fulcrest Limited's financial asset fair value measurement as one of the most important audit matters for the current year.

#### How our audit addressed the matter

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 to the carrying amount.

***Investments accounted for using the equity method - Accuracy of revenue recognition from information system development services***

Description

As of December 31, 2025, Kwong Fong Industries Corporation has an investment in its subsidiary, Mdb's Digital Technology Co., Ltd., accounted for using the equity method, amounting to NT\$53,051 thousand. The subsidiary recognises information system development revenue using the percentage of completion method, with the stage of completion determined based on the ratio of labour hours incurred to estimated total labour hours as of the balance sheet date. This has a significant impact on Kwong Fong's parent company only financial statements; therefore, the auditor identified the revenue recognition of the subsidiary as a key audit matter for the current year.

### How our audit addressed the matter

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

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

### ***Responsibilities of management and those charged with governance for the parent company only financial statements***

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

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

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

***Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements***

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

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

1. Identify and assess the risks of material misstatement of the parent company only 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 Company.
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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only 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 auditor's report. However, future events or conditions may cause the Company to cease to be a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these

matters in our auditor's report unless law or regulation precludes public disclosure of 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 such communication 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 13, 2026

**Kwong Fong Industries Corporation**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2025 AND 2024**  
(In Thousands of New Taiwan Dollars)

ASSETS		Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
1100	Cash	6(1)	\$ 17,142	1	\$ 9,306	-
1110	Financial assets at fair value through profit or loss - current	6(2)and8	143,164	3	97,448	2
1200	Other receivables		16,582	-	8,065	-
1210	Other Receivables – Related Parties		62,860	1	-	-
1220	Income tax assets		9,528	-	6,947	-
1410	Prepayments		1,623	-	1,894	-
1470	Other current assets		64		58	
11XX	<b>Total current assets</b>		<u>250,963</u>	<u>5</u>	<u>123,718</u>	<u>2</u>
<b>NONCURRENT ASSETS</b>						
1510	Financial assets at fair value through profit or loss - noncurrent	6(2)	328,618	6	252,153	5
1517	Financial assets at fair value through other comprehensive income-noncurrent	6(3) and 8	1,931,436	35	1,802,307	35
1550	Investments accounted for using equity method	6(4)	2,923,086	54	2,993,986	58
1600	Property, plant and equipment	6(5)	-	-	1,244	-
1755	Right-of-use assets	6(6)	789	-	5,934	-
1840	Deferred income tax assets	6(24)	9,835	-	3,211	-
1920	Refundable deposits	6(7)	2,144	-	2,074	-
15XX	<b>Total noncurrent assets</b>		<u>5,195,908</u>	<u>95</u>	<u>5,060,909</u>	<u>98</u>
1XXX	<b>Total assets</b>		<u>\$ 5,446,871</u>	<u>100</u>	<u>\$ 5,184,627</u>	<u>100</u>

(Continued)

**Kwong Fong Industries Corporation**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2025 AND 2024**  
(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY		Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
<b>Current Liabilities</b>						
2100	Short-term loans	6(8)	\$ 232,500	5	115,000	2
2110	Short-term bills payable	6(9)and8	158,968	3	199,792	4
2130	Current contract liabilities	6(17) and 7	-	-	\$ 57	-
2150	Notes payable		28	-	29	-
2200	Other payables	7	12,184	-	11,549	-
2280	Lease liabilities-Current		258	-	6,173	-
2300	Other current liabilities		157	-	143	-
21XX	<b>Total current liabilities</b>		<u>404,095</u>	<u>8</u>	<u>332,743</u>	<u>6</u>
<b>Noncurrent liabilities</b>						
2540	Long-term bank loans	6(11)and8	499,074	9	371,410	7
2570	Deferred income tax liabilities	6(24)	162,211	3	198,818	4
2580	Non-current lease liabilities		531	-	6	-
2645	Guarantee deposits		500	-	500	-
25XX	<b>Total noncurrent liabilities</b>		<u>662,316</u>	<u>12</u>	<u>570,734</u>	<u>11</u>
2XXX	<b>Total liabilities</b>		<u>1,066,411</u>	<u>20</u>	<u>903,477</u>	<u>17</u>
<b>EQUITY</b>						
Capital						
3110	Capital stock	6(13)	1,853,422	34	1,853,422	36
Capital surplus						
3200	Capital surplus	6(14)	50,060	1	50,069	1
Retained earnings						
3310	Appropriated as legal capital reserve	6(15)	440,421	8	425,230	8
3320	Appropriated as special capital reserve		76,252	1	76,252	2
3350	Unappropriated earnings		1,275,117	23	983,139	19
Other equity interest						
3400	Other equity interest	6(16)	685,188	13	893,038	17
3XXX	<b>Total equity</b>		<u>4,380,460</u>	<u>80</u>	<u>4,281,150</u>	<u>83</u>
Significant Events After The Balance Sheet Date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 5,446,871</u>	<u>100</u>	<u>\$ 5,184,627</u>	<u>100</u>

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

**Kwong Fong Industries Corporation**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Items	Notes	2025		2024	
		Amount	%	金額 Amount	%
4000 Net revenue	6(17) and 7	\$ 457	100	\$ 457	100
Operating expenses	6(22)(23) and 7				
6100 Selling expenses		-	-	( 49)	(11)
6200 General and administrative		( 42,490)	( 9298)	( 42,281)	( 9252)
6000 Total operating expenses		( 42,490)	( 9298)	( 42,330)	( 9263)
6900 Loss from operations		( 42,033)	( 9198)	( 41,873)	( 9163)
Non-operating income and expenses					
7100 Interest income	6(18) and 7	48,231	10554	22,978	5028
7010 Other income	6(19)	86,818	18997	82,218	17991
7020 Other gains and losses, net	6(20)	( 22,359)	( 4892)	24,814	5430
7050 Finance costs	6(21)	( 11,337)	( 2481)	( 9,524)	( 2084)
7070 Share of profits of subsidiaries and associates	6(4)	17,108	3744	76,132	16659
7000 Total non-operating income and expenses		118,461	25922	196,618	43024
7900 <b>Profit before income tax</b>		76,428	16724	154,745	33861
7950 Income Tax (Expense) Benefit	6(24)	74,172	16230	( 7,815)	(1710)
8200 <b>Profit for the year</b>		\$ 150,600	32954	\$ 146,930	32151
<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)	\$ 96,036	21014	\$ 311,233	68103
8330 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		35,120	7685	455,115	99588
8349 Income tax benefit (expense) related to items that will not be reclassified subsequently	(24)	( 28,057)	( 6139)	( 156,610)	( 34269)
8310 Components of other comprehensive income		103,099	22560	609,738	133422

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**Kwong Fong Industries Corporation**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	that will not be reclassified to profit or loss				
	Items that may be reclassified subsequently to profit or loss:				
8367	Net Unrealized gain/(loss) on investments in debt instruments at fair value through other comprehensive income	6(3)			
			34,551	7560	10,301
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		( 76,208)	( 16676)	114,782
8399	Income tax related to items that may be reclassified subsequently to profit or loss	(24)	( 8,931)	( 1954)	( 2,274)
8360	Items that may be reclassified subsequently to profit or loss:		( 50,588)	( 11070)	122,809
8300	Other comprehensive income (loss), net of income tax		\$ 52,511	11490	\$ 732,547
8500	Total comprehensive income for the year		\$ 203,111	44444	\$ 879,477
	<b>EARNINGS PER SHARE</b>				
9750	Basic earnings per share (in dollars)	6(25)	\$ 0.81		\$ 0.79
9850	Diluted earnings per share (in dollars)	6(25)	\$ 0.81		\$ 0.79

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

Kwong Fong Industries Corporation  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars)

	Notes	Retained Earnings				Others		Total Equity	
		Capital Stock - Common Stock	Capital Surplus	Legal Capital Reserve	Special Capita Reserve	Unappropriated Earnings	Financial statements Translation differences of foreign operations		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income
<u>Year 2024</u>									
Balance at January 1, 2024		\$ 1,853,422	\$ 50,079	\$ 415,698	\$ 76,252	\$ 933,428	\$ 139,473	\$ 26,002	\$ 3,494,354
Profit for the year		-	-	-	-	146,930	-	-	146,930
Other comprehensive income (loss) for6(16) the year		-	-	-	-	-	114,658	617,889	732,547
Total comprehensive income (loss)		-	-	-	-	146,930	114,658	617,889	879,477
Appropriation of 2023 earnings									
Legal reserve	6(15)	-	-	9,532	-	( 9,532 )	-	-	-
Cash dividends to shareholders	6(15)	-	-	-	-	( 92,671 )	-	-	( 92,671 )
Disposal of equity instruments at fair value through other comprehensive income	6(3)(16)					4984		( 4,984 )	-
Expired unclaimed dividends transferred to capital surplus	6(14)	-	( 10 )	-	-	-	-	-	( 10 )
Balance at December 31, 2024		<u>\$ 1,853,422</u>	<u>\$ 50,069</u>	<u>\$ 425,230</u>	<u>\$ 76,252</u>	<u>\$ 983,139</u>	<u>\$ 254,131</u>	<u>\$ 638,907</u>	<u>\$ 4,281,150</u>

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

Kwong Fong Industries Corporation  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars)

	Notes	Retained Earnings				Others		Total Equity	
		Capital Stock - Common Stock	Capital Surplus	Legal Capital Reserve	Special Capita Reserve	Unappropriated Earnings	Financial statements Translation differences of foreign operations		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income
<u>Year 2025</u>									
Balance at January 1, 2025		\$ 1,853,422	\$ 50,069	\$ 425,230	\$ 76,252	\$ 983,139	\$ 254,131	\$ 638,907	\$ 4,281,150
Profit for the year		-	-	-	-	150,600	-	-	150,600
Other comprehensive income (loss) for6(16) the year		-	-	-	-	-	( 86,315)	138,826	52,511
Total comprehensive income (loss)		-	-	-	-	150,600	( 86,315)	138,826	203,111
Appropriation of 2023 earnings									
Legal reserve	6(15)	-	-	15,191	-	( 15,191 )	-	-	-
Cash dividends to shareholders	6(15)	-	-	-	-	( 103,792 )	-	-	( 103,792 )
Disposal of equity instruments at fair 6 (16) value through other comprehensive income		-	-	-	-	260,361	-	( 260,361 )	-
Expired unclaimed dividends transferred to capital surplus	6(14)	-	( 9 )	-	-	-	-	-	( 9 )
Balance at December 31, 2025		<u>\$ 1,853,422</u>	<u>\$ 50,060</u>	<u>\$ 440,421</u>	<u>\$ 76,252</u>	<u>\$ 1,275,117</u>	<u>\$ 167,816</u>	<u>\$ 517,372</u>	<u>\$ 4,380,460</u>

