

**KWONG FONG INDUSTRIES CORPORATION
AND SUBSIDIARIES
CONSOLIDATED 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 consolidated balance sheets of Kwong Fong Industries Corporation and its subsidiaries (collectively referred herein as the "Group") as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2025 and 2024, and its financial performance and cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Measurement of Financial Assets at Fair Value of Fulcrest Limited

Description

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

As of December 31, 2025, the amount of Kwong Fong Industries Group of Companies and its subsidiaries' s financial assets measured at fair value through other comprehensive income is NT\$4,161,078 thousands, which represents 68% of total consolidated assets, of which Fulcrest Limited, a Hong Kong-based company, accounts for at fair value of NT\$1,240,219 thousands. As the assumptions used in the fair value evaluation are subjective and uncertain, and the results have a significant impact on the consolidated financial statement, the accountant has identified Fulcrest

Limited's measurement of the fair value of its financial assets as one of the year's most important audited items.

How our audit addressed the matter

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

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

Accuracy of revenue recognition in information system development

Description

Please refer to Note 4(29) of the financial statements for accounting policies on revenue recognition, Note 5 for accounting Estimate on revenue recognition and Note 6(20) for details of operating revenue.

The operating income of Kwong Fong Industries and its subsidiaries mainly consists of revenue from information subscription services, information system development, information system maintenance, and consulting services. In 2025, information

system development revenue amounted to NT\$131,183 thousand, accounting for 36% of total revenue. This revenue is recognized using the percentage-of-completion method, based on the ratio of hours worked to the total estimated hours. Since the degree of completion involves management's subjective judgment, the accuracy of recognizing information system development revenue is one of the key audit matters for this year.

How our audit addressed the matter

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

1. Understand the company's operations and the nature of the industry in order to evaluate the reasonableness of the policy on recognition of revenue from information software service and related internal controls, as well as confirm compliance with the applicable financial reporting structure.
2. Obtain the project contract and project revenue statements; randomly select and review the invoices for the hours already worked and the project cost budget to confirm that the contract schedule matches and the percentage of hours already worked is correct, thereby verifying the reasonableness of the percentage-of-completion calculation.
3. Verify the accuracy of the information in the report used by the management to calculate revenue from information software services. Verify the client's contract prices, and payment collection terms. Recalculate the correctness of the timing and amount of revenue recognized based on the degree of completion and verify that it corresponds to the carrying amount.

Other matter – Parent company only financial reports

We have audited the parent company only financial statement of Kwong Fong Industries Corporation Limited as of and for the years ended December 31, 2025 and 2024 on which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Lai, Chung-Hsi Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2026

Kwong Fong Industries Corporation and Subsidiaries
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

| ASSETS | Notes | December 31, 2025 | | December 31, 2024 | | |
|--------------------------|--|-------------------|---------------------|-------------------|---------------------|------------|
| | | Amount | % | Amount | % | |
| CURRENT ASSETS | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 173,778 | 3 | \$ 145,856 | 3 |
| 1110 | Financial assets at fair value through profit or loss - current | 6(2) and 8 | 264,265 | 4 | 106,217 | 2 |
| 1136 | Financial assets at amortized cost - current | 6(4) and 8 | 47,800 | 1 | 35,884 | 1 |
| 1140 | Contract assets- current | 6(20) | 22,685 | - | 16,380 | - |
| 1170 | Accounts receivable, net | 6(5) | 22,113 | - | 23,300 | - |
| 1200 | Other receivables | | 25,143 | 1 | 9,060 | 1 |
| 1220 | Income tax assets | | 9,549 | - | 6,967 | - |
| 130X | Inventories | 6(6) and 8 | 636,010 | 11 | 629,621 | 11 |
| 1410 | Prepayments | | 8,714 | - | 11,086 | - |
| 1470 | Other current assets | | 101 | - | 99 | - |
| 11XX | Total current assets | | <u>1,210,158</u> | <u>20</u> | <u>984,470</u> | <u>17</u> |
| NONCURRENT ASSETS | | | | | | |
| 1510 | Financial assets at fair value through profit or loss - noncurrent | 6(2) and 8 | 550,718 | 9 | 252,153 | 5 |
| 1517 | Financial assets at fair value through other comprehensive income-noncurrent | 6(3) and 8 | 4,161,078 | 68 | 4,305,665 | 75 |
| 252,15 | Financial assets at amortized cost - noncurrent | 6(4) | 10,000 | - | 5,000 | - |
| 1600 | Property, plant and equipment | 6(7) and 8 | 18,100 | 1 | 14,889 | - |
| 1755 | Right-of-use assets | 6(8) | 48,272 | 1 | 14,111 | - |
| 1780 | Intangible assets | 6(9) | 62,803 | 1 | 63,208 | 1 |
| 1840 | Deferred income tax assets | 6(27) | 18,401 | - | 81,347 | 2 |
| 1900 | Other noncurrent assets | 8 | 17,359 | - | 13,858 | - |
| 15XX | Total noncurrent assets | | <u>4,886,731</u> | <u>80</u> | <u>4,750,231</u> | <u>83</u> |
| 1XXX | Total assets | | <u>\$ 6,096,889</u> | <u>100</u> | <u>\$ 5,734,701</u> | <u>100</u> |

(Continued)

Kwong Fong Industries Corporation and Subsidiaries
CONSOLIDATED 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 | % | |
| Current Liabilities | | | | | | |
| 2100 | Short-term loans | 6(11) and 8 | \$ 232,500 | 4 | \$ 115,000 | 2 |
| 2110 | Short-term bills payable | 6(12) and 8 | 158,968 | 3 | 199,792 | 4 |
| 2130 | Current contract liabilities | 6(20) and 7 | 73,640 | 1 | 46,694 | 1 |
| 2150 | Notes payable | | 28 | - | 29 | - |
| 2170 | Accounts payable | | 7,647 | - | 6,757 | - |
| 2219 | Other payables | | 50,765 | 1 | 51,177 | 1 |
| 2230 | Income tax payable | | 4,331 | - | 4,804 | - |
| 2250 | Provision-Current | | - | - | - | - |
| 2280 | Lease liabilities-Current | | 9,856 | - | 13,873 | - |
| 2399 | Other current liabilities | | 2,505 | - | 2,186 | - |
| 21XX | Total current liabilities | | <u>540,240</u> | <u>9</u> | <u>440,312</u> | <u>8</u> |
| Noncurrent liabilities | | | | | | |
| 2527 | Non-current contract liabilities | 6(20) | 28,750 | - | - | - |
| 2540 | Long-term loans | 6(14) and 8 | 792,498 | 13 | 655,078 | 11 |
| 2570 | Deferred income tax liabilities | 6(27) | 242,314 | 4 | 274,449 | 5 |
| 2580 | Non-current lease liabilities | | 39,968 | 1 | 721 | - |
| 2600 | Other noncurrent liabilities | | 573 | - | 573 | - |
| 25XX | Total noncurrent liabilities | | <u>1,104,103</u> | <u>18</u> | <u>935,821</u> | <u>16</u> |
| 2XXX | Total liabilities | | <u>1,644,343</u> | <u>27</u> | <u>1,376,133</u> | <u>24</u> |
| EQUITY | | | | | | |
| EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT | | | | | | |
| Capital | | | | | | |
| 3110 | Capital stock | 6(16) | 1,853,422 | 30 | 1,853,422 | 32 |
| Capital surplus | | | | | | |
| 3200 | Capital surplus | 6(17) | 50,060 | 1 | 50,069 | 1 |
| Retained earnings | | | | | | |
| 3310 | Appropriated as legal capital reserve | 6(18) | 440,421 | 7 | 425,230 | 8 |
| 3320 | Appropriated as special capital reserve | | 76,252 | 1 | 76,252 | 1 |
| 3350 | Unappropriated earnings | | 1,275,117 | 21 | 983,139 | 17 |
| Other equity interest | | | | | | |
| 3400 | Other equity interest | 6(19) | 685,188 | 12 | 893,038 | 16 |
| 31XX | Equity attributable to shareholders of the parent | | <u>4,380,460</u> | <u>72</u> | <u>4,281,150</u> | <u>75</u> |
| 36XX | NON-CONTROLLING INTERESTS | | <u>72,086</u> | <u>1</u> | <u>77,418</u> | <u>1</u> |
| 3XXX | Total equity | | <u>4,452,546</u> | <u>73</u> | <u>4,358,568</u> | <u>76</u> |
| Significant Contingent Liabilities 9 And Unrecognized Contract Commitments | | | | | | |
| Significant Events After The Balance Sheet Date 11 | | | | | | |
| 3X2X | Total liabilities and equity | | <u>\$ 6,096,889</u> | <u>100</u> | <u>\$ 5,734,701</u> | <u>100</u> |

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

Kwong Fong Industries Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

| Items | Notes | 2025 | | 2024 | | |
|-------|---|-------------|-------------|--------|-------------|-------|
| | | Amount | % | Amount | % | |
| 4000 | Net revenue | 6(20) and 7 | \$ 360,152 | 100 | \$ 333,508 | 100 |
| 5000 | Cost of revenue | 6(25) (26) | (229,149) | (64) | (211,743) | (64) |
| 5900 | Gross profit | | 131,003 | 36 | 121,765 | 36 |
| | Operating expenses | 6(25)(26) | | | | |
| 6100 | Selling expenses | | (1,454) | (-) | (1,394) | (-) |
| 6200 | General and administrative | | (132,210) | (37) | (117,120) | (35) |
| 6450 | Expected credit loss (gain) | 12(2) | 40 | - | 623 | - |
| 6000 | Total operating expenses | | (133,624) | (37) | (117,891) | (35) |
| 6900 | Income(Loss) from operations | | (2,621) | (1) | 3,874 | 1 |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(21) | 66,276 | 18 | 27,832 | 8 |
| 7010 | Other income | 6(22) | 149,875 | 42 | 145,600 | 44 |
| 7020 | Other gains and losses, net | 6(23) | (25,839) | (7) | 60,042 | 18 |
| 7050 | Finance costs | 6(24) | (15,198) | (4) | (13,609) | (4) |
| 7000 | Total non-operating income and expenses | | 175,114 | 49 | 219,864 | 66 |
| 7900 | Profit before income tax | | 172,493 | 48 | 223,739 | 67 |
| 7950 | Income tax expense | 6(27) | (7,704) | (2) | (54,907) | (17) |
| 8200 | Profit for the year | | \$ 164,789 | 46 | \$ 168,832 | 50 |