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

**Kwong Fong Industries Corporation**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(In Thousands of New Taiwan Dollars)

	Notes	2025	2024
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 76,428	\$ 154,745
Adjustments for			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(22)	7,178	7,178
Gain on financial assets at fair value through profit or loss	6(20)	( 23,269 )	( 7,187 )
Share of profits of subsidiaries and associates	6(4)	( 17,108 )	( 76,132 )
Interest income	6(18)	( 48,231 )	( 22,978 )
Dividend income	6(19)	( 86,531 )	( 81,962 )
Interest expense	6(21)	11,337	9,524
Gain on lease modification	6(20)	( 6 )	-
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Other receivables		-	2,251
Prepayments		265	( 88 )
Changes in operating liabilities			
Contract liabilities		( 57 )	-
Notes payable		( 1 )	29
Other payables		( 1,914 )	( 1,265 )
Other current liabilities		14	( 44 )
Cash out generated from operations		( 81,895 )	( 15,929 )
Interest received		44,238	15,624
Cash dividend received		133,451	160,679
Interest paid		( 8,788 )	( 8,351 )
Income tax paid		( 8,629 )	( 8,550 )
Net cash generated by operating activities		<u>78,377</u>	<u>143,473</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through other comprehensive income		( 448,750 )	( 214,258 )
Disposal of financial assets at fair value through other comprehensive income		445,467	27,237
Acquisition of financial instruments at fair value through profit or loss		( 349,480 )	( 464,636 )
Disposal of financial instruments at fair value through profit or loss		250,786	140,828
Increase in refundable deposits paid		( 70 )	( 28,645 )
Decrease in refundable deposits paid		-	85,313
Other Receivables – Related Parties	7	( 62,860 )	-
Net cash generated by (used in) investing activities		( 164,907 )	( 454,161 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term loans		812,000	1,410,750
Decrease in short-term loans		( 694,500 )	( 1,335,750 )
Increase in short-term bills payable		2,568,575	2,147,050

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

**Kwong Fong Industries Corporation**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(In Thousands of New Taiwan Dollars)**

	Notes	2025	2024
Decrease in short-term bills payable		( 2,609,399 )	( 1,967,243 )
Proceeds from long-term bank loans		127,664	75,715
Acquisition of Financial Liabilities at Fair Value Through Profit or Loss		-	602,793
Disposal of Financial Liabilities at Fair Value Through Profit or Loss			( 615,336 )
Cash dividends	6(15)	( 103,792 )	( 92,671 )
Repayment of the principal portion of lease liabilities		( 6,173 )	( 6,093 )
(Expired) unclaimed dividends transferred to capital surplus	六(十四) 6(14)	( 9 )	( 10 )
Net cash generated by (used in) financing activities		<u>94,366</u>	<u>219,205</u>
Effect of exchange rate changes		<u>-</u>	<u>( 6,433 )</u>
Net decrease in cash and cash equivalents		7,836	( 97,916 )
Cash and cash equivalents at beginning of year		9,306	107,222
Cash and cash equivalents at end of year		<u>§ 17,142</u>	<u>§ 9,306</u>

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

KWONG FONG INDUSTRIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

1. GENERAL

Kwong Fong Industries Corporation (henceforth the “Company”) was established in June 1968. The company main business items include housing and building development and rental, real estate business, mall management, information software services, electronic information supply services, and so on.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board of Directors on March 13, 2026.

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 Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’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 2026 are as follows:

<u>New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:</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”	January 1, 2026

The amendments to IFRS 9 and IFRS 7: "Contracts Involving Natural Power"	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Group's assessment.

Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

(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 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	<u>Pending IASB decision</u>
IFRS 18 "Presentation and Disclosure in Financial Statements"	to be determined by International Accounting Standards Board January 1, 2027

IFRS 19 “Disclosure Initiative - Subsidiaries without Public  
Accountability: Disclosures”  
Amendments to IAS 21, ‘Translation to a Hyperinflationary  
Presentation Currency

January 1, 2027

January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

#### 4 .SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### (1)Statement of Compliance

The financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and the 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 statements in accordance with IFRSs requires the use of significant accounting estimates and management judgment, particularly for items involving high judgment or complexity, or significant assumptions and estimates in the individual financial statements, as detailed in Note 5.

### (3) Foreign currency translation

Items in the Company's separate financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). These separate financial statements are presented in New Taiwan dollars (NTD), the Company's functional currency.

#### A. Foreign currency transactions and balances

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

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

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

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

#### B. Translation of foreign operations

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

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

#### (4) Classification of current and non-current items

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

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

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

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

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

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

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

(5) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(6) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
  - (a). The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets;
  - (b). The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

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

- (a) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as other income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
- (b) Changes in the fair value of debt instruments are recognised in other comprehensive gains or losses, impairment losses, interest income and gains and losses on foreign currency conversion are reclassified into gains or losses in profits and losses.

(7) Financial assets at amortised cost

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

- (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
- (b) The assets' contractual cash flows represent solely payments of principal and interest.

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

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

(8) Notes, accounts and receivables

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

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

(9) Impairment of financial assets

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

(11) Derecognition of financial assets

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

- A. The contractual right to receive cash flows from financial assets lapses.
- B. Transfer of contractual rights to receive cash flows from financial assets, and substantially all of the risks and rewards of ownership of financial assets have been transferred.
- C. Transfers the contractual rights to receive cash flows from a financial asset without retaining control of the financial asset.

(12) Operating leases (lessor) - operating leases

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

(13) Investments accounted for using equity method- subsidiaries

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealized gains or losses resulted from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the

accounting policies of the Company.

- C. After acquisition of subsidiaries, the Company recognizes proportionately for the share of profit and loss and other comprehensive incomes in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company's interests in that subsidiary, the Company continues to recognize its shares in the subsidiary's loss proportionately.
- D. In accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the profit or loss and other comprehensive income or loss presented on the parent company only financial statements are consistent with those presented on the consolidated financial statements. In addition, owner's equity presented on the parent company only financial statements is consistent with equity attributable to owners of parent presented on the consolidated financial statements.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the 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. Property, plant and equipment are subsequently measured using the cost model and depreciated on a straight-line basis over their estimated useful lives. Significant components of items of property, plant and equipment are 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:

Office equipment	12 ~ 15 years
Other equipment	12 years
Leasehold Improvements	5 years

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

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

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

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

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

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

(16) Impairment of non-financial assets

At each reporting date, the Company assesses assets for any indication of impairment and estimates their recoverable amount. An impairment loss is recognized when the recoverable amount is less than the carrying amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. An impairment loss is reversed when the circumstances that previously resulted in impairment no longer exist or have decreased; however, the increased carrying amount after reversal shall not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized.

(17) Borrowings

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

(18) Notes, accounts and payable

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

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

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

(20) Derecognition of financial liabilities

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

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

- A. Non-hedging 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.

## (22) 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.

## (23) Income tax

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

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in

the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

#### (24) Capital

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

#### (25) Dividends

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

(26) Revenue recognition

Lease Income

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

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

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

Critical accounting estimates and assumptions

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

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

The carrying amount of the Company's unlisted TWSE/TPEX stocks with no active market was \$304,545 as of December 31, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash

	<u>December 31, 2025</u>	<u>December 31, 2023</u>
Cash on hand and petty cash	\$ 63	\$ 33
Checking accounts and demand deposit	17,079	9,273
	<u>\$ 17,142</u>	<u>\$ 9,306</u>

A. The Company transacts with a variety of financial institutions all with

high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company has no cash pledged to others.

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

Items	December 31, 2025	December 31, 2024
Current items :		
Mandatorily measured at FVTPL		
Listed (TSE) stocks	32,986	6,954
Structured Notes	95,749	66,398
Convertible Bonds (Hybrid Instruments)	11,279	11,279
Beneficiary Certificate	3,083	11,656
	143,097	96,287
Valuation adjustment	67	1,161
Total	\$ 143,164	\$ 97,448
Non-Current items :		
Mandatorily measured at FVTPL		
Preferred stock(Hybrid Instruments)	\$ 250,000	\$ 250,000
U.S. dollar additional Tier 1 capital bonds (hybrid instruments)	50,199	-
	300,199	250,000
Valuation adjustment	28,419	2,153
Total	\$ 328,618	\$ 252,153

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, 2025	Year ended December 31, 2024
Mandatorily measured at FVTPL		
Equity instruments	\$ 894	\$ 5,161
Derivative financial instruments	-	7,406
Structured Notes	( 4,618 )	3,880
Hybrid instruments	26,041	298
Beneficiary Certificate	952	492
Total	\$ 23,269	\$ 17,237

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

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

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

Items	December 31, 2025	December 31, 2024
Non-current items :		
Debt instruments		
U.S. dollar corporate bonds	\$ 840,438	\$ 400,411
Valuation adjustment	41,898	7,347
Subtotal	<u>882,336</u>	<u>407,758</u>
Equity instruments		
Hong Kong listed stocks	\$ 362,479	\$ 598,614
Vietnam Unlisted stocks	16,000	16,000
Listed (TSE) stocks	380,701	451,655
Unlisted stocks	9,954	9,954
Valuation adjustment	279,966	318,326
Subtotal	<u>1,049,100</u>	<u>1,394,549</u>
Total	<u>\$ 1,931,436</u>	<u>\$ 1,802,307</u>

A. The company has chosen to classify strategic investments, including listed and unlisted domestic and foreign stocks, as well as USD corporate bonds, as financial assets measured at fair value through other comprehensive income. The fair value of these investments as of December 31, 2025 and 2024 were \$1,931,436 and \$1,802,307, 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, 2025	Year ended December 31, 2024
Equity instruments measured at fair value through other comprehensive income		
Fair value changes recognized in other comprehensive income	\$ 96,036	\$ 311,233
Accumulated benefits are transferred to retained earnings due to delisting.	<u>\$ 134,396</u>	<u>\$ 4,984</u>
Dividend income recognized in profit or loss		
Held at the end of the period	\$ 63,010	\$ 81,301
Derecognized during the period	<u>\$ 22,602</u>	<u>-</u>

	\$	85,612	\$	81,301
Debt instruments measured at fair value through other comprehensive income				
Fair value changes recognized in other comprehensive income	\$	34,551	\$	10,301
Interest income recognized in profit or loss	\$	38,518	\$	16,186

C. The Company's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, were NT\$1,931,436 and NT\$1,802,307 for financial assets at fair value through other comprehensive income, as of December 31, 2025 and 2024, respectively.

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

F. Please refer to Note 12 and (2) for information on the credit risk of financial assets at fair value through other comprehensive gains or losses.

#### (4) Investments accounted for using equity method

	2025	2024
At January 1	\$ 2,993,986	\$ 2,426,674
Earnings distribution of investments accounted for using equity method	( 46,920 )	( 78,717 )
Share of profit or loss of investments accounted for using equity method	17,108	76,132
Changes in other equity items- cumulative translation adjustments	( 86,315 )	114,658
Changes in other equity items- Unrealized gains and losses on financial assets	45,227	455,239
At December 31	<u>\$ 2,923,086</u>	<u>\$ 2,993,986</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiaries		
Kwong Fong Holdings Limitd	\$ 2,114,230	\$ 2,123,693
Pao Fong Asset Management Co., Ltd.	712,284	767,907

Mdb's Digital Technology Co., Ltd.	53,051	50,880
Galaxy Digital Co., Ltd.	43,521	51,506
	<u>\$ 2,923,086</u>	<u>\$ 2,993,986</u>

The Company's reinvestment in Chin Fung Industrial Co., Ltd. and Grandcheer Construction Corporation were dissolved and liquidated in December 2000 and October 2007 respectively. As of December 31, 2025, they are still in the process of liquidation middle. The company stopped using the equity method when it handled the dissolution and liquidation.

(5) Property, plant and equipment

	2025			
	Office equipment	Others equipment	Leasehold Improvements	Total
At January 1				
Cost	\$ 3,189	\$ 402	\$ 6,200	\$ 9,791
Accumulated depreciation	( 3,189 )	( 402 )	( 4,956 )	( 8,547 )
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,244</u>	<u>\$ 1,244</u>
At January 1	-	-	-	-
	\$ -	\$ -	\$ 1,244	\$ 1,244
Disposals	( 648 )	( 402 )		( 1,050 )
Accumulated depreciation on disposal date	648	402		1,050
Depreciation			( 1,244 )	( 1,244 )
At December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
At December 31				
Cost	\$ 2,541	\$ -	\$ 6,200	\$ 8,741
Accumulated depreciation	( 2,541 )	-	( 6,200 )	( 8,741 )
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	2024			
	Office equipment	Others equipment	Leasehold Improvements	Total
At January 1				
Cost	\$ 3,189	\$ 402	\$ 6,200	\$ 9,791
Accumulated depreciation	( 3,189 )	( 402 )	( 3,712 )	( 7,303 )
	<u></u>	<u></u>	<u></u>	<u></u>

	\$	<u>-</u>	<u>-</u>	\$	<u>2,488</u>	\$	<u>2,488</u>	
At January 1		-	-					
	\$		\$	\$	2,488	\$	2,488	
Depreciation				(	1,244)	(	1,244)	
At December 31	\$	<u>-</u>	<u>-</u>	\$	<u>1,244</u>	\$	<u>1,244</u>	
At December 31								
Cost	\$	3,189	\$	402	\$	6,200	\$	9,791
Accumulated depreciation	(	3,189)	(	402)	(	4,956)	(	8,547)
	\$	<u>-</u>	<u>-</u>	\$	<u>1,244</u>	\$	<u>1,244</u>	

(6) Leasing arrangements - lessee

- A. The Company leases various assets including buildings, transportation equipment. Rental contracts are typically made for periods of 2 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise of buildings. Low-value assets comprise of office equipment and other equipment.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows :

	December 31, 2025	Year ended December 31, 2025	December 31, 2024	Year ended December 31, 2024
	Amount	Depreciation	Amount	Depreciation
Buildings	\$ -	\$ 5,260	\$ 5,260	\$ 5,260
Transportation equipment	789	674	674	674
	<u>\$ 789</u>	<u>\$ 5,934</u>	<u>\$ 5,934</u>	<u>\$ 5,934</u>

- D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$789 and \$0, respectively.
- E. The information on income and expense accounts relating to lease contracts is as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
--	------------------------------	------------------------------

<u>Items affecting profit or loss</u>			
Interest expense on lease liabilities	\$	43	\$ 122
Expense on short-term lease contracts		320	320
Expense on leases of low-value assets		57	73
Gains on lease modifications	(	6	) -

F. For the years ended December 31, 2025 and 2024, the total cash outflow for leases amounted to \$6,593 and \$6,608, respectively.

G. The Company entered into an office lease agreement on November 11, 2025. The lease term is from January 1, 2026 to December 31, 2028, with total committed lease payments amounting to \$18,272.

(7) Refundable deposits

<u>Items</u>	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
Leases margin	\$	1,532	\$	1,462
Other		612		612
	\$	2,144	\$	2,074

(8) Short-term loans

<u>Nature of borrowing</u>	<u>December 31, 2025</u>	<u>Interest rate</u>	<u>Collaterals</u>
Bank borrowings			
Usesecured loans	\$ <u>232,500</u>	1.97%~2.05%	None
<u>Nature of borrowing</u>	<u>December 31, 2024</u>	<u>Interest rate</u>	<u>Collaterals</u>
Bank borrowings	\$ 35,000	2.05%	Financial assets at fair value through other comprehensive income
Usesecured loans	\$ <u>80,000</u>	1.98%	None
			-
	\$ <u>115,000</u>		

A. In 2025 and 2024, the Company recognized interest accrued in the amounts of \$7,693 and \$6,638 related to its long-term and short-term borrowings, respectively.

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

(9)Short-term bills payable

Type of borrowings	December 31, 2025		December 31, 2024	
Short-term bills payable	\$	159,000	\$	200,000
Less: Discount on short-term notes and bills payable	(	32	)(	208)
	\$	158,968	\$	199,792
Interest rate		1.89%~2.03%		1.72%~2.09%

A.The Company 's interest expense recognized in profit or loss for 2025 and 2024 years was \$3,601 and \$2,764 respectively.

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

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

A.As of December 31, 2025 and 2024, there were no outstanding financial liabilities measured at fair value through profit or loss.

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

	Year ended December 31, 2025	Year ended December 31, 2024
Net profit or loss recognized in profit or loss :		
Financial liabilities at FVTPL Held for trading		
Securities lending transaction	\$ -	(\$ 10,050 )

(11)Long-term bank loans

Type of borrowings	Borrowing period and repayment term	Interest rate	Collaterals	December 31, 2025
Long-term loans				
Secured loans-CHF				
CHF(CHF5,418 thousand)	January 1, 2025 to January 20, 2026	1.01%	Financial assets at fair value through other comprehensive income、Financial assets at fair value through profit or loss	214,623
CHF(CHF287 thousand)	March 5, 2025 to March 5, 2026	1.01%	"	11,347
CHF(CHF235 thousand)	March 12, 2025 to March 12, 2026	1.10%	"	9,333

CHF(CHF1,765 thousand)	March 14, 2025 to March 16, 2026	1.11%	“	69,952
CHF(CHF2,690 thousand)	April 3, 2025 to April 7, 2026	0.98%		106,589
CHF(CHF2,202 thousand)	June 10, 2025 to June 10, 2026 (It may be extended if fully secured, with monthly interest payments..)	0.91%		87,230
Less: Current portion				-
				<u>\$ 499,074</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collaterals</u>	<u>December 31, 2024</u>
Long-term loans				
Secured loans-JPY				
JPY(JPY1,291,951 thousand)	December 23, 2024 to January 20, 2025	1.09%	“	\$ 271,311
JPY(JPY21,252 thousand)	December 30, 2024 to January 27, 2024 (It may be extended if fully secured, with monthly interest payments..)	1.09%	“	4,461
Secured loans-CHF				
CHF(CHF2,637 thousand)	April 3, 2024 to April 3, 2025  (It may be extended if fully secured, with monthly interest payments..)	2.00%	Financial assets at fair value through other comprehensive income、Financial assets at fair value through profit or loss	95,638
Less: Current portion				-
				<u>\$ 371,410</u>

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

## (12) Pension

A. Effective July 1, 2005, the Company have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contribute monthly an amount based

on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

B. The pension costs and expenses under defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024 were \$603 and \$599, respectively.

(13) Capital stock

As of December 31, 2025, the Company's authorized capital was \$6,000,000, and the paid-in capital was \$ 1,853,422, consisting of 185,342 thousand shares of common stocks with a par value of NT\$10 (in dollars) per share. All proceeds from shares issued have been collected.