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Kwong Fong Industries Corporation and Subsidiaries
CONSOLIDATED 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 | % | Amount | % |
| Other comprehensive income (loss) | | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | | |
| 8316 Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income | 6(3)(19) | \$ 131,156 | 36 | \$ 763,368 | 229 |
| 8349 Income tax benefit (expense) related to items that will not be reclassified subsequently | 6(19)(27) | (28,057) | (8) | (153,630) | (46) |
| 8310 Components of other comprehensive income that will not be reclassified to profit or loss | | 103,099 | 28 | 609,738 | 183 |
| Items that may be reclassified subsequently to profit or loss: | | | | | |
| 8361 Exchange differences arising on translation of foreign operations | 6(19) | (86,315) | (24) | 114,658 | 35 |
| 8367 Unrealized gain/(loss) on investments in debt instruments at fair value through other comprehensive income | 6(3)(19) | 44,658 | 12 | 10,425 | 3 |
| 8399 Income tax related to items that may be reclassified subsequently to profit or loss | 6(19) (27) | (8,931) | (2) | (2,274) | (1) |
| 8360 Items that may be reclassified subsequently to profit or loss: | | (50,588) | (14) | 122,809 | 37 |
| 8300 Other comprehensive income (loss), net of income tax | | \$ 52,511 | 14 | \$ 732,547 | 220 |
| 8500 Total comprehensive income for the year | | \$ 217,300 | 60 | \$ 901,379 | 270 |
| Profit attributable to: | | | | | |
| 8610 Shareholders of the parent | | \$ 150,600 | 42 | \$ 146,930 | 43 |
| 8620 Non-controlling interests | | 14,189 | 4 | 21,902 | 7 |
| TOTAL | | \$ 164,789 | 46 | \$ 168,832 | 50 |
| Comprehensive income attributable to: | | | | | |
| 8710 Shareholders of the parent | | \$ 203,111 | 56 | \$ 879,477 | 263 |
| 8720 Non-controlling interest | | 14,189 | 4 | 21,902 | 7 |
| Total | | \$ 217,300 | 60 | \$ 901,379 | 270 |
| Earnings per share | | | | | |
| 9750 Basic earnings per share | 6(28) | \$ 0.81 | | \$ 0.79 | |
| 9850 Diluted earnings per share | | \$ 0.81 | | \$ 0.79 | |

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

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

Equity Attributable to Shareholders of the Parent

| | Notes | Retained Earnings | | | | Others | | Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | Total | Non- controlling Interests | Total Equity |
|---|-------|------------------------------------|--------------------|--------------------------|---------------------------|-----------------------------|---|---|--------------|----------------------------------|--------------|
| | | Capital Stock - Common Stock | Capital Surplus | Legal Capital Reserve | Special Capita Reserve | Unappropriate d Earnings | Financial statements translation differences of foreign operations | | | | |
| Year 2024 | | | | | | | | | | | |
| Balance at January 1, 2024 | | \$ 1,853,422 | \$ 50,079 | \$ 415,698 | \$ 76,252 | \$ 933,428 | \$ 139,473 | \$ 26,002 | \$ 3,494,354 | \$ 69,000 | \$ 3,563,354 |
| Profit for the year | | - | - | - | - | 146,930 | - | - | 146,930 | 21,902 | 168,832 |
| Other comprehensive income (loss) for the year | 6(21) | - | - | - | - | - | 114,658 | 617,889 | 732,547 | - | 732,547 |
| Total comprehensive income (loss) | | - | - | - | - | 146,930 | 114,658 | 617,889 | 879,477 | 21,902 | 901,379 |
| Appropriation of 2023 earnings | | | | | | | | | | | |
| Legal reserve | 6(19) | - | - | 9,532 | - | (9,532) | - | - | - | - | - |
| Cash dividends to shareholders | 6(19) | - | - | - | - | (92,671) | - | - | (92,671) | - | (92,671) |
| Disposal of equity instruments at fair value through other comprehensive income | | | | | | | | | | | |
| Dividends unclaimed by shareholders with claim period elapsed | 6(17) | - | (10) | - | - | - | - | - | (10) | (-) | (10) |
| Changes in non-controlling interests | | - | - | - | - | - | - | - | - | (13,482) | (13,484) |
| Balance at December 31, 2024 | | \$ 1,853,422 | \$ 50,069 | \$ 425,230 | \$ 76,252 | \$ 983,139 | \$ 254,131 | \$ 638,907 | \$ 4,281,150 | \$ 77,418 | \$ 4,358,568 |

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

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

Equity Attributable to Shareholders of the Parent

| | Notes | Retained Earnings | | | | Others | | Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | Total | Non- controlling Interests | Total Equity |
|---|-------|------------------------------------|--------------------|--------------------------|---------------------------|-----------------------------|---|---|--------------|----------------------------------|--------------|
| | | Capital Stock - Common Stock | Capital Surplus | Legal Capital Reserve | Special Capita Reserve | Unappropriate d Earnings | Financial statements translation differences of foreign operations | | | | |
| Year 2025 | | | | | | | | | | | |
| Balance at January 1, 2025 | | \$ 1,853,422 | \$ 50,069 | \$ 425,230 | \$ 76,252 | \$ 983,139 | \$ 254,131 | \$ 638,907 | \$ 4,281,150 | \$ 77,418 | \$ 4,358,568 |
| Profit for the year | | - | - | - | - | 150,600 | - | - | 150,600 | 14,189 | 164,789 |
| Other comprehensive income (loss) for the year | 6(19) | - | - | - | - | - | (86,315) | 138,826 | 52,511 | - | 52,511 |
| Total comprehensive income (loss) | | - | - | - | - | 150,600 | (86,315) | 138,826 | 203,111 | 14,189 | 217,300 |
| Appropriation of 2024 earnings | | | | | | | | | | | |
| Legal reserve | 6(18) | - | - | 15,191 | - | (15,191) | - | - | - | - | - |
| Cash dividends to shareholders | 6(18) | - | - | - | - | (103,792) | - | - | (103,792) | - | (103,792) |
| Disposal of equity instruments at fair value through other comprehensive income | 6(19) | - | - | - | - | 260,361 | - | (260,361) | - | - | - |
| Dividends unclaimed by shareholders with claim period elapsed | 6(17) | - | (9) | - | - | - | - | - | (9) | - | (9) |
| Changes in non-controlling interests | | - | - | - | - | - | - | - | - | (19,521) | (19,521) |
| Balance at December 31, 2025 | | \$ 1,853,422 | \$ 50,060 | \$ 440,421 | \$ 76,252 | \$ 1,275,117 | \$ 167,816 | \$ 517,372 | \$ 4,380,460 | \$ 72,086 | \$ 4,452,546 |

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

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

| Equity Attributable to Shareholders of the Parent | | | | | | | | | | |
|---|------------------------------------|--------------------|--------------------------|---------------------------|-----------------------------|---|---|-------|----------------------------------|--------------|
| Notes | Capital Stock - Common Stock | Capital Surplus | Retained Earnings | | | Others | | Total | Non- controlling Interests | Total Equity |
| | | | Legal Capital Reserve | Special Capita Reserve | Unappropriate d Earnings | Financial statements translation differences of foreign operations | Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | | | |
| | | | | | | | | | | |

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

Kwong Fong Industries Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

| | <u>Notes</u> | <u>2025</u> | <u>2024</u> |
|--|--------------|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | \$ 172,493 | \$ 223,739 |
| Adjustments for: | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation expense | 6(25) | 20,190 | 17,367 |
| Amortization expense | 6(25) | 9,830 | 11,126 |
| Expected credit losses recognized (reversal) on investments in debt instruments | 12(2) | (40) | (623) |
| Interest income | 6(21) | (66,276) | (27,832) |
| Dividend income | 6(22) | (149,546) | (145,214) |
| Loss (gain) on disposal or retirement of property, plant and equipment, net | 6(23) | 326 | - |
| Gains(Losses) on financial assets (liabilities) at fair value through profit or loss | 6(23) | (38,914) | (14,233) |
| Reversal of benefits of financial asset | 6(23) | - | (5) |
| Interest expense | 6(24) | 15,198 | 13,609 |
| Gain on lease modification | 6(8)(23) | (24) | - |
| Inventory Turnover Benefit | 6(6) | (6,389) | - |
| Changes in assets/liabilities relating to operating activities | | | |
| Changes in operating assets | | | |
| Contract assets | | (6,025) | (5,373) |
| Accounts receivable | | 947 | 4,753 |
| Other receivables | | 28 | 2,660 |
| Prepayments | | 2,370 | (2,832) |
| Changes in operating liabilities | | | |
| Contract liabilities | | 55,696 | 3,353 |
| Notes payable | | (1) | 29 |
| Accounts payable | | 890 | 556 |
| Other payables | | (3,335) | (6,327) |
| Liabilities Provision | | 319 | 451 |
| Cash (out)inflow generated from operations | | <u>7,737</u> | <u>75,204</u> |
| Interest received | | 55,721 | 20,386 |
| Cash dividend received | | 149,589 | 145,214 |
| Interest paid | | (12,333) | (11,640) |
| Income tax paid | | (21,680) | (16,400) |
| Net cash generated by operating activities | | <u>179,034</u> | <u>212,764</u> |

(Continued)