(14) Capital surplus

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

	Adjustments to share of changes in equity of associates and joint ventures	2025 Expired unclaimed dividends	Total
At January 1	\$ 30,861	\$ 19,208	\$ 50,069
Dividends paid to Expired unclaimed	-	( 9 )	( 9 )
At December 31	<u>\$ 30,861</u>	<u>\$ 19,199</u>	<u>\$ 50,060</u>

	Adjustments to share of changes in equity of associates and joint ventures	2024 Expired unclaimed dividends	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>

At January 1	\$	30,861	\$	19,218	\$	50,079
Dividends paid to Expired unclaimed		-	(	10	(	10
At December 31	\$	<u>30,861</u>	\$	<u>19,208</u>	\$	<u>50,069</u>

(15) Retained earnings

- A. According to the Company's Articles of Incorporation, if there is any profit for a fiscal year, the Company shall first make provision for all taxes and cover prior years' losses and then appropriate 10% of the residual amount as legal reserve. Dividends shall be resolved by the stockholders.
- B. The Company's dividend policy is to distribute stock dividends or cash dividends with the earnings net of the capital required for future years that is estimated and retained based on the Company's future capital budget planning.
- C. Legal reserve Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D.(a). In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b). When IFRSs are first adopted, the proportion of the original special reserve mentioned in the special surplus reserve mentioned in the letter No. 1090150022 dated March 31, 110 of the Republic of China will be reversed when the Company subsequently uses, disposes of or reclassifies the relevant assets.
- E. The Company held the regular shareholders' meeting on May 22, 2025, and May 30, 2024, and respectively resolved the 2024 and 2023 earnings distribution proposals as follows:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Accrual of legal reserve	\$ 15,191		\$ 9,532	
Appropriation of cash dividends to shareholders	103,792	\$ 0.56	92,671	\$ 0.50
Total	<u>\$ 118,983</u>		<u>\$ 102,203</u>	

F.The appropriation of 2025 earnings resolved by the Board of Directors on March 13, 2026 is as follows:

	Year ended December 31, 2025	
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	\$ 41,096	
Appropriation of cash dividends to shareholders	105,645	\$ 0.57
Total	<u>\$ 146,741</u>	

As of March 13, 2026, the above-mentioned 2025 earnings appropriation had not been resolved by the stockholders' meeting. Information about the appropriation of earnings as resolved by the Board of Directors and shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(16). Other equity items

	2025		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	\$ 638,907	\$ 254,131	\$ 893,038
Revaluation	130,587	-	130,587
Revaluation-Subsidiaries	45,227	-	45,227
Revaluation – tax	( 36,988 )	-	( 36,988 )
Transfer of valuation adjustment to retained earnings	( 260,361 )	-	( 260,361 )
Currency translation differences	-	( 86,315 )	( 86,315 )
At December 31	<u>\$ 517,372</u>	<u>\$ 167,816</u>	<u>\$ 685,188</u>

	2024		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	\$ 26,002	\$ 139,473	\$ 165,475
Revaluation	327,967	-	327,967
Revaluation- Subsidiaries	455,239	-	455,239
Revaluation – tax	( 158,884 )	-	( 158,884 )
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	<u>\$ 638,907</u>	<u>\$ 254,131</u>	<u>\$ 893,038</u>

### (17) Operating revenue

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

	Year ended December 31, 2025	Year ended December 31, 2024
Rental revenue	\$ <u>457</u>	\$ <u>457</u>

### B. Contract liabilities

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

	December 31, 2025	December 31, 2024	At January 1, 2024
Contract liabilities	\$ <u>-</u>	\$ <u>57</u>	\$ <u>57</u>

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

	Year ended December 31, 2025	Year ended December 31, 2024
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Rent in advance	\$ <u>57</u>	\$ <u>57</u>

### (18) Interest income

	Year ended December	Year ended December
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	31, 2025	31, 2024
Interest income from bank deposits	\$ 62	\$ 750
Interest income from financial assets at fair value through profit or loss	8,572	6,019
Interest income from financial assets measured at fair value through other comprehensive income	38,518	16,189
Other Interest income	1,079	23
	<u>\$ 48,231</u>	<u>\$ 22,978</u>

(19) Other income

	Year ended December 31, 2025	Year ended December 31, 2024
Dividend income	\$ 86,531	\$ 81,962
Other income, others	287	256
	<u>\$ 86,818</u>	<u>\$ 82,218</u>

(20) Other gains and losses

	Year ended December 31, 2025	Year ended December 31, 2024
gain (loss) on foreign currency exchange, net	(\$ 43,792 )	18,071
Profit from lease modification	6	
Gains(Losses) on financial assets (liabilities) at fair value through profit or loss	23,269	7,187
Other expenses	( 1,842 )	( 444 )
	<u>(\$ 22,359)</u>	<u>\$ 24,814</u>

(21) Finance costs

	Year ended December 31, 2025	Year ended December 31, 2024
Interest expense		
Bank loans	\$ 7,693	\$ 6,638
Commercial papers payable	3,601	2,764
Lease liabilities	43	122
	<u>\$ 11,337</u>	<u>\$ 9,524</u>

(22) Expenses by nature

	Year ended December 31, 2025	Year ended December 31, 2024
Employee benefit expense	\$ 22,093	\$ 23,230
Depreciation charges on right-of-use assets	5,934	5,934
Depreciation charges on property, plant and equipment	1,244	1,244

\$ <u>29,271</u>	\$ <u>30,408</u>
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(23) Employee benefit expense

	Year ended December 31, 2025	Year ended December 31, 2024
Wages and salaries	\$ 16,669	17,713
Labor and health insurance fees	1,171	1,172
Pension costs	603	599
Directors' remuneration	3,050	3,180
Other personnel expenses	600	566
	<u>\$ 22,093</u>	<u>\$ 23,230</u>

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

B. Estimated employees' remuneration was \$600 for both 2025 and 2024, and estimated directors' remuneration was \$770 and \$900, respectively; all amounts were recognized as salary expense.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 0.77% and 0.99% of distributable profit of current year.

The employee compensation and director and supervisor remuneration for the year 2024, as resolved by the Board of Directors, are consistent with the amounts recognized in the 2024 financial report.

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

(24) Income tax

A. Income tax (benefit) expense

(a) Components of income tax (benefit) expense

	Year ended December 31, 2025	Year ended December 31, 2024
Current tax :	<u>                    </u>	<u>                    </u>

Current tax on profits for the period	\$	19,850	\$	43,611
Tax on undistributed surplus earnings		320		-
Prior year income tax overestimation		-	(	9)
Income tax impact of Joint Return	(	<u>82,931</u>	(	<u>37,809</u> )
Total current tax	(	<u>62,761</u>		<u>5,793</u>
Deferred tax :				
Origination and reversal of temporary differences	(	11,411	)	2,022
Income tax expense (benefit)	(\$	<u>74,172</u>	)	<u>\$ 7,815</u>

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

		Year ended December 31, 2025		Year ended December 31, 2024
Changes in fair value of financial assets at fair value through other comprehensive loss	\$	<u>36,988</u>	\$	<u>158,884</u>

B. Income tax expense and accounting profit relationship::

		Year ended December 31, 2025		Year ended December 31, 2024
Tax calculated based on profit before tax and statutory tax rate	\$	<u>15,286</u>	\$	<u>30,949</u>
Income tax impact of items adjusted in accordance with tax laws	(	872	(	2,166)
Tax losses from prior years not recognized as deferred tax assets are utilized in the current period	(	5,975	)	-
Prior year income tax overestimation		-	(	9)
Changes in the evaluation of deferred tax assets and liabilities		-		12,518
Income tax impact of Joint Return	(	<u>82,931</u>	(	<u>37,809</u> )
Tax on undistributed surplus earnings		320		-
Income tax expense (benefit)	\$	<u>74,172</u>	\$	<u>7,815</u>

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

Year ended December 31, 2025

	January 1	Recognised in profit or loss	Recognis ed in other compreh ensive income	Recogniz ed in equity	December 31
Deferred tax assets :					
--Temporary differences :					
Unused compensated absences payable	\$ 149	\$ 19	\$ -	\$ -	\$ 168
Exchange loss	898	6,339	-	-	7,237
Other	2,164	266	-	-	2,430
Subtotal	<u>3,211</u>	<u>6,624</u>	<u>-</u>	<u>-</u>	<u>9,835</u>
Deferred tax liabilities :					
Investment income of foreign subsidiaries	( 32,309 )	5,267	-	-	( 27,042 )
Financial asset valuation benefits	( 166,509 )	( 480 )	( 36,988 )	68,808	( 135,169 )
Subtotal	<u>( 198,818 )</u>	<u>4,787</u>	<u>( 36,988 )</u>	<u>68,808</u>	<u>( 162,211 )</u>
Total	<u>(\$ 195,607 )</u>	<u>\$ 11,411</u>	<u>(\$ 36,988 )</u>	<u>\$ 68,808</u>	<u>(\$ 152,376 )</u>

Year ended December 31, 2024

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



Profit attributable to ordinary shareholders of the parent plus assumed conversion of all shares	\$	146,930		185,397	\$	0.79
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(26) Changes in liabilities from financing activities

	Year ended December 31, 2025					
	Short-term loans	Short-term bills payable	Long-term borrowings	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
January 1	\$ 115,000	\$ 199,792	\$ 371,410	\$ 500	\$ 6,179	\$ 692,881
Changes in cash flow from financing activities	117,500	( 40,824 )	127,664	-	( 6,173 )	198,167
Changes in other non-cash item	-	-	-	-	783	783
December 31	\$ 232,500	\$ 158,968	\$ 499,074	\$ 500	\$ 789	\$ 891,831

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

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 Company</u>
Pao Fong Asset Management Co., Ltd.	Subsidiary
Kwong Fong Holdings Limited	Subsidiary

Mdb's Digital Technology Co., Ltd.	Subsidiary
Galaxy Digital Co., Ltd.	Subsidiary
Digital Securities Investment Consultant Co., Ltd.	Sub-subsidiary
Hemisphere Industries Corp.	Other related party
Luo Sheng Fong Co., Ltd.	Other related party
Luo Shengtai Co., Ltd.	Other related party

## (2) Significant related party transactions and balances

### A. Revenue

	Year ended December 31, 2025	Year ended December 31, 2024
Hemisphere Industries Corp.	\$ 229	\$ 229
Luo Sheng Fong Co., Ltd.	114	114
Luo Shengtai Co., Ltd.	114	114
	<u>\$ 457</u>	<u>\$ 457</u>

### B. Operating expenses

	Year ended December 31, 2025	Year ended December 31, 2024
Digital Securities Investment Consultant Co., Ltd.	\$ 744	\$ 462

### C. Contract liabilities

	December 31, 2025	December 31, 2024
Luo Sheng Fong Co., Ltd.	\$ -	\$ 29
Luo Shengtai Co., Ltd.	-	28
	<u>\$ -</u>	<u>\$ 57</u>

### D. Payables to related parties

	December 31, 2025	December 31, 2024
Other payables	\$ 23	\$ 1,533
Kwong Fong Holdings Limited		

### E. Fund loan and related parties

#### Loans to related parties

##### i. Outstanding balance

	December 31, 2025	December 31, 2024
Kwong Fong Holdings Limited	\$ 62,860	\$ -

ii. Interest income

	Year ended December 31, 2025	Year ended December 31, 2024
Kwong Fong Holdings Limitd	\$ <u>1,054</u>	\$ <u>-</u>

Loans to subsidiaries are repayable in monthly installments within one year from disbursement, bearing interest at an annual rate of 2% in 2025.