Kwong Fong Industries Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

| | <u>Notes</u> | <u>2025</u> | <u>2024</u> |
|--|--------------|--------------------|--------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of financial assets at amortised cost | | (43,049) | (24,384) |
| Disposal of financial assets at amortised cost | | 26,133 | 11,266 |
| Acquisition of financial instruments at fair value through profit or loss | | (841,049) | (467,661) |
| Disposal of financial instruments at fair value through profit or loss | | 431,953 | 149,733 |
| Acquisition of financial assets at fair value through other comprehensive income | | (705,081) | (347,342) |
| Disposal of financial assets at fair value through other comprehensive income | | 923,896 | 27,237 |
| Acquisition of property, plant and equipment | | (6,022) | (977) |
| Acquisition of intangible assets | | (9,425) | (6,720) |
| Increase in refundable deposits paid | | (3,530) | (29,952) |
| Decrease in refundable deposits paid | | 1,682 | 98,979 |
| Increase in prepayment for equipment | | (1,654) | - |
| Refund of invested capital upon liquidation. | | - | 1,026 |
| Net cash generated by (used in) investing activities | | <u>(226,146)</u> | <u>(588,795)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Acquisition of financial liabilities measured at fair value through profit or loss | | 1,960 | 603,080 |
| Disposal of financial liabilities measured at fair value through profit or loss | | (2,206) | (615,671) |
| 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 | 2,147,049 |
| Decrease in short-term bills payable | | (2,609,399) | (1,967,242) |
| Proceeds from long-term bank loans | | 137,420 | 75,716 |
| Repayment of long-term bank loans | | - | (5,861) |
| Repayment of the principal portion of lease liabilities | 6(29) | (16,612) | (15,398) |
| Expired unclaimed dividends transferred to capital surplus | 6(17) | (9) | (10) |
| Change in non-controlling interest-Cash dividends | | (19,777) | (13,849) |
| | | <u>(103,792)</u> | <u>(92,671)</u> |
| Net cash generated by (used in) financing activities | | <u>73,660</u> | <u>190,143</u> |
| Effect of exchange rate changes | | <u>1,374</u> | <u>105,374</u> |
| Net increase(decrease) in cash and cash equivalents | | 27,922 | (80,514) |
| Cash and cash equivalents at beginning of year | | 145,856 | 226,370 |
| Cash and cash equivalents at end of year | | <u>\$173,778</u> | <u>\$145,856</u> |

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

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan Dollars, except as otherwise indicated)

1. GENERAL

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

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

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

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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 2025 are as follows:

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

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

Effect of new issuances of or amendments to IFRS Accounting Standards 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:

| New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows: | Effective date by International Accounting Standards Board |
|---|--|
| 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 Group'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.

Effect of IFRSs issued by IASB but not yet endorsed by the FSC

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

| <u>New Standards, Interpretations and Amendment</u> | <u>Effective date by International Accounting Standards Board Pending IASB decision</u> |
|---|---|
| Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture' | to be determined by International Accounting Standards Board |
| IFRS 18 "Presentation and Disclosure in Financial Statements" | January 1, 2027 |
| IFRS 19 "Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures" | January 1, 2027 |
| Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency | 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 Group's financial condition and financial performance based on the Group'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 Material Accounting Policies

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

(1) Statement of Compliance

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

(2) Basis of Preparation

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

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

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

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

(3) Basis of Consolidation

A. The basis for the consolidated financial statements

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

- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. The subsidiaries in the consolidated financial statements :

| Name of Investor | Name of Subsidiary | Main business activities | Ownership (%) | | Description |
|--------------------------|--|----------------------------------|-------------------|-------------------|-------------|
| | | | December 31, 2025 | December 31, 2024 | |
| Company | Pao Fong Asset Management Co., Ltd. | Asset Management | 100% | 100% | - |
| " | Kwong Fong Holdings Limitd | General investment activities | 100% | 100% | - |
| " | Mdbs Digital Technology Co., Ltd. | Service of software | 51% | 51% | - |
| " | Galaxy Digital Co., Ltd. | Service of software | 51% | 51% | " |
| Galaxy Digital Co., Ltd. | Digital Securities Investment Consultant Co., Ltd. | Securities investment consultant | 100% | 100% | |

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

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

E. Significant restrictions: None.

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

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency

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

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

B. Translation of foreign operations

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

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

- (b).Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c).All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

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

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

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

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

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

twelve months after the reporting period.

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

(6) Cash Equivalents

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

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

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

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

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

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

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

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

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

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

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

- (a). The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as other income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
- (b). Changes in the fair value of debt instruments are recognized in other comprehensive profit and loss. Impairment losses, interest income and foreign currency exchange gains and losses before delisting are recognized in profit and loss. At the time of delisting, the accumulated gains or losses previously recognized in other comprehensive profit or loss. Reclassify from equity to profit or loss.

(9) Financial assets at amortised cost

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

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

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

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

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

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

(10) Notes, accounts and receivables

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

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

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable or

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

(12) Derecognition of financial assets

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

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

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

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

(13) Operating leases (lessor) - operating leases

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

(14) Inventories

The inventories include “land held for construction”, “construction in progress”, and “buildings and land held for sale” are initially recorded at cost. The Consolidated Company’s inventory is measured at the lower of cost and net

realisable value, adopts an item-by-item approach in comparing cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course, less the estimated cost of goods available for sales and applicable variable selling expenses.

(15) Property, plant and equipment

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

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

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

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

| | |
|------------------|-------------|
| Buildings | 50~55 years |
| Office equipment | 3 ~ 5 years |

Other equipment 3 ~ 5 years

Leasehold Improvements 2 ~ 5 years

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

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

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

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

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

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

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

(17) Intangible assets

- A. Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.
- B. Goodwill arises in a business combination accounted for by applying the acquisition method.
- C. Patents amortised on a straight-line basis over its estimated useful life of 10 years.
- D. Customer relationship has a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 3 ~ 4 years.
- E. Technological expertise amortised on a straight-line basis over its estimated useful life of 15 years.

(18) Impairment of non-financial assets

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

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

(19) Borrowings

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

(20) Notes, accounts and payable

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

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

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

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

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

(22) Derecognition of financial liabilities

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

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

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

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

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

(24) Employee benefits

A.Short-term employee benefits

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

B.Pensions

Defined contribution plans

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

C.Employees' compensation and directors' remuneration

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

(25) Income tax

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

B.The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with

respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

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

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

(26) Capital

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

(27) Dividends

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

of new shares issuance.

(28) Revenue recognition

A.Revenue in information system development

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

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

B.Revenue in information subscription revenue and consulting service

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

C. Rental income

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

D. Income from sale of real estate

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

(29) Operating segments

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

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

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

Critical accounting estimates and assumptions

A.Revenue Recognition

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

B.Inventory Valuation

Since inventory is valued at the lower of cost or net realizable value, the Group must use judgment and estimates to determine the net realizable value of inventory at the balance sheet date. Based on historical experience and market expectations, the Group adjusts inventory cost to net realizable value if it is lower. As of December 31, 2025, the Group's inventory amounted to \$636,010 .

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

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

The carrying amount of the group's unlisted TWSE/TPEX stocks with no active market was \$1,721,965 as of December 31, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

| | December 31, 2025 | December 31, 2024 |
|--------------------------------------|-------------------|-------------------|
| Cash on hand and petty cash | \$ 1,476 | \$ 1,498 |
| Checking accounts and demand deposit | 151,902 | 126,958 |
| Time deposits | 20,400 | 17,400 |
| | <u>\$ 173,778</u> | <u>\$ 145,856</u> |

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

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

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

| Items | December 31, 2025 | December 31, 2024 |
|--|-------------------|-------------------|
| Current items : | | |
| Mandatorily measured at FVTPL | | |
| Listed (TSE) stocks | \$ 36,171 | \$ 10,139 |
| Structured Notes | 183,649 | 66,398 |
| Convertible Bonds(Hybrid instruments) | 13,365 | 11,800 |
| Beneficiary Certificate | 21,087 | 13,817 |
| | 254,272 | 102,154 |
| Valuation adjustment | 3,564 | 4,063 |
| Effect of exchange rate changes | 6,429 | - |
| Total | <u>\$ 264,265</u> | <u>\$ 106,217</u> |
| Non-Current items : | | |
| Mandatorily measured at FVTPL | | |
| Preferred stock(hybrid instruments | \$ 250,000 | \$ 250,000- |
| Unlisted U.S. equity investments (hybrid instruments) | 65,920 | - |
| U.S. dollar additional Tier 1 capital bonds (hybrid instruments) | 92,122 | - |
| Private equity funds (hybrid instruments) | 101,409 | - |
| | 509,451 | 250,000 |
| Valuation adjustment | 39,781 | 2,153 |
| Effect of exchange rate changes | 1,486 | - |
| Total | <u>\$ 550,718</u> | <u>\$ 252,153</u> |

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

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|-------------------------------|------------------------------|------------------------------|
| Mandatorily measured at FVTPL | | |
| Equity instruments | \$ 5,352 | \$ 12,362 |
| Derivative instruments | - | 7,406 |
| Structured Notes | (4,842) | 3,880 |
| Hybrid instruments | | |
| | 37,416 | 313 |
| Beneficiary Certificate | 1,234 | 369 |
| Total | \$ 39,160 | \$ 24,330 |

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

As of December 31, 2025 and December 31, 2024: None.

Futures trading

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

On December 31, 2025 and 2024, respectively, the retained margin balances in futures accounts were \$509 and \$531, while the excess margin balances were \$509 and \$531.

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

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

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

| Items | December 31, 2025 | December 31, 2024 |
|---------------------------------|-------------------|-------------------|
| Non-current items : | | |
| Debt instruments | | |
| U.S. dollar corporate bonds | \$ 1,145,698 | \$ 450,095 |
| Valuation adjustment | 53,079 | 8,421 |
| Effect of exchange rate changes | 14,992 | 1,407 |
| Subtotal | 1,213,769 | 459,923 |
| Equity instruments | | |
| Hong Kong listed stocks | 683,579 | 1,205,469 |
| Foreign unlisted shares | | |
| Hong Kong Fulcrest Limited | 1,079,212 | 1,079,212 |
| Other | 16,000 | 16,000 |
| Listed (TSE) stocks | 480,130 | 551,084 |
| Unlisted stocks | 9,954 | 9,954 |
| | 2,268,875 | 2,861,719 |
| Valuation adjustment | 601,872 | 799,885 |
| Effect of exchange rate changes | 76,562 | 184,138 |
| Subtotal | 2,947,309 | 3,845,742 |
| Total | \$ 4,161,078 | \$ 4,305,665 |

A. The Group has chosen to classify strategic investments, including listed and unlisted domestic and foreign stocks, as well as USD corporate bonds, as financial assets measured at fair value through other comprehensive income. The fair value of such investments amounted to \$4,161,078 and \$4,305,665 as at December 31, 2025 and 2024, 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 | \$ 131,156 | \$ 763,368 |
| Accumulated benefits are transferred to retained earnings due to delisting. | \$ 329,170 | \$ 4,984 |
| Dividend income recognized in profit or loss | | |
| Held at the end of the period | \$ 98,767 | \$ 145,002 |
| Derecognized during the period | \$ 49,503 | - |
| | \$ 148,270 | \$ 145,002 |
| Debt instruments measured at fair value through other comprehensive income | | |
| Fair value changes recognized in other comprehensive income | \$ 44,658 | \$ 10,425 |
| Interest income recognized in profit or loss | \$ 49,263 | \$ 19,335 |

C.The Group's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, were NT\$4,161,078 and NT\$4,305,665 for financial assets at fair value through other comprehensive income, as of December 31, 2025 and 2024, respectively.

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

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

(4) Financial assets at amortised cost

| Items | December 31, 2024 | December 31, 2023 |
|----------------------------------|-------------------|-------------------|
| Current items : | | |
| Time deposits exceeding 3 months | \$ 47,800 | \$ 35,884 |
| Non-current items : | | |
| Time deposits exceeding 3 months | 10,000 | 5,000 |
| Total | \$ 57,800 | \$ 40,884 |

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

| | <u>Year ended December 31, 2025</u> | <u>Year ended December 31, 2024</u> |
|-----------------|-------------------------------------|-------------------------------------|
| Interest income | \$ <u>693</u> | \$ <u>756</u> |

- B. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$57,800 and \$40,884 respectively.
- C. The Group will provide financial assets measured at amortized cost as collateral, as detailed in Note 8.
- D. For information on the credit risk of financial assets measured at amortized cost, please refer to Note 12, (2). The Group's investments in time deposits are with financially sound institutions, and the likelihood of default is expected to be very low.

(5) Accounts receivable

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|-------------------------------|--------------------------|--------------------------|
| Accounts receivable | \$ 22,502 | \$ 23,729 |
| Less: Allowance for bad debts | (389) | (429) |
| | <u>\$ 22,113</u> | <u>\$ 23,300</u> |

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

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|-------------------------|--------------------------|--------------------------|
| Not past due | \$ 22,303 | \$ 22,244 |
| Past due within 30 days | 108 | 1,485 |
| 31 to 90 days | 91 | - |
| 91 to 180 days | - | - |
| 181 天以上 | - | - |
| | <u>\$ 22,502</u> | <u>\$ 23,729</u> |

The above ageing analysis was based on past due date.

- B. As of December 31, 2025, December 31, 2024 the balances of receivables from contracts with customers. At January 1, 2024 amounted to \$29,105.
- C. Without considering the collateral or other credit enhancements held, the amounts that best represent the Group's maximum exposure to credit risk for accounts receivable as of December 31, 2025, and 2024, are \$22,502 and \$23,729, respectively.
- D. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

(6) Inventories

| | December 31, 2025 | December 31, 2024 |
|---------------------------------|-------------------|-------------------|
| Real property for sale | \$ 127,246 | \$ 129,597 |
| Land held for construction site | 508,764 | 500,024 |
| Total | <u>\$ 636,010</u> | <u>\$ 629,621</u> |

A. Real property for sale

| | December 31, 2025 | December 31, 2024 |
|---|-------------------|-------------------|
| Dazhi Section of Bade City | \$ 17,811 | \$ 17,811 |
| Tamsui Shulinkou section | 219,300 | 219,300 |
| Taode Section and Qiancheng Section of Bade City | 1,029 | 1,029 |
| Taoyuan City Middle Road Section | 666 | 666 |
| Subtotal | <u>238,806</u> | <u>238,806</u> |
| Less: Allowance for valuation losses | (111,560) | (109,209) |
| Total | <u>\$ 127,246</u> | <u>\$ 129,597</u> |

B. Land held for construction site

| | December 31, 2025 | December 31, 2024 |
|--------------------------------------|-------------------|-------------------|
| Land held for construction site | \$ 509,757 | \$ 509,757 |
| Less: Allowance for valuation losses | (993) | (9,733) |
| Total | <u>\$ 508,764</u> | <u>\$ 500,024</u> |

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

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|----------------------------|---------------------------------|---------------------------------|
| Inventory Turnover Benefit | (\$ 6,389) | \$ - |
| Leases cost | 49 | 49 |
| Total | (\$ 6,439) | \$ 49 |

The Group commissioned a real estate valuer to conduct an assessment, and the assessment results led to an increase in the net realizable value of inventory, which was subsequently recognized as a decrease in cost of goods sold.

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

(7) Property, plant and equipment

| | 2025 | | | | | | |
|---|-----------------|-----------------|---------------------|---------------------|------------------|---------------------------|------------------|
| | Land | Buildings | Office equipment | Others equipment | - Lease asset | Leasehold Improvements | Total |
| At January 1 | | | | | | | |
| cost | \$ 7,713 | \$ 4,628 | \$ 5,290 | \$ 742 | \$ 2,442 | \$ 7,884 | \$ 28,699 |
| Accumulated depreciation | - | (1,465) | 4,818) | (604) | (1034) | (5,889) | (13,810) |
| | <u>\$ 7,713</u> | <u>\$ 3,163</u> | <u>\$ 472</u> | <u>\$ 138</u> | <u>\$ 1,408</u> | <u>\$ 1,995</u> | <u>\$ 14,889</u> |
| At January 1 | \$ 7,713 | \$ 3,163 | \$ 472 | \$ 138 | \$ 1,408 | \$ 1,995 | \$ 14,889 |
| Additions | - | - | 3,735 | 144 | - | 2,143 | 6,022 |
| Disposals | - | (76) | 2,002) | (462) | - | (778) | (3,318) |
| Accumulated depreciation on disposal date | - | 76 | 2,002 | 462 | - | 452 | 2,992 |
| | - | (105) | 499) | (80) | (49) | (1,752) | (2,485) |
| Depreciation | | | | | | | |
| At December 31 | <u>\$ 7,713</u> | <u>\$ 3,058</u> | <u>\$ 3,708</u> | <u>\$ 202</u> | <u>\$ 1,359</u> | <u>\$ 2,060</u> | <u>\$ 18,100</u> |
| At December 31 | | | | | | | |
| Cost | \$ 7,713 | \$ 4,552 | \$ 7,023 | \$ 424 | \$ 2,442 | \$ 9,249 | \$ 31,403 |
| Accumulated depreciation | - | (1,494) | 3,315) | (222) | (1,083) | (7,189) | (13,303) |
| | <u>\$ 7,713</u> | <u>\$ 3,058</u> | <u>\$ 3,708</u> | <u>\$ 202</u> | <u>\$ 1,359</u> | <u>\$ 2,060</u> | <u>\$ 18,100</u> |

| | 2024 | | | | | | |
|---|-----------------|-----------------|------------------|------------------|-----------------|------------------------|------------------|
| | Land | Buildings | Office equipment | Others equipment | - Lease asset | Leasehold Improvements | Total |
| At January 1 cost | \$ 7,713 | \$ 4,628 | \$ 5,408 | \$ 615 | \$ 2,442 | \$ 7,371 | \$ 28,177 |
| Accumulated depreciation | - | 1,348) | 4,987) | (536) | (985) | (4,141) | (11,997) |
| | <u>\$ 7,713</u> | <u>\$ 3,280</u> | <u>\$ 421</u> | <u>\$ 79</u> | <u>\$ 1,457</u> | <u>\$ 3,230</u> | <u>\$ 16,180</u> |
| At January 1 | \$ 7,713 | \$ 3,280 | \$ 421 | \$ 79 | \$ 1,457 | \$ 3,230 | \$ 16,180 |
| Additions | - | - | 197 | 127 | - | 653 | 977 |
| Disposals | - | - | 315) | - | - | (140) | (455) |
| Accumulated depreciation on disposal date | - | - | 315 | - | - | 140 | 455 |
| Depreciation | - | (117) | (146) | (68) | (49) | (1,888) | (2,268) |
| At December 31 | <u>\$ 7,713</u> | <u>\$ 3,163</u> | <u>\$ 472</u> | <u>\$ 138</u> | <u>\$ 1,408</u> | <u>\$ 1,995</u> | <u>\$ 14,889</u> |
| At December 31 | | | | | | | |
| Cost | \$ 7,713 | \$ 4,628 | \$ 5,290 | \$ 742 | \$ 2,442 | \$ 7,884 | \$ 28,699 |
| Accumulated depreciation | - | (1,465) | (4,818) | (604) | (1,034) | (5,889) | (13,810) |
| | <u>\$ 7,713</u> | <u>\$ 3,163</u> | <u>\$ 472</u> | <u>\$ 138</u> | <u>\$ 1,408</u> | <u>\$ 1,995</u> | <u>\$ 14,889</u> |

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

(8) Leasing arrangements – lessee

A.The Group leases various assets including 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 | December 31, 2023 |
|--------------------------|------------------------|------------------------|
| | <u>Carrying Amount</u> | <u>Carrying Amount</u> |
| Land (parking lot) | \$ - | \$ 222 |
| Buildings | 45,114 | 13,215 |
| Transportation equipment | <u>3,158</u> | <u>674</u> |
| | <u>\$ 48,272</u> | <u>\$ 14,111</u> |

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|--------------------------|------------------------------|------------------------------|
| | <u>Depreciation charge</u> | <u>Depreciation charge</u> |
| Land (parking lot) | \$ 222 | \$ 222 |
| Buildings | 16,790 | 14,203 |
| Transportation equipment | <u>693</u> | <u>674</u> |
| | <u>\$ 17,705</u> | <u>\$ 15,099</u> |

D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$53,152 and \$3,250 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 |
|---------------------------------------|---------------------------------|---------------------------------|
| Items affecting profit or loss | | |
| Interest expense on lease liabilities | \$ 777 | \$ 326 |
| Expense on short-term lease contracts | 320 | 385 |
| Expense on leases of low-value assets | 171 | 160 |
| Gain on lease modification | (24) | |

F. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases amounted to \$17,880 and \$16,269, respectively.