F. Provision of endorsements and guarantees to related parties

	December 31, 2025	December 31, 2024
Galaxy Digital Co., Ltd.	\$ <u>50,000</u>	\$ <u>50,000</u>

(3) Key management compensation

	Year ended December 31, 2025	Year ended December 31, 2024
Salaries and other short-term employee benefits	\$ 14,726	14,931
Post-employment benefits	368	361
Total	\$ <u>15,094</u>	<u>15,292</u>

8 . PLEGGED ASSETS

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

Pledged assets	Book value		Purpose
	December 31, 2025	December 31, 2024	
Financial assets at fair value through other comprehensive income	\$ 1,781,772	\$ 1,596,674	Collateral for long-term loans and Short-term bills payable
Financial assets at fair value through profit or loss	120,126	47,356	Collateral for long-term loans
	\$ <u>1,901,898</u>	\$ <u>1,644,030</u>	

9 . SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT

None.

10 . SIGNIFICANT DISASTER LOSS

None.

## 1 1 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The company's proposed 2025 profit distribution was approved by the board on March 13, 2026. For details, please refer to section 6, item (15).

## 1 2 OTHERS

### (1) Capital management

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

### (2) Financial instruments

#### A. Financial instruments by category

	<u>December 31, 2025</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	\$ 471,782	\$ 349,601
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	1,049,100	1,394,549
Qualifying debt instrument investment	882,336	407,758
Financial assets at amortized cost		
Cash	17,142	9,306
Other receivables	79,442	8,065
Guarantee deposits paid	2,144	2,074
	\$ <u>2,501,946</u>	\$ <u>2,171,353</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Short-term loans	232,500	115,000
Short-term bills payable	158,968	199,792
Notes payable	28	29
Other payables	12,184	11,549
Long-term liabilities	499,074	371,410
Guarantee deposits received	500	500
	\$ <u>903,254</u>	\$ <u>698,280</u>

Lease liabilities	\$	<u>789</u>	\$	<u>6,179</u>
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## B. Financial risk management policies

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

## C. Significant financial risks and degrees of financial risks

### (a). Market risk

#### Foreign exchange risk

- I . The Company's main source of foreign exchange risk is the operational team's net investment of institutions that operate as a team. The Company does not hedge the net investment of foreign operating institutions because it is a strategic investment.
- II . The company's business and foreign investments involve several non-functional currencies (with the functional currency for the company and some subsidiaries being TWD, and one subsidiary using USD). As a result, foreign currency assets and liabilities are significantly impacted by exchange rate fluctuations, as detailed below:

(Foreign currency: functional currency)	December 31, 2025			
	Foreign currency amount	Exchange rate		Book value(NTD)
<u>Financial assets</u>				
Monetary items				
USD : NTD	\$ 2,205	31.43	\$	69,303
Non-monetary items				
USD : NTD	\$ 32,989	31.43	\$	1,036,851

HKD : NTD	164,301	4.04	663,776
<u>Financial liabilities</u>			
<u>Monetary items</u>			
CHF : NTD	12,696	39.62	502,977

(Foreign currency: functional currency)	December 31, 2024		
	Foreign currency amount	Exchange rate	Book value(NTD)
<u>Financial assets</u>			
Non-monetary items			
USD : NTD	\$ 79,675	32.790	\$ 2,612,587
HKD : NTD	223,724	4.220	944,115
<u>Financial liabilities</u>			
<u>Non-monetary items</u>			
JPY : NTD	\$ 1,313,203	0.210	\$ 275,772
CHF : NTD	2,637	36.270	95,638

III .The aggregate amounts of all exchange(losses) gains (including realized and unrealised) recognized in the Group's monetary items in 2025 and 2024 were(\$43,792) and \$18,071 respectively due to the significant impact of exchange rate fluctuations.

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

(Foreign currency: functional currency)	Year ended December 31, 2025		
	Degree of variation	Effect on profit or loss	Effect on othe comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1.00%	\$ 693	-
<u>Non-monetary items</u>			
USD : NTD	1.00%	\$ 1,546	\$ 8,823
HKD : NTD	1.00%	-	6,638
<u>Financial liabilities</u>			
<u>monetary items</u>			
CHF : NTD	1.00%	5,030	-

(Foreign currency: functional currency)	Year ended December 31, 2024		
	Degree of variation	Effect on profit or loss	Effect on othe comprehensive income

<u>Financial assets</u>					
<u>Non-monetary</u>					
<u>items</u>					
USD : NTD	1.00%	\$	811	\$	25,315
HKD : NTD	1.00%		-		9,441
<u>Financial liabilities</u>					
<u>Non-monetary</u>					
<u>items</u>					
JPY : NTD	1.00%	\$	2,758	\$	-
CHF : NTD	1.00%		956		-

### Price risk

- I .The Company's equity instruments exposed to price risk are financial assets held at fair value through profit or loss and at fair value through other comprehensive gains or losses. In order to manage the price risk of investments in equity instruments, the Group diversifies its investment portfolio in accordance with the limits set by the Company.
- II . The Company primarily invests in equity instruments and open-end funds issued by domestic and foreign companies, whose prices are influenced by the uncertainties regarding the future value of these investments. If the prices of these equity instruments change by 1%, with all other factors held constant, the after-tax net profit for 2025 and 2024 would increase or decrease by \$341 and \$69, 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 \$9,163 and \$12,057 respectively.

### Cash flow and fair value interest rate risk

- I .The Company's borrowings are measured at amortized cost and are subject to annual repricing in accordance with the contract, so the Company is exposed to the risk of future market interest rate fluctuations.
- II .If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, other comprehensive income for the years ended December 31, 2025 and 2024 would have increased/decreased by \$9,710 and \$3,679, respectively. The main

factor is that changes in market interest rates would affect the fair value of fixed interest rate bond investments held by the Group classified as financial assets at fair value through other comprehensive income..

(b).Credit risk

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

debt instrument investments are as follows:

- (i) The issuer experiences significant financial difficulties or is likely to enter bankruptcy or other financial reorganization;
- (ii) The issuer's financial difficulties lead to the disappearance of an active market for the financial asset;
- (iii) The issuer delays or defaults on interest or principal payments;
- (iv) Adverse changes in national or regional economic conditions leading to issuer default.

(c). Liquidity risk

- I .Cash flow forecasts are prepared by the Company. The Finance Department monitors projected liquidity requirements to ensure sufficient funding for operations and maintains adequate unused credit lines to avoid breaches of borrowing limits or covenants. These forecasts take into account the Company's debt financing plans, compliance with loan covenants, and internal balance sheet ratio targets.
- II .The Finance Department centrally manages surplus funds by investing in interest-bearing demand deposits, time deposits, and highly liquid marketable securities with appropriate maturities or sufficient liquidity to meet forecasted cash needs. As of December 31, 2025 and 2024, the Company held money market positions of \$20,316 and \$9,306, respectively, which are expected to generate immediate cash flows to manage liquidity risk.
- III . Detail of the loan credit not yet drawn down by the Company is as follows:

	December 31, 2025	December 31, 2024
Floating rate		
Less than 1 year	\$ 738,885	\$ 414,784
Over 5 years	444,055	409,503
	\$ <u>1,182,940</u>	\$ <u>824,287</u>

Note: The limit due within one year is the annual limit and will be renegotiated in 2026.

- iv. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative

financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non- derivative financial liabilities.

December 31, 2025	Less than 1 year	Over 1 year
<u>Non-derivative financial liabilities</u>		
Short-term loans	\$ 233,505	\$ -
Short-term bills payable	159,045	-
Notes payable	28	-
Other payables	12,184	-
Lease liabilities	272	543
Long-term loans	-	504,077

December 31, 2024	Less than 1 year	Over 1 year
<u>Non-derivative financial liabilities</u>		
Short-term loans	\$ 155,436	\$ -
Short-term bills payable	200,021	-
Notes payable	29	-
Other payables	11,549	-
Lease liabilities	6,216	6
Long-term loans	-	376,141

### (3).Fair value estimation

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active if it meets all the following conditions: the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair value of the Company's investments in domestic and foreign listed stocks, investments in foreign corporate bonds that are popular bonds, and publicly quoted derivatives in the active market are all subject to this.

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

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

B. Financial instruments not measured at fair value, including cash, 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, 2025	<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 instruments	\$ 34,114	\$ -	\$ -	\$ 34,114
Structured Notes	96,676	-	-	96,676
Hybrid instruments	63,865		273,953	337,818
Beneficiary Certificate	3,174			3,174
Financial assets at fair value through other comprehensive income				
Equity instruments	1,018,508		30,592	1,049,100
Debt instruments	<u>882,336</u>	<u>-</u>	<u>-</u>	<u>882,336</u>
Total	\$ <u>2,098,673</u>	\$ <u>-</u>	\$ <u>304,545</u>	\$ <u>2,403,218</u>
December 31, 2024	<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 instruments	\$ 6,886	\$ -	\$ -	\$ 6,886
Structured Notes	69,228	-	-	69,228
Hybrid instruments	9,425			9,425
Beneficiary Certificate	11,909		252,153	264,062
Financial assets at fair value through other comprehensive income				
Equity instruments	1,365,589	-	28,960	1,394,549
Debt instruments	<u>407,758</u>	<u>-</u>	<u>-</u>	<u>407,758</u>
Total	\$ <u>1,870,795</u>	\$ <u>-</u>	\$ <u>281,113</u>	\$ <u>2,151,908</u>

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

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

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

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- III .When evaluating non-standardized and less complex financial instruments, such as illiquid debt instruments, interest rate swaps, currency swaps, and options, the Group uses valuation techniques commonly applied by market participants. The parameters in these valuation models are typically based on observable market data.
- IV The valuation of derivative financial instruments is based on generally accepted valuation models used by market participants, such as discounted cash flow methods and option pricing models (e.g., the Black-Scholes model).
- V.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.