G. The Group's parent company and its subsidiary, Mdb's Digital Technology Co., Ltd., entered into office lease agreements on November 11, 2025 and December 16, 2025, respectively. The lease terms are from January 1, 2026 to December 31, 2028, and from January 1, 2026 to December 31, 2020, respectively. The lease commitment amounts are \$18,272 and \$24,600, respectively

(9) Intangible assets

| | 2025 | | | | | |
|--|-------------------|------------------|-------------------------|-----------------|---------------------|------------------|
| | Computer software | Goodwill | Technological expertise | Patents | Client relationship | Total |
| At January 1 | | | | | | |
| Cost | \$ 32,449 | \$ 32,583 | \$ 18,643 | \$ 13,657 | \$ 10,784 | \$ 108,116 |
| Accumulated depreciation and accumulated impairment losses | (23,690) | - | (4,971) | (5,463) | (10,784) | (44,908) |
| | <u>\$ 8,759</u> | <u>\$ 32,583</u> | <u>\$ 13,672</u> | <u>\$ 8,194</u> | <u>\$ -</u> | <u>\$ 63,208</u> |
| At January 1 | \$ 8,759 | \$ 32,583 | \$ 13,672 | \$ 8,194 | \$ - | \$ 63,208 |
| Additions-derived from separate acquisition | 195 | - | - | - | - | 195 |
| Additions-derived from internal development | 9,230 | | | | | 9,230 |
| Disposals | (129) | | | | | (129) |
| Accumulated depreciation on disposal date | 129 | | | | | 129 |
| Amortization expenses | (7,221) | - | (1,243) | (1,366) | - | (9,830) |
| At December 31 | <u>\$ 10,963</u> | <u>\$ 32,583</u> | <u>\$ 12,429</u> | <u>\$ 6,828</u> | <u>\$ -</u> | <u>\$ 62,803</u> |
| At December 31 | | | | | | |
| Cost | \$ 41,745 | \$ 32,583 | \$ 18,643 | \$ 13,657 | \$ 10,784 | \$ 117,412 |
| Accumulated depreciation and accumulated impairment losses | (30,782) | - | (6,214) | (6,829) | (10,784) | (54,609) |
| | <u>\$ 10,963</u> | <u>\$ 32,583</u> | <u>\$ 12,429</u> | <u>\$ 6,828</u> | <u>\$ -</u> | <u>\$ 62,803</u> |

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

The goodwill of the Group is allocated to cash-generating units identified at the operating segment level. The Group engages external valuation firms annually to perform impairment assessment tests, where the recoverable amount is assessed based on the value in use, derived from the management's estimated pre-tax cash flow forecasts over a five-year financial budget period. As of December 31, 2025, the recoverable amount calculated based on the value in use exceeded the carrying amount, hence no impairment of goodwill was recognized. The main assumptions used to calculate the value of use are as follows:

| | <u>Mdbs Digital Technology Co., Ltd.</u> | <u>Galaxy Digital Co., Ltd.</u> |
|------------------------------|--|---------------------------------|
| Year ended December 31, 2025 | | |
| Gross profit margin: | 27.7% | 36.1% |
| Growth rate | 5% | 3% |
| Discount rate | 11.8134% | 11.8134% |
| Year ended December 31, 2024 | | |
| Gross profit margin: | 25.5% | 37.3% |
| Growth rate | 5% | 5% |
| Discount rate | 11.4660% | 11.4660% |

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

| Items | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|--------------------------|--------------------------|--------------------------|
| Futures Trading Margin | \$ 509 | \$ 531 |
| Contract project deposit | 4,719 | 4,145 |
| Operating margin | 5,000 | 5,000 |
| Leases margin | 4,566 | 3,270 |
| Other | 912 | 912 |
| Total | <u>\$ 15,706</u> | <u>\$ 13,858</u> |

(11) 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 Group recognized interest accrued in the amounts of \$10,819 and \$10,518 related to its long-term and short-term borrowings, respectively.

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

(12) Short-term bills payable

| 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 Group'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 Group’s short-term bills payable pledged to others as collaterals are provided in Note 8.

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

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 :

| | December 31, 2025 | | December 31, 2024 | | | |
|---|-------------------|-----|-------------------|-----|--------|---|
| Net profit or loss recognized in profit or loss : | | | | | | |
| Financial liabilities at FVTPL Held for trading | | | | | | |
| Securities lending transaction | (\$ | 246 |) | (\$ | 10,097 |) |

(14) Long-term bank loans

| <u>Type of borrowings</u> | <u>Borrowing period</u> and repayment term | <u>Interest rate</u> | <u>Collaterals</u> | <u>December 31, 2025</u> |
|---------------------------|--|----------------------|---|--------------------------|
| Long-term loans | | | | |
| Secured loans-JPY | | | | |
| JPY(JPY718,603 thousand) | December 12, 2025 to January 13, 2026 (It may be extended if fully secured, with monthly interest payments..) | 1.00% | Financial assets at fair value through other comprehensive income \ Financial assets at fair value through profit or loss | \$ 144,074 |
| 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(CHF2,664 thousand) | March 6, 2025 to March 6, 2026 | 1.07% | “ | 105,692 |
| 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(CHF1,101 thousand) | June 6, 2025 to June 5, 2026 | 0.70% | | 43,658 |
| 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>\$ 792,498</u> |

| <u>Type of borrowings</u> | <u>Borrowing period</u> <u>and repayment term</u> | <u>Interest rate</u> | <u>Collaterals</u> | <u>December 31, 2024</u> |
|----------------------------|--|----------------------|---|--------------------------|
| Long-term loans | | | | |
| Secured loans-JPY | | | | |
| JPY(JPY901,651 thousand) | November 1, 2024 to January 31, 2025 | 0.93% | Financial assets at fair value through other comprehensive income、Financial assets at fair value through profit or loss | \$ 188,133 |
| 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% | " | 4,462 |
| Secured loans-CHF | | | | |
| CHF(CHF2,636 thousand) | April 3, 2024 to April 3, 2025 | 2.00% | Financial assets at fair value through other comprehensive income、Financial assets at fair value through profit or loss | 95,638 |
| CHF(CHF2,640 thousand) | September 6, 2024 to March 6, 2025 (It may be extended if fully secured, with monthly interest payments..) | 1.86% | "" | 95,534 |
| Less: Current portion | | | | - |
| | | | | <u>\$ 655,078</u> |

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

(15) Pension

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

B. The pension costs and expenses under defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024 were \$6,157 and \$5,475, respectively.

(16) 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.

(17) Capital surplus

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

| | Adjustments to share of changes in equity of associates and joint ventures | 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 |
|---|--|--|------------------|
| 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> |

(18) Retained earnings

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

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

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

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

(b). When IFRSs are first adopted, the proportion of the original special reserve mentioned in the special surplus reserve mentioned in the letter

No. 1090150022 dated March 31, 110 of the Republic of China will be reversed when the Company subsequently uses, disposes of or reclassifies the relevant assets.

E:The Company held the regular shareholders' meeting on May 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.

(19) Other equity items

| | 2025 | | |
|---|--|----------------------|-------------|
| | Unrealised gains (losses) on valuation | Currency translation | Total |
| At January 1 | \$ 638,907 | \$ 254,131 | \$ 893,038 |
| Revaluation | 175,814 | - | 175,814 |
| 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 | \$ 517,372 | \$ 167,816 | \$ 685,188 |

| | 2024 | | |
|---|--|----------------------|-------------|
| | Unrealised gains (losses) on valuation | Currency translation | Total |
| At January 1 | \$ 26,002 | \$ 139,473 | \$ 165,475 |
| Revaluation | 780,226 | - | 780,226 |
| Revaluation – tax | (155,904) | - | (155,904) |
| Transfer of valuation adjustment to retained earnings | (4,984) | | (4,984) |
| Currency translation differences | - | 114,658 | 114,658 |
| Foreign exchange impact | (6,433) | | (6,433) |
| At December 31 | \$ 638,907 | \$ 254,131 | \$ 893,038 |

(20) Operating revenue

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

| | Year ended | Year ended |
|--|--------------------------|--------------------------|
| | <u>December 31, 2025</u> | <u>December 31, 2025</u> |
| Information subscription revenue | \$ 164,851 | \$ 176,475 |
| Information system development revenue | 131,183 | 100,743 |
| Information system maintenance revenue | 56,204 | 53,023 |
| Consulting services revenue | 6,420 | 2,384 |
| Rental revenue | 1,494 | 883 |
| Total | <u>\$ 360,152</u> | <u>\$ 333,508</u> |

B. Contract assets and liabilities

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

| | December 31, 2025 | December 31, 2024 | January 1, 2024 |
|----------------------|----------------------|----------------------|-----------------|
| Contract assets | \$ 22,685 | \$ 16,380 | \$ 10,384 |
| Contract liabilities | \$ 102,390 | \$ 46,694 | \$ 43,341 |

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

| | Year ended | Year ended |
|---|--------------------------|--------------------------|
| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
| Revenue recognised that was included in the contract liability balance at the beginning of the period | | |
| Pre-received of information subscription revenue | 15,137 | 11,721 |
| Pre-received of information system development revenue | 21,820 | 23,597 |
| Pre-received of information system maintenance revenue | 3,396 | 3,801 |
| Pre-received of consulting services revenue | 1,552 | - |
| Pre-received of Rental revenue | 57 | 57 |
| | <u>\$ 41,962</u> | <u>\$ 39,176</u> |

(c) Information relating to credit risk of contract assets is provided in Note 12(2).

(21) Interest income

| | Year ended | Year ended |
|---|--------------------------|--------------------------|
| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
| Interest income from bank deposits | \$ 1,179 | \$ 1,592 |
| Interest income from financial assets at amortized cost | 693 | 756 |
| Interest income from financial assets at fair value through profit or loss | 14,994 | 6,019 |
| Interest income from financial assets measured at fair value through other comprehensive income | 49,263 | 19,335 |
| Other Interest income | <u>147</u> | <u>130</u> |
| | <u>\$ 66,276</u> | <u>\$ 27,832</u> |

(22) Other income

| | Year ended | Year ended |
|----------------------|--------------------------|--------------------------|
| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
| Dividend income | \$ 149,546 | \$ 145,214 |
| Other income, others | 329 | 386 |
| | <u>\$ 149,875</u> | <u>\$ 145,600</u> |

(23) Other gains and losses

| | Year ended <u>December 31, 2025</u> | Year ended <u>December 31, 2024</u> |
|--|-------------------------------------|-------------------------------------|
| Unrealized gain (loss) on foreign currency exchange, net | (\$ 62,527) | \$ 46,256 |
| Gain from Lease Modification | 24 | |
| Gains(Losses) on financial assets (liabilities) at fair value through profit or loss | 38,914 | 14,233 |
| Loss on disposal of property, plant and equipment | (326) | - |
| Reversal of financial asset gains | - | 5 |
| Other losses | <u>(1,924)</u> | <u>(452)</u> |
| | <u>\$ 25,839</u> | <u>(\$ 60,042)</u> |

(24) Finance costs

| | Year ended <u>December 31, 2025</u> | Year ended <u>December 31, 2024</u> |
|------------------------------|-------------------------------------|-------------------------------------|
| Interest expense | | |
| Bank loans | \$ 10,819 | \$ 10,518 |
| Commercial papers payable | 3,601 | 2,764 |
| Interest accrued on deposits | 1 | 1 |
| Lease liabilities | <u>777</u> | <u>326</u> |
| | <u>\$ 15,198</u> | <u>\$ 13,609</u> |

(25) Cost and expenses by nature

| | <u>Year ended December 31, 2025</u> | <u>Year ended December 31, 2024</u> |
|---|-------------------------------------|-------------------------------------|
| Depreciation charges on property, plant and equipment | \$ 2,485 | \$ 2,268 |
| Depreciation charges on right-of-use assets | 17,705 | 15,099 |
| Employee benefit expense | 157,214 | 141,534 |
| Amortisation charges | <u>9,830</u> | <u>11,126</u> |
| | <u>\$ 187,234</u> | <u>\$ 170,027</u> |

(26) Employee benefit expense

| | <u>Year ended December 31, 2025</u> | <u>Year ended December 31, 2024</u> |
|---------------------------------|---|---|
| Wages and salaries | \$ 131,035 | \$ 117,458 |
| Labor and health insurance fees | 11,796 | 10,483 |
| Pension costs Pension costs | 6,157 | 5,475 |
| Directors' remuneration | 3,050 | 3,180 |
| Other personnel expenses | <u>5,176</u> | <u>4,938</u> |
| | <u>157,214</u> | <u>141,534</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.

(27) Income tax

B. Income tax expense

(a).Components of income tax expense

| | <u>Year ended December 31, 2025</u> | <u>Year ended December 31, 2024</u> |
|---|-------------------------------------|-------------------------------------|
| Current tax : | | |
| Current tax on profits for the period | (\$ 49,942) | \$ 18,497 |
| Tax on undistributed surplus earnings | 320 | - |
| Prior year income tax overestimation | (560) | (1,451) |
| Total current tax | <u>(50,182)</u> | <u>17,046</u> |
| Deferred tax : | | |
| Origination and reversal of temporary differences | <u>57,886</u> | <u>37,861</u> |
| Total deferred tax | <u>57,886</u> | <u>37,861</u> |
| Income tax expense | <u>\$ 7,704</u> | <u>\$ 54,907</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>155,904</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(Note) | \$ 26,321 | \$ 43,098 |
| Income tax impact of items adjusted in accordance with tax laws | (4,021) | (2,784) |
| Temporary differences not recognized as deferred tax assets | - | (1) |
| Tax on undistributed surplus earnings | 320 | |
| Tax losses from prior years not recognized as deferred tax assets are utilized in the current period | (20,014) | (338) |
| Changes in the evaluation of deferred tax assets and liabilities | 3 | (10,653) |
| Prior year income tax overestimation | (560) | (1,451) |
| Impact of withholding tax on overseas income | 5,661 | 5,730 |
| Income tax expense (benefit) | \$ <u>7,704</u> | \$ <u>54,907</u> |

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

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

Year ended December 31, 2025

| | January 1 | Recognised in profit or loss | Recognised in other comprehensive income | Recognised in equity | other | December 31 |
|--|---------------|------------------------------|--|----------------------|-----------|---------------|
| Deferred tax assets : | | | | | | |
| — Temporary differences : | | | | | | |
| Unused compensated absences payable | \$ 549 | \$ 17 | \$ - | - | \$ - | \$ 566 |
| Impairment Loss | 10,549 | 45 | - | - | - | 10,594 |
| Exchange loss | 897 | (6,344) | - | - | - | 7,241 |
| Tax losses | 69,352 | (69,352) | - | - | - | - |
| Subtotal | 81,347 | (62,946) | - | - | - | 18,401 |
| Deferred tax liabilities : | | | | | | |
| Unrealized exchange gain | (7) | 7 | - | - | (-) | - |
| Financial asset valuation benefits | (166,509) | (480) | (36,988) | 68,808 | (-) | (135,169) |
| Foreign subsidiaries have not realized investment benefits | (32,309) | 5,266 | - | - | (-) | (27,043) |
| Reserve for land value increment tax | (76,252) | - | - | - | (-) | (76,252) |
| Acquisition of subsidiary intangible assets | (4,372) | 267 | - | - | (255) | (3,830) |
| Subtotal | (279,449) | 5,060 | (36,988) | 68,808 | (255) | (242,314) |
| Total | (\$ 198,102) | (\$ 57,886) | (\$ 36,988) | \$ 68,808 | (\$ 255) | (\$ 222,913) |

Year ended December 31, 2024

| | January 1 | Recognised in profit or loss | Recognised in other comprehensive income | December 31 |
|--------------------------------------|-----------|------------------------------|--|-------------|
| Deferred tax assets : — | | | | |
| Temporary differences : | | | | |
| Unused compensated absences payable | \$ 257 | \$ 292 | \$ - | \$ 549 |
| Loss on valuation of financial asses | 592 | - | (592) | - |
| Impairment Loss | 10,549 | - | - | 10,549 |
| Exchange loss | 3,003 | (2,106) | - | 897 |
| Tax losses | 105,746 | (36,394) | - | 69,352 |

| | | | | |
|--|---------------------|---------------|-----------------------|-----------------------|
| Subtotal | 120,147 | (38,208) | (592) | 81,347 |
| Deferred tax liabilities : | | | | |
| Unrealized exchange gain | (10) | 3 | - | (7) |
| Financial asset valuation benefits | (10,580) | (617) | (155,312) | (166,509) |
| Foreign subsidiaries have not realized investment benefits | (32,651) | 342 | - | (32,309) |
| Reserve for land value increment tax | (76,252) | - | - | (76,252) |
| Acquisition of subsidiary intangible assets | (4,991) | 619 | - | (4,372) |
| Subtotal | (<u>124,484</u>) | 347 | (<u>155,312</u>) | (<u>279,449</u>) |
| Total | (\$ <u>4,337</u>) | (\$ 37,861) | (\$ <u>155,904</u>) | (\$ <u>198,102</u>) |

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

| Year ended December 31, 2025 | | | | |
|---|---------------------|---------------------|---|--|
| Year of occurrence | Declared / Approved | Amount not deducted | Non-recognized amount of deferred income tax assets | The final year in which the tax deduction is applied |
| Kwong Fong Industries Corporation & Pao Fong Asset Management Co., Ltd. | | | | |
| 2021 | \$ <u>639,635</u> | \$ <u>415,537</u> | \$ <u>415,537</u> | 2031 |
| Year ended December 31, 2024 | | | | |
| Year of occurrence | Declared / Approved | Amount not deducted | Non-recognized amount of deferred income tax assets | The final year in which the tax deduction is applied |
| Kwong Fong Industries Corporation & Pao Fong Asset Management Co., Ltd. | | | | |
| 2016 | 369,764 | 130,882 | - | 2026 |
| 2019 | 127,568 | 127,568 | - | 2029 |
| 2021 | 708,745 | 639,644 | 551,338 | 2031 |
| Digital Securities Investment Consultant Co., Ltd. | | | | |
| 2022 | 1,258 | 192 | 192 | 2032 |
| 2023 | 1,505 | 1,505 | 1,505 | 2033 |
| | \$ <u>1,208,840</u> | \$ <u>899,791</u> | \$ <u>553,035</u> | |