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

D. For the years ended December 31, 2025 and 2024, 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, 2025 and 2024

	<u>2025</u>		<u>Total</u>
	<u>Equity Securities</u>	<u>Hybrid instruments</u>	
At January 1	\$ 28,960	\$ 252,153	\$ 281,113
Current period purchases	-	-	-
Unrealized gains and losses on debt instrument investments measured at fair value through profit or loss	-	21,800	21,800
Unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income	<u>1632</u>	<u>-</u>	<u>1,632</u>
At December 31	<u>\$ 30,592</u>	<u>\$ 273,953</u>	<u>\$ 304,545</u>

	<u>2024</u>		<u>Total</u>
	<u>Equity Securities</u>	<u>Hybrid instruments</u>	
At January 1	\$ 32,384	\$ -	\$ 32,384
Current period purchases	-	250,000	250,000
Unrealized gains and losses on debt instrument investments measured at fair value through profit or loss	-	2,153	2,153
Unrealized gains and losses on equity instrument investments measured at fair value through other	<u>(3,424)</u>	<u>-</u>	<u>(3,424)</u>

comprehensive income				
At December 31	\$	<u>28,960</u>	\$	<u>252,153</u>
			\$	<u>281,113</u>

F. For the years ended December 31, 2025 and 2024, there was no transfer in and out of the Level 3

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

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

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument :					
Unlisted shares	\$ 21,245	Market comparable companies	Discount for lack of marketability P/M value multiple P/B value multiple	10% 1.11 2.45	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.
	9,347	Asset approaches	Discount for lack of marketability Control discount	10% 25.21%	
	<u>\$ 30,592</u>				

Hybrid instruments					
Preferred stock	273,953	Discounted Cash Flow	Discount for lack of marketability	10%	The higher the lack of market liquidity discount, the lower the fair value; the higher the discount rate, the lower the fair value.
			Discount rate	11.34%	
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument :					
Unlisted shares	\$ 20,123	Market comparable companies	Discount for lack of marketability	10%	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.
			P/M value multiple	1.94	
			P/B value multiple	2.59	
	8,837	Asset approaches	Discount for lack of marketability	10%	
			Control discount	27.48%	
	\$ <u>28,960</u>				
Hybrid instruments					
Preferred stock	\$ 252,153	Discounted Cash Flow	Discount for lack of marketability	10%	The higher the lack of market liquidity discount, the lower the fair value; the higher the discount rate, the lower
			Discount rate	10.6%	



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

### 1.3 .SUPPLEMENTARY DISCLOSURES

#### (1).Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- F. Trading in derivative instruments undertaken during the reporting

periods: Note 6(2)

G. Significant inter-company transactions during the reporting periods:  
Please refer to table 4

(2). Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 5

(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.

1 4. SEGMENT INFORMATION

None.

Kwong Fong Industries Corporation  
Statement of cash and cash equivalents  
December 31, 2025

Expressed in thousands of TWD

Item	Description	Amount
Cash on hand and Petty cash		\$ 63
Checking accounts and Demand deposits		17,079
		\$ 17,142

**Kwong Fong Industries Corporation**  
**Statement of changes in Financial assets at fair value through other comprehensive income**  
**For the year ended December 31, 2025**

Expressed in thousands of TWD

	Balance at January 1, 2022		Additions in Investment		Decrease in Investment		Balance at December 31, 2022			Collateral	Footnote
	Shares/Units (In Thousands)	Fair value	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Percentage of Ownership (%)	Fair value		
Shin hua wool spinning co., Ltd.	437	\$ 8,837	-	\$ 510	-	\$ -	437	15.17%	\$ 9,347	No	
Lian An Health Business Co., Ltd.	401	20,,123	-	1,122	-	-	401	3.10%	21,245	"	
ASCCHARWIE COMPANY	922	-	-	-	-	-	922	8.00%	-	"	
Bank of China Co., Ltd.	25,000	418,836	-	-	( 12,500 )	( 193,605 )	12,500	0.00%	225,231	Note	
Agricultural Bank of China Co., Ltd.	18,800	351,458	-	28,637	( 4,700 )	( 50,843 )	14,100	0.00%	329,252	"	"
Bank of Communications Co., Ltd.	4,000	107,863	-	-	( 2,000 )	( 55,747 )	2,000	0.00%	52,116	"	"
Industrial and Commercial Bank of China Co., Ltd.	3,000	65,959	-	3,547	( 750 )	( 12,329 )	2,250	0.00%	57,177	"	"
Union Bank of Taiwan Special Shares	1,700	90,950	-	1,700	-	-	1,700	0.04%	92,650	"	"
Yulon Finance Corporation Special Shares	401	20,531	-	-	-	( 281 )	401	0.06%	20,250	"	"
Fubon Financial Holdings Special Shares	152	9,606	-	15	-	-	152	0.00%	9,621	No	"
Asia Cement co., Ltd.	3,300	133,320	-	-	-	( 10,560 )	3,300	0.09%	122,760	Note	
Mega Financial Holdings Co., Ltd.	11	420	1	14	-	-	11	0.00%	434	No	
Taiwan Cement co., Ltd.	3,481	110,356	-	19,854	( 1,740 )	( 89,813 )	1,741	0.02%	40,397	"	

**Kwong Fong Industries Corporation**  
**Statement of changes in Financial assets at fair value through other comprehensive income**  
**For the year ended December 31, 2025**

Expressed in thousands of TWD

Yuanta Futures Co., Ltd.	650	56,290	54	12,330	-	-	704	0.22%	68,620	"
Standard Chartered PLC 7.767% 22/28		94,655		-	( 4,256 )		-		90,399	Note
Barclays PLC 7.385% 22/28		34,777		-	( 1,524 )				33,253	
HSBC Holdings PLC 7.39% 22/28	-	34,745		-	( 1,501 )		-		33,244	"
Nomura Holdings Inc. 5.605% 22/29	-	33,300		110	( 694 )		-		32,716	"
Gredit Agricole SA 6.251% 24/35		99,364		115,370	( 598 )				214,136	"
HSBC Holdings PLC 8.113% 23/33		110,917		1,245	( 1,376 )				110,786	"
HSBC Holdings PLC 7.399% 23/34				94,185	( 643 )				93,542	"
Deutsche Bank AG 7.079% 23/34				69,560	( 288 )				69,272	"
société générale S.A. 6.066% 24/35-				33,325	( 32 )				33,293	"
société générale S.A. 6.221% 22/33-				99,383	( 143 )				99,240	"
B.A.T. Capital Corp. 4.39% 17/37-				29,025	-				29,025	"
Altria Group.9.95% 08/38				43,747	( 317 )				43,430	"
		<u>\$ 1,802,307</u>		<u>\$ 553,679</u>	<u>(\$ 424,550 )</u>				<u>\$ 1,931,436</u>	

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

**Kwong Fong Industries Corporation**  
**Statement of changes in investment accounted for using equity meth**  
**For the year ended December 31, 2025**

Expressed in thousands of shares/TWD

	Balance at January 1, 2023		Additions in Investment		Decrease in Investment		Balance at December 31, 2023			Market Value or Net Assets Value		Collateral
	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Ownership (%)	Amount	Price (TWD)	Total Amount	
Kwong Fong Holdings Limitd	30,442	\$ 2,123,693	-	\$ 103,188	-	(\$ 112,651 )	30,442	100.00%	\$ 2,114,230	\$69.45	\$ 2,114,230	No
Pao Fong Asset Management Co., Ltd.	10,000	767,907	-	-	-	( 55,623 )	10,000	100.00%	712,284	71.23	712,284	"
Mdb Digital Technology Co., Ltd.	1,612	50,880	-	8,042	-	( 5,871 )	1,612	51.00%	53,051	32.91	53,051	"
Galaxy Digital Co., Ltd.	2,170	51,506	-	6,728	-	( 14,713 )	2,170	51.00%	43,521	20.06	43,521	"
		<u>\$ 2,993,986</u>	-	<u>\$ 117,958</u>		<u>(\$ 188,858 )</u>			<u>\$ 2,923,086</u>		<u>\$ 2,923,086</u>	

Kwong Fong Industries Corporation  
Statement of short-term loans  
For the year ended December 31, 2025

Expressed in thousands of shares/TWD

Type of borrowings	Description	Balance at December 31.	Contracts period	Interest rate	Loan Commitments	Collaterals	Note
Unsecured bank loans	<u>CTBC Bank.</u>	80,000	114/10/19~115/1/9	2.05%	-	No	
	First Bank	23,000	114/12/12~115/3/12	1.98%			
	Taipei Fubon Bank	8,500	114/12/18~115/3/18	1.97%			
	First Bank	70,000	114/12/19~115/3/12	1.98%			
	Taipei Fubon Bank	51,000	114/12/26~115/1/26	1.97%			
		<u>\$ 232,500</u>					

Kwong Fong Industries Corporation  
Statement of short-term bills payable  
For the year ended December 31, 2025

Expressed in thousands of shares/TWD

Item	Guarantee or acceptance agency	Contracts period	Interest rate	Amount	Unamortised Premiums (DISCOUNTS)	Book Value	Note
Commercial Paper	Taiwan Finance Corporation	114/12/4~115/1/2	2.01%~2.03%	\$ 106,000	(\$ 9 )	105,991	
"	Grand Bills Finance Corporation	114/12/12~115/1/9	2.02%	33,000	( 15 )	32,985	
"	Mega Bills Finance Co., Ltd.	114/12/12~115/1/9	1.89%	20,000	( 8 )	\$ 19,992	
				<u>\$ 159,000</u>	<u>( 32 )</u>	<u>158,968</u>	

Kwong Fong Industries Corporation  
Statement of long-term loans  
For the year ended December 31, 2025

Expressed in thousands of shares/TWD

Creditor	Description	Borrowings	Contracts period	Interest rate	Collaterals	Note
UBS Singapore	Secured loans-CHF	\$ 214,623	2025/1/20~2026/1/20 It may be extended if fully secured	1.01%	%	Financial assets at fair value through other comprehensive income 、 Financial assets at fair value through profit or “
		11,347	2025/3/5~2026/3/5 , It may be extended if fully secured	1.01%		“
		9,333	2025/3/12~2026/3/12 It may be extended if fully secured	1.11%		“
		69,952	2025/3/14~2026/3/16 It may be extended if fully secured	0.98%		“
		106,589	2025/4/3~2026/4/7 It may be extended if fully secured	0.91%		“
“		87,230	2025/6/10~2026/6/10It may be extended if fully secured	2.00%		“
		<u>\$ 499,074</u>				

Kwong Fong Industries Corporation  
Statement of administrative expenses  
For the year ended December 31, 2025

Expressed in thousands of shares/TWD

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries		\$ 16,669	
Depreciation expense		7,178	
service expense		4,272	
Directors' remuneration		3,050	
Other expenses		11,321	
		<u>\$ 42,490</u>	

**Kwong Fong Industries Corporation**  
Summary statement of current period employee benefits, depreciation, and amortization expenses by function  
For the year ended December 31, 2025