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

| | December 31, 2025 | December 31, 2024 |
|----------------------------------|-------------------|-------------------|
| Deductible temporary differences | \$ <u>16,000</u> | \$ <u>16,016</u> |

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

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

(28) Earnings per share

| | Year ended December 31, 2025 | | |
|--|------------------------------|---|--|
| | Amount after tax | Weighted average number of ordinary shares outstanding (share in thousands) | Earnings per share (in dollars) |
| Basic earnings per share | | | |
| Net profit for the current period attributable to the parent company's ordinary shareholders | \$ 150,600 | 185,342 | \$ 0.81 |
| Diluted earnings per share ⁸ | | | |
| Net profit for the current period attributable to the parent company's ordinary shareholders | \$ 150,600 | 185,342 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 60 | |
| Net profit for the current period attributable to ordinary shareholders of the parent company plus the impact of potential ordinary shares | \$ 150,600 | 185,402 | \$ 0.81 |

| | Year ended December 31, 2024 | | |
|--|------------------------------|---|---------------------------------|
| | Amount after tax | Weighted average number of ordinary shares outstanding (share in thousands) | Earnings per share (in dollars) |
| Basic earnings per share | | | |
| Net profit for the current period attributable to the parent company's ordinary shareholders | \$ 146,930 | 185,342 | \$ 0.79 |
| Diluted earnings per share ⁸ | | | |
| Net profit for the current period attributable to the parent company's ordinary shareholders | \$ 146,930 | 185,342 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 55 | |
| Net profit for the current period attributable to ordinary shareholders of the parent company plus the impact of potential ordinary shares | \$ 146,930 | 185,397 | \$ 0.79 |

(29) Changes in liabilities from financing activities

| | 2025 | | | | | |
|--|------------------|--------------------------|--|-----------------------------|-------------------|---|
| | Short-term loans | Short-term bills payable | Long-term borrowings (including current portion) | Guarantee deposits received | Lease liabilities | Liabilities from financing activities - gross |
| January 1 | \$ 115,000 | \$ 199,792 | \$ 655,078 | \$ 573 | \$ 14,594 | \$ 985,037 |
| Changes in cash flow from financing activities | 117,500 | (40,824) | 137,420 | - | (16,612) | 197,484 |
| Changes in other non-cash item | - | - | - | - | 51,842 | 51,842 |
| December 31 | \$ 232,500 | \$ 158,968 | \$ 792,498 | \$ 573 | \$ 49,824 | \$ 1,234,363 |

| | 2024 | | | | | |
|---|---------------------|--------------------------------|--|-----------------------------------|----------------------|--|
| | Short-term loans | Short-term bills payable | Long-term borrowings (including current portion) | Guarantee deposits received | Lease liabilities | Liabilities from financing activities- gross |
| January 1 | \$ 40,000 | \$ 19,985 | \$ 585,223 | \$ 573 | \$ 26,742 | \$ 672,523 |
| Changes in cash flow from financing activities | 75,000 | 179,807 | 69,855 | - | (15,398) | 309,264 |
| Changes in other non-cash item | - | - | - | - | 3,250 | 3,250 |
| December 31 | \$ <u>115,000</u> | \$ <u>199,792</u> | \$ <u>655,078</u> | \$ <u>573</u> | \$ <u>14,594</u> | \$ <u>985,037</u> |

7. RELATED PARTY TRANSACTIONS

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

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

(2) Significant related party transactions and balances

A.Revenue

| | <u>2025</u> | <u>2024</u> |
|---------------------|---------------|---------------|
| Lease revenue: | | |
| Other related party | \$ <u>457</u> | \$ <u>457</u> |

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

B.Contract liabilities

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---------------------|--------------------------|--------------------------|
| Other related party | \$ <u>-</u> | \$ <u>57</u> |

(3) Key management compensation

| | | 2025 | 2024 |
|---|----|---------------|---------------|
| Salaries and other short-term employee benefits | \$ | 25,008 | 21,960 |
| Post-employment benefits | | 762 | 753 |
| Total | \$ | <u>25,770</u> | <u>22,713</u> |

8. PLEGGED ASSETS

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

| | <u>Book value</u> | | |
|--|--------------------------|--------------------------|----------------------------|
| | - | | |
| <u>Pledged assets</u> | <u>December 31, 2025</u> | <u>December 31, 2024</u> | <u>Purpose</u> |
| Inventories - Real property for sale | \$ - | \$ 49,042 | |
| Property, plant and equipment | 5,835 | 7,289 | Short loan guarantee limit |
| Financial assets at fair value through other comprehensive income-noncurrent | 2,669,352 | 2,693,316 | Long loan guarantee limit |
| Financial assets at fair value through profit or loss | 273,501 | 47,356 | Loan and note guarantee |
| Financial assets at amortised cost | - | 1,885 | Long loan collateral |
| Refundable deposit | 5,000 | 5,000 | " |
| Refundable deposit | <u>4,719</u> | <u>4,145</u> | Operating margin |
| | <u>\$ 2,958,407</u> | <u>\$ 2,808,033</u> | Project undertaking |

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT

(1) Contingencies

The Group sold Kwong Fong Plaza to Cathay Life Insurance Co., Ltd. (henceforth Cathay Life Insurance) on January 15, 2021, and the Group signed a "Leasing Contract Succession Agreement" with Decathlon and Cathay Life Insurance to settle utility costs. After amicable negotiations and a written

agreement, the parties resolved to settle the rent arrearage of \$7,833 for the period of January 1, 2021, through March 31, 2021, by the agreed means other than that specified in the lease agreement. As of September 30, 2021, however, the parties had not yet reached an agreement on the pricing of electricity charges and had not signed a written agreement as required by the tripartite agreement. The Group believes that the negotiations have yielded no results and that the tripartite agreement is no longer applicable; therefore, the terms of this lease agreement shall govern. The group filed for arbitration on November 16, 2021 (the court was held on January 10, 2022) and requested that Decathlon pay the Group's rent receivable of \$7,833. In accordance with Article 6.1 of this contract, Decathlon counterclaimed the Group \$8,527 for overpaid electricity charges after deducting the "deferred rent" on the basis that the electricity charges were overpaid.

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

The Group filed a lawsuit on April 2, 2024, with the Taipei District Court in Taiwan to claim rent payments from Decathlon for the period from January 1, 2011, to March 31, 2011, amounting to \$7,833. On March 6, 2025, the Taiwan Taipei District Court issued a civil ruling dismissing the petition.

The Group filed another appeal, case No. 437, which was overturned by the Taiwan High Court on October 31, 2025. Decathlon appealed again, and the Supreme Court of Taiwan dismissed the appeal on January 21, 2026 (Taiwan Appeal No. 75). The case has now been remanded to the district court for further legal processing.

(2) Commitments

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. 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 (18).

12. OTHERS

(1) Capital management

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

(2) .Financial instruments

A. Financial instruments by category

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|--|--------------------------|--------------------------|
| Financial assets | | |
| Financial assets at fair value through profit or loss | | |
| Financial assets mandatorily measured at fair value through profit or loss | \$ 814,983 | \$ 358,370 |
| Financial assets at fair value through other comprehensive income | | |
| Designation of equity instrument | 2,947,309 | 3,845,742 |
| Debt instruments that meet the criteria | 1,213,769 | 459,923 |
| Financial assets at amortized cost | | |
| Cash and cash equivalents | 173,778 | 145,856 |
| Financial assets at amortized cost | 57,800 | 40,884 |
| Accounts receivable | 22,113 | 23,300 |
| Other receivables | 25,143 | 9,060 |
| Refundable deposits (Listed under "Other Non-Current Assets") | <u>15,706</u> | <u>13,858</u> |
| | <u>\$ 5,270,601</u> | <u>\$ 4,896,993</u> |
| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
| Financial liabilities | | |
| Financial liabilities measured at fair value through profit or loss | | |
| Financial liabilities at amortized cost | | |
| Short-term loans | \$ 232,500 | \$ 115,000 |
| Short-term bills payable | 158,968 | 199,792 |
| Notes payable | 28 | 29 |
| Accounts payable | 7,647 | 6,757 |
| Other payables | 50,765 | 51,172 |
| Long-term loans | 792,498 | 655,078 |
| Guarantee deposits received | <u>573</u> | <u>573</u> |
| | <u>\$ 1,342,979</u> | <u>\$ 1,028,406</u> |
| Lease liabilities | <u>\$ 49,824</u> | <u>\$ 14,594</u> |

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a). Market risk

Foreign exchange risk

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

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

| (Foreign currency: <u>functional currency</u>) | Foreign currency <u>amount</u> | December 31, 2025 | |
|---|-----------------------------------|----------------------|--|
| | | <u>Exchange rate</u> | Carrying Amount Book <u>Value (NTD)</u> |
| Financial assets | | | |
| Monetary items | | | |
| USD : NTD | 205 | 31.43 | 6,433 |
| HKD : USD | 952 | 4.04 | 3,846 |
| NTD:USD | 42 | 1.00 | 42 |
| Non-monetary items | | | |
| USD : NTD | \$ 32,983 | 31.43 | \$ 1,036,851 |
| HKD : NTD | 164,301 | 4.04 | 663,776 |
| HKD : USD | 444,714 | 4.04 | 1,796,366 |
| Financial liabilities | | | |
| Monetary items | | | |
| CHF : NTD | 12,697 | 39.62 | 502,977 |
| JPY : USD | 719,002 | 0.20 | 144,154 |
| CHF : USD | 3,793 | 39.62 | 150,459 |

| (Foreign currency: functional currency) | Foreign currency <u>amount</u> | December 31, 2024 | |
|--|-----------------------------------|----------------------|--|
| | | <u>Exchange rate</u> | Carrying Amount Book <u>Value (NTD)</u> |
| Financial assets | | | |
| Monetary items | | | |
| HKD : USD | 2,417 | 4.22 | 10,200 |
| Non-monetary items | | | |
| USD : NTD | \$ 14,909 | 32.79 | \$ 488,866 |
| HKD : NTD | 223,724 | 4.22 | 944,116 |
| HKD : USD | 513,059 | 4.22 | 2,165,109 |
| Financial liabilities | | | |
| Monetary items | | | |
| JPY : NTD | \$ 1,313,203 | 0.21 | \$ 275,773 |
| CHF : NTD | 2,637 | 36.27 | 95,638 |
| JPY : USD | 901,651 | 0.21 | 188,133 |
| CHF : USD | 2,639 | 36.27 | 95,534 |

C. The aggregate amounts of all exchange gains and losses (including realized and unrealised) recognized in the Group's monetary items in 2025 and 2024 were (\$62,527) and \$46,256 respectively due to the

significant impact of exchange rate fluctuations.