Expressed in thousands of TWD

	Year ended December 31, 2025			Year ended December 31, 2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and salaries	\$ -	\$ 16,669	\$ 16,669	\$ -	\$ 17,713	\$ 17,713
Labor and health insurance fees	-	1,171	1,171	-	1,172	1,172
Pension costs	-	603	603	-	599	599
Directors' remuneration	-	3,050	3,050	-	3,180	3,180
Other personnel expenses	-	600	600	-	566	566
	\$ -	\$ 22,093	\$ 22,093	\$ -	\$ 23,230	\$ 23,230
Depreciation expenses	\$ -	\$ 7,178	\$ 7,178	\$ -	\$ 7,178	\$ 7,178
Amortisation expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note:

1. As at December 31, 2025 and 2024, the Company had 17 and 19 employees, including 6 and 7 non-employee directors, respectively.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :
  - (1) Average employee benefit expense in current year was \$1,731 ('total employee benefit expense in current year – total directors' remuneration in current year' / 'the number of employees in current year – the number of non-employee directors in current year').  
Average employee benefit expense in previous year was \$1,671 ('total employee benefit expense in previous year – total directors' remuneration in previous year' / 'the number of employees in previous year – the number of non-employee directors in previous year')
  - (2) Average employees salaries in current year were \$1,515 (total salaries and wages in current year / 'the number of employees in current year - the number of non-employee directors in current year').  
Average employees salaries in previous year were \$1,476 (total salaries and wages in previous year / 'the number of employees in previous year -the number of non-employee directors in previous year').
  - (3) Adjustments of average employees salaries were 3% ('the average employee salaries and wages in current year - the average employee salaries and wages in previous year' / the average employee salaries and wages in previous year)

Kwong Fong Industries Corporation  
Summary statement of current period employee benefits, depreciation, and amortization expenses by function  
For the year ended December 31, 2025

Expressed in thousands of TWD

- (4) The remuneration of the audit committee members this year was \$1,080, and the remuneration of the audit committee members and supervisors in the previous year was \$1,080.  
(The company re-elected all directors through the resolution of the shareholders' meeting on July 1, 2021, and set up an audit committee to replace the supervisor)
- (5) Salary policy for directors, managers, employees.
- A. The Articles of Incorporation of the Company, if the Company has profits in a given year, it shall allocate 0.1%–2% of such profits as employee remuneration and no greater than 1% as director remuneration. The payment will be made upon approval by the Salary and Remuneration Committee. Of the employee remuneration, not less than 3% shall be allocated to grassroots employees.
- B. The emoluments of the employee and manager consists of salary, bonus and employees' compensation. This emoluments policy is to offer appropriate emoluments based on their education and work experience and degree of contribution to recognise the responsibilities.
- C. The Company may pay directors the transportation fee on a monthly basis, regardless of being in profit or loss; such amount shall be determined by the Board of Directors. The Board of Directors is authorized to determine the remuneration for the directors based on the extent of their participation in, and contribution to, the Company's operations, and by referencing the industry standards among peers.
- D. Directors' remuneration and manager's remuneration are submitted to the Board of Directors for approval after the Remuneration Committee makes recommendations in accordance with regulations.

**Kwong Fong Industries Corporation and Subsidiaries**  
**Loans to others**  
**January 1, 2025- December 31, 2025**

Expressed in thousands of TWD

Table 1

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31,	Balance at December 31, 2021 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													name	Value			
0	Kwong Fong Industries Corporation	Mdb Digital Technology Co., Ltd.	Other receivables	Yes	\$ 70,000	\$70,000	\$ 62,860	2%	short-term financing	\$ -	working capital	\$ -	-	\$ -	\$1,752,184	\$1,752,184	In accordance with Article 4 of the company's operating procedures for lending funds to others, for companies or firms that need short-term financing with the company, the total amount of funds loaned should not exceed 40% of the company's net value; The amount shall not exceed 40% of the company's net worth.

Note 1: The numbers filled in for the loans 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: Fill in the name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2021

Note 4: The column of 'Nature of loan' shall fill in 1. 'Business transaction' or 2. 'Short-term financing'.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current period.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

According to the Company's credit policy, the total amount of loans granted to a single company should not exceed 40% of the net worth stated in the latest financial statements

KF : \$ 4,380,460\*40%=1,752,184 (thousand)

Note 8: The amounts of funds to be loaned to others which have been approved by the Board of Directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the Board of Directors of a public company has authorized the Chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the Board of Directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration that they could be loaned again thereafter.

Kwong Fong Industries Corporation and Subsidiaries  
Provision of endorsements and guarantees to otherS  
January 1, 2025- December 31, 2025

Expressed in thousands of TWD

Table 2

Number (Note 1)	Endorser / Guarantor	Party being endorsed/guaranteed		Limit on endorsements / guarantees provided for a single party (Note 3)	Maximum outstanding endorsement / guarantee amount (Note 4)	Outstanding endorsement / 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 endorseme nts / guarantees provided (Note 3)	Provision of endorseme nts/ guarantees by parent company to subsidiary (Note 7)	Provision of endorseme nts / guarantees by subsidiary to parent company (Note 7)	Provision of endorseme nts / guarantees to the party in Mainland China (Note 7)	Footno te
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Kwong Fong Industries Corporation	Galaxy Digital Co., Ltd.	2	\$ 4,380,460	\$ 50,000	\$ 50,000	\$30,000	\$ -	1.14%	\$ 4,380,460	Y	N	N	(Note 8)

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is '0'

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

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company directly and indirectly owns more than 50% voting shares of the endorsed/guaranteed company.

(3) The endorsed/guaranteed parent company directly and indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(4) The parent company directly or indirectly owns more than 90% voting shares of the companies that make endorsements/guarantees for each other.

(5) The parent company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) Due to joint venture, all capital contributing shareholders make endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

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

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

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

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

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

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

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

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

**Kwong Fong Industries Corporation**  
**Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)**  
**December 31, 2025**

Expressed in thousands of TWD

Table3

Securities held by	Types of securities	Securities name (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2025				Footnote
					Shares/Units (In thousands) Shares/Units	Book value (Note 3) (In Thousands))	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	\$ 9,347	15.17%	\$ 9,347	
"	"	Lian An Health Business Co., Ltd.		"	401	21,245	3.10%	21,245	
"	Unlisted common stock in Vietnam	ASCCHARWIE COMPANY		"	922	-	8.00%	-	
"	Listed common stock in Hong Kong	Bank of China Co., Ltd.		"	12,500	225,231	0.00%	225,231	Note 4
"	"	Agricultural Bank of China Co., Ltd.		"	14,100	329,252	0.00%	329,252	Note 4
"	"	Bank of Communications Co., Ltd.		"	2,000	52,116	0.00%	52,116	Note 4
"	"	Industrial and Commercial Bank of China Co., Ltd.		"	2,250	57,177	0.00%	57,177	Note 4
"	Listed preferred stock in Taiwan	Union Bank of Taiwan Special Shares		"	1,700	92,650	0.04%	92,650	Note 4
"	"	Yulon Finance Corporation Special Shares		"	401	20,250	0.06%	20,250	Note 4
"	"	Fubon Financial Holdings Special Shares		"	152	9,621	0.00%	9,621	

Kwong Fong Industries Corporation  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2025

Expressed in thousands of TWD

Table3

"	Listed common stock in Taiwan	Asia Cement co., Ltd.	"	3,300	122,760	0.09%	122,760	Note 4
"	"	Mega Financial Holdings Co., Ltd.	"	11	434	0.00%	434	
"	"	Taiwan Cement co., Ltd.	"	1,741	40,397	0.00%	40,397	
		Yuanta Futures Co., Ltd.	"	704	68,620	0.00%	68,620	
	USD bonds	Standard Chartered PLC 7.767% 22/28	"		90,399		90,399	
	"	BARCLAYS PLC 7.385% 22/28	"		33,253		33,253	
	"	HSBC Holding PLC 7.39% 22/28	"		33,244		33,244	
	"	Nomura Holdings Inc 5.605% 22/29	"		32,716		32,716	
		Gredit Agricole SA 6.251% 24/35	"		214,136		214,136	
		HSBC Holdings PLC 8.113% 23/33	"		110,786		110,786	
		HSBC Holdings 7.399% 23/34			93,542		93,542	
		Deutsche Bank AG New York 7.079% 23/34			69,272		69,272	
		Société Générale S.A. 6.066% 24/35			33,293		33,293	
		Société Générale S.A. 6.221% 22/33			99,240		99,240	
		B.A.T. Capital Corp. 4.39% 17/37			29,025		29,025	
		Altria Group, Inc. 9.95% 08/38			43,430		43,430	
	Structured Notes	Non-Callable Reverse Convertible Note	Financial assets at fair value through profit or loss - current		65,461		65,461	Note 4
		Maxi Autocallable Fixed Coupon Notes	"		31,215		31,215	

Kwong Fong Industries Corporation  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2025

Expressed in thousands of TWD

Table3

	Overseas money market fund	BNP Paribas Funds USD Money Market - Classic Cap				3,174		3,174	
	Listed common stock in Taiwan	GREAT WALL			20	1,017	0.00%	1,017	
		CHAROEN POKPHAND			25	3,288	0.00%	3,288	
		UNI-PRESIDENT			3	231	0.00%	231	
		TTET UNION			20	2,890	0.00%	2,890	
		GTM HOLDINGS			3	104	0.00%	104	
		Standard Chemical & Pharmaceutical			5	295	0.00%	295	
		SINPHAR PHARMACEUTICAL			3	92	0.00%	92	
		Tung Ho Steel			1	64	0.00%	64	
		YUEN CHANG STAINLESS STEEL			6	111	0.00%	111	
		Pan German Universal Motors			1	282	0.00%	282	
		UNITED MICROELECTRONICS			2	99	0.00%	99	
		Chunghwa Telecom			25	3,263	0.00%	3,263	
	"	GOOD WILL INSTRUMENT			2	110	0.00%	110	
		GREATEK ELECTRONICS			7	623	0.00%	623	
	"	AUDIX			5	331	0.00%	331	
		DA-CIN CONSTRUCTION			2	126	0.00%	126	
		EVERGREEN INTERNATIONAL STORAGE & TRANSPORT			19	1,096	0.00%	1,096	

Kwong Fong Industries Corporation  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2025

Expressed in thousands of TWD

Table3

	"	EVERGREEN AVIATION TECHNOLOGIES			1	142	0.00%	142	
	"	CHANG HWA COMMERCIAL BANK			12	236	0.00%	236	
	"	Union Insurance			10	289	0.00%	289	
		China Bills Finance			66	1,115	0.00%	1,115	
	"	Taiwan Fire & Marine Insurance			2	101	0.00%	101	
		BANK OF KAOHSIUNG			24	295	0.00%	295	
		SHINKONG INSURANCE			5	588	0.00%	588	
	"	Central Reinsurance			11	289	0.00%	289	
		THE FIRST INSURANCE			7	194	0.00%	194	
		President Securities			12	287	0.00%	287	
	"	Mercuries Life Insurance			13	104	0.00%	104	
		HUA NAN FINANCIAL HOLDINGS			32	1,003	0.01%	1,003	
	"	Fubon Financial Holding			2	202	0.00%	202	
	"	KGI Financial Holding			6	107	0.00%	107	
	"	E.SUN FINANCIAL HOLDING			54	1,838	0.00%	1,838	
		Yuanta Financial Holding			24	956	0.00%	956	
		Mega Financial Holding			24	960	0.00%	960	
		TS Financial Holding			10	204	0.00%	204	
		IBF Financial Holdings			6	99	0.00%	99	
		SINOPAC FINANCIAL HOLDINGS			49	1,402	0.00%	1,402	

Kwong Fong Industries Corporation  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2025

Expressed in thousands of TWD

Table3

	CTBC FINANCIAL HOLDING			28	1,406	0.00%	1,406	
	First Financial Holding			27	803	0.00%	803	
	Far Eastern Department Stores			4	88	0.00%	88	
	TAIWAN MOBILE			3	112	0.00%	112	
	ZENITRON			5	543	0.00%	543	
	TTY BIOPHARM COMPANY			1	82	0.00%	82	
	TAIWAN FRUCTOSE			10	184	0.00%	184	
	KING CHOU MARINE TECHNOLOGY			2	106	0.00%	106	
	Far EastOne Telecommunications			4	353	0.00%	353	
	SAN SHING FASTECH			7	393	0.00%	393	
	TOPCO SCIENTIFIC			2	582	0.00%	582	
	TE CHANG CONSTRUCTION			8	524	0.00%	524	
	GOOD FINANCE SECURITIES			4	102	0.00%	102	
	Yuanta Futures			6	585	0.00%	585	
	Capital Futures			2	102	0.00%	102	
	Grand Fortune Securities			17	223	0.00%	223	
	FULLERTON TECHNOLOGY			4	96	0.00%	96	
	Taiwan Optical Platform			1	77	0.00%	77	
	Ever Supreme Bio Technology			1	164	0.00%	164	
	PRO-HAWK CORPORATION			1	158	0.00%	158	

Kwong Fong Industries Corporation  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2025

Expressed in thousands of TWD

Table3

		Cleanaway			30	948	0.00%	948	
		O-TA PRECISION INDUSTRY			3	216	0.00%	216	
		Taiwan Cogeneration			24	980	0.00%	980	
		TON YI INDUSTRIAL			48	854	0.00%	854	
	Taiwan convertible bonds	Alexander Marine Co., Ltd. 1st Domestic Unsecured Convertible Bond				3,122	0.00%	3,122	
		MERRY ELECTRONICS CO.,LTD. Domestic 5th Unsecured Convertible Bonds				6,078	0.00%	6,078	
	Unlisted preferred stock in Taiwan	Codak Archi Special Preferred Stock			25,000	273,953	48.08%	273,953	
	U.S. dollar additional Tier 1 capital bonds	UBS Group AG-High-trigger loss-absorbing additional tier 1 capital instrument		Financial assets at fair value through profit or loss - noncurrent		54,665		54,665	
	Unlisted common stock in Hong Kong	FULCREST LIMITED		"	2,716	1,240,219	44.24%	1,240,219	
Kwong Fong Holdings Limited	Listed common stock in Hong Kong	Bank of China Co., Ltd.		Financial asset measured at fair value through other comprehensive income - noncurrent	10,400	187,298	0.02%	187,298	
"	"	Agricultural Bank of China Co., Ltd.		"	8,500	198,386	0.06%	198,386	Note 4
"	"	Bank of Communications Co., Ltd.		"	3,400	88,553	0.02%	88,553	Note 4
"	"	Industrial and Commercial Bank of China Co., Ltd.		"	3,225	81,910	0.00%	81,910	Note 4

Kwong Fong Industries Corporation  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2025

Expressed in thousands of TWD

Table3

"	USD bonds	BARCLAYS PLC 7.385% 22/28	"		49,879		49,879	Note 4
"	"	HSBC Holdings PLC 7.399% 23/34	"		89,612		89,612	
"	"	Deutsche Bank AG New York 7.079% 23/34	"		51,849		51,849	
"	"	Société Générale S.A. 6.066% 24/35	"		33,232		33,232	
"	"	Crédit Agricole S.A. 6.251% 24/35	"		106,861		106,861	
	Structured Notes	Equity Linked Notes - Maxi Reverse Convertible Notes		Financial assets at fair value through profit or loss - current		94,064		94,064
	Overseas money market fund	BNP Paribas Funds USD Money Market Classic Cap		"		14,412		14,412
	U.S. dollar additional Tier 1 capital bonds	JBS Group AG-High-trigger loss-absorbing additional tier 1 capital instrument		Financial assets at fair value through profit or loss - noncurrent		44,899		44,899
	Unlisted U.S. equity investments	Greenland Innovations, LLC		"	1,600	67,825		67,825
	Private funds	Creator 1		"	33	109,376		109,376
Pao Fong Asset Management Co., Ltd	Listed preferred stock in Taiwan	Cathay Financial Holdings Special Shares		Financial asset measured at fair value through other comprehensive income - noncurrent	1,115	67,681	0.01%	67,681
"	"	Fubon Financial Holdings Special Shares		"	505	31,967	0.00%	31,967
								Note 4

Kwong Fong Industries Corporation  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2025

Expressed in thousands of TWD

Table3

"		Fubon Financial Holding Co., Ltd.		"	22	2,195	0.00%	2,195	Note 4
"	Listed common stock in Taiwan	Cathay Financial Holding Co., Ltd.		Financial assets at fair value through profit or loss – current	91	6,898	0.00%	6,898	
"	"	Yuanta Taiwan High Dividend Low Volatility ETF		"		328		328	
	Taiwan Index ETF	Yuanta S&P500		"		542		542	
	Taiwan Index ETF	Yuanta Taiwan High Dividend Low Volatility ETF		"		1,517		1,517	
		Yuanta U.S. Treasury 1-3 Year Bond ETF		"		1,247		1,247	
		Far Eastern New Century Corporation 1st Domestic Unsecured Exchangeable Bonds		"		520		520	
	Taiwan convertible bonds	HUA YU LIEN Development 3st Domestic Unsecured Exchangeable Bonds		"		100		100	
		TRIOCEAN INDUSTRIAL CORPORATION 3st Domestic Unsecured Exchangeable Bonds		"		96		96	
		HONMYUE ENTERPRISE 3st Domestic Unsecured Exchangeable Bonds		"		94		94	
		SUN RACE STURMEY-ARCHER 1st Domestic Unsecured Exchangeable Bonds		"		97		97	

Kwong Fong Industries Corporation  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2025  
Expressed in thousands of TWD

Table3

	CROWELL DEVELOPMENT CORP 4st Domestic Unsecured Exchangeable Bonds		"		92		92	
	TAIWAN MOBILE CO., LTD 5st Domestic Unsecured Exchangeable Bonds		"		513		513	
	Golden Long Teng Development 2st Domestic Unsecured Exchangeable Bonds		"		100		100	
	Star Fusion Group 2st Domestic Unsecured Exchangeable Bonds		"		97		97	
	ENE Technology Inc. 3st Domestic Unsecured Exchangeable Bonds		"		94		94	
	FITTECH CO 2st Domestic Unsecured Exchangeable Bonds		"		100		100	
	HSIN BA BA CORPORATION 3st Domestic Unsecured Exchangeable Bonds		"		95		95	
	CHING FENG HOME FASHIONS 3st Domestic Unsecured Exchangeable Bonds		"		95		95	

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 4The company pledges its financial assets for loan purposes.

Kwong Fong Industries Corporation and Subsidiaries  
Significant inter-company transactions during the reporting periods  
January 1, 2025-December 31, 2025  
Expressed in thousands of shares/thousands of TWD

Table 4

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Mdbs Digital Technology Co., Ltd.	Galaxy Digital Co., Ltd.	3	Project income	13,690	Note 4	3.80%
2	Digital Securities Investment Consultant Co., Ltd.	Galaxy Digital Co., Ltd.	3	Consultant income	3,000		1.00%
3	Galaxy Digital Co., Ltd.	Mdbs Digital Technology Co., Ltd.	3	Project cost	9,000	"	2.50%
4	Galaxy Digital Co., Ltd.	Digital Securities Investment Consultant Co., Ltd.	3	Project cost	3,000		1.00%

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, 2025-December 31, 2025  
(Amounts in Thousands of NTD/USD, Unless Specified Otherwise)

Table 5

Investor	Investee (Note 1、 Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2022			Net profit (loss) of the investee For the year ended December 31, 2024 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2024 (Note 2(3))	Footnot e
				Balance as of December 31, 2024	Balance as of December 31, 2023	Number of shares	Owner ship  (%)	Book value			
Kwong Fong Industries Corporation	Kwong Fong Holdings Limitd	British Virgin Islands(BVI)	General Investment	USD 30,442	USD 30,442	30,442	100%	\$ 2,114,230	\$ 57,860	57,860	Note 3
"	Pao Fong Asset Management Co., Ltd.	28F., No.97, Sec.2, Dunhua S, Rd., Da'an Dist., Taipei City 106, Taiwan	Real estate sale, lease, development	\$ 1,337,716	\$ 1,337,716	10,000	100%	712,284	( 55,522)	( 55,522)	"
"	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%	53,051	15,988	8,042	"
"	Galaxy Digital Co., Ltd.	18F., No.105, Sec.2, Dunhua S, Rd., Da'an Dist., Taipei City 106, Taiwan	"	34,900	34,900	2,170	51%	43,521	14,558	6,728	"
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%	22,833	2,726	2,726	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, 2021' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

(2) The "Investee company's profit and loss for the period" column should include the profit and loss amount for each investee company.

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

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