D.nalysis of foreign currency market risk arising from significant foreign exchange variation:

| Year ended December 31, 2025 | | | |
|---|----------------------------|---------------------------------|--|
| (Foreign currency: functional currency) | <u>Degree of variation</u> | <u>Sensitivity analysis</u> | |
| | | <u>Effect on profit or loss</u> | <u>Effect on othe comprehensive income</u> |
| Financial assets | | | |
| Monetary items | | | |
| USD : NTD | 1.00% | 64 | - |
| HKD : USD | 1.00% | 38 | |
| NTD:USD | 1.00% | - | |
| Non-monetary items | | | |
| USD : NTD | 1.00% | \$ 1,546 | \$ 8,823 |
| HKD : NTD | 1.00% | - | 6,638 |
| HKD : USD | 1.00% | - | 17,964 |
| Financial liabilities | | | |
| Monetary items | | | |
| CHF : NTD | 1.00% | \$ 5,030 | \$ - |
| JPY : USD | 1.00% | 1,442 | - |
| CHF : USD | 1.00% | 1,505 | - |

| Year ended December 31, 2024 | | | |
|---|----------------------------|---------------------------------|--|
| (Foreign currency: functional currency) | <u>Degree of variation</u> | <u>Sensitivity analysis</u> | |
| | | <u>Effect on profit or loss</u> | <u>Effect on othe comprehensive income</u> |
| Financial assets | | | |
| Monetary items | | | |
| HKD : USD | 1.00% | 102 | - |
| Non-monetary items | | | |
| USD : NTD | 1.00% | \$ 811 | \$ 4,078 |
| HKD : NTD | 1.00% | - | 9,441 |
| HKD : USD | 1.00% | - | 21,651 |
| Financial liabilities | | | |
| Monetary items | | | |
| JPY : NTD | 1.00% | \$ 2,758 | \$ - |
| CHF : NTD | 1.00% | 956 | - |
| JPY : USD | 1.00% | 1,881 | - |
| CHF : USD | 1.00% | 955 | - |

Price risk

- A. The Group's equity instruments exposed to price risk consist of financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. To manage the price risk of equity investments, the Group diversifies its investment portfolio according to limits set by the company.
- B. The Group primarily invests in equity instruments and open-end funds issued by domestic and foreign companies, whose prices are influenced by the uncertainties regarding the future value of these investments. If the prices of these equity instruments change by 1%, with all other factors held constant, the after-tax net profit for 2025 and 2024 would increase or decrease by \$410 and \$131, 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 \$24,553 and \$31,871, respectively.

Cash flow and fair value interest rate risk

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

- A. The Group's credit risk arises from the risk of financial loss due to customers or counterparties failing to fulfill contractual obligations, mainly from uncollected receivables and contractual cash flows of debt instrument investments measured at fair value through profit or loss and other comprehensive income.
- B. The Group manages its credit risk based on a Group-oriented system. For corresponding banks and financial institutions, it is set that only those with an independent credit rating equal to or higher than the investment grade can be accepted as trading counterparties. Following the internal credit policies, before setting the terms and conditions for payments and delivery with a new customer, each entity of the Group should assess new customer's credit risk and conduct credit risk management. The internal risk control considers the financial position, past experience and other factors in order to assess the credit quality of customers. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.
- C. The Group adopts IFRS 9 and provides the assumptions stated above. When contract payments are overdue for more than 90 days according to the agreed payment terms, it is considered a default.
- D. The Group adopts IFRS 9 and uses the following assumptions to assess significant increases in credit risk since initial recognition:
 - (i) If contract payments are overdue by more than 30 days, the credit risk of the financial asset is considered to have significantly increased.
 - (ii) For bond investments traded on the over-the-counter market, if any external rating agency assigns an investment grade at the balance sheet date, the financial asset is considered to have low credit risk.
- E. The indicators used by the Group to assess impairment of debt instrument investments are as follows:
 - (i) The issuer experiences significant financial difficulties or is likely to enter

bankruptcy or other financial reorganization;

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

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

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

- F. The Group will use a condensed method based on the characteristics of client ratings and a provision matrix to calculate expected credit losses for client accounts receivable. The expected credit loss rate over the life of the company takes clients' past contract violations and the current financial, industrial, and economic climate into account. Given that the Group's historical credit loss experience does not reveal any major differences in the loss patterns across different customer groups, the provision matrix makes no further differentiation of customer groups and instead computes the expected credit loss rate based on the number of days that accounts receivable are past due.
- G. The Group used forecast data to adjust historical and timely information, accounts receivable, and overdue receivables. As of December 31, 2025 and 2024, the loss rate methodology is as follows:

| | Not past due | Less than 30 days | 31~90 days | 91~180 days | More than 181 days | Total |
|--------------------|--------------|-------------------|------------|-------------|--------------------|-----------|
| December 31, 2025 | | | | | | |
| Expected loss rate | 0.03%~1.19% | 5.52% | 15.88% | 26.35% | 100% | |
| Total book value | \$ 44,988 | \$ 108 | \$ 91 | \$ - | - | \$ 45,187 |
| Loss allowance | \$ (368) | \$ (6) | \$ (15) | \$ - | - | \$ (389) |

| | Not past due | Less than 30 days | 31~90 days | 91~180 days | More than 181 days | Total |
|-----------------------|-----------------|-------------------------|---------------|----------------|-----------------------|-----------|
| December 31, 2024 | | | | | | |
| Expected loss rate | 0.03%~1.35 % | 6.29% | 18.12% | 30.12% | 100% | |
| Total book value | \$ 38,624 | \$ 1,485 | \$ - | \$ - | \$ - | \$ 40,109 |
| Loss allowance | \$ (336) | \$ (93) | \$ - | \$ - | \$ - | \$ (429) |

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

| | 2025 | 2024 |
|-----------------------------|--------|----------|
| At January 1 | \$ 429 | \$ 1,052 |
| Expected credit loss (gain) | (40) | (623) |
| At December 31 | \$ 389 | \$ 429 |

(c).Liquidity risk

- i. Cash flow forecasts are prepared by the Group's operating units and consolidated by the Group's finance team. The finance team monitors the forecasted liquidity needs to ensure sufficient funds for operations and maintains adequate unused loan commitments to avoid breaching borrowing limits or terms. These forecasts consider the Group's debt plans, covenant compliance, and internal financial ratio targets.
- ii. The Group invests surplus cash from all operating units in interest bearing current accounts, time deposits, and choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As of December 31, 2025 and 2024, the Group's position held in money market were NT\$191,364 and NT\$145,856. Expected to generate immediate cash flow to manage liquidity risk.

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

| | December 31, 2025 | | December 31, 2024 |
|------------------|----------------------|-----------|----------------------|
| Floating rate | | | |
| Less than 1 year | \$ 738,885 | \$ | 524,729 |
| Over 1 years | 939,512 | | 945,586 |
| | <u>\$ 1,678,397</u> | <u>\$</u> | <u>1,470,315</u> |

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

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

| | Less than 1 year | | Over 1 year |
|--------------------------------------|-------------------------|----|--------------------|
| Non-derivative financial liabilities | | | |
| December 31, 2025 | | | |
| Short-term loans | \$ 233,505 | \$ | - |
| Short-term bills payable | 159,045 | | - |
| Notes, accounts payable | 7,675 | | - |
| Other payables | 50,765 | | - |
| Lease liabilities | 10,979 | | 41,984 |
| Long-term loans | - | | 800,378 |
| | <u>Less than 1 year</u> | | <u>Over 1 year</u> |
| Non-derivative financial liabilities | | | |
| December 31, 2023 | | | |
| Short-term loans | \$ 115,436 | \$ | - |
| Short-term bills payable | 200,021 | | - |
| Notes, accounts payable | 6,786 | | - |
| Other payables | 51,177 | | - |
| Lease liabilities | 13,998 | | 725 |
| Long-term loans | - | | 663,523 |

(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 and cash equivalents, Accounts receivable, other receivables, short-term borrowings, accounts payable, other payables, are approximate to their fair values.

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

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

| December 31, 2025 | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|-------|
| Assets | _____ | _____ | _____ | _____ |
| <u>Recurring fair value measurements</u> | | | | |

| | | | | | |
|---|---------------------|-------------|---------------------|-------------|---------------------|
| Financial assets at fair value through profit or loss | | | | | |
| Equity securities | \$ 41,012 | \$ - | \$ - | \$ - | \$ 41,012 |
| Structured Notes | 190,740 | | | | 190,740 |
| Hybrid instruments | 110,857 | | 451,154 | | 562,011 |
| Beneficiary Certificate | 21,220 | - | | | 21,220 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Equity securities | 1,676,498 | - | 1,270,811 | | 2,947,309 |
| Liabilities securities | 1,213,769 | - | - | | 1,213,769 |
| Total | \$ <u>3,254,096</u> | \$ <u>-</u> | \$ <u>1,721,965</u> | \$ <u>-</u> | \$ <u>4,976,061</u> |

December 31, 2024

Level 1

Level 2

Level 3

Total

Assets

Recurring fair value measurements

Financial assets at fair value through profit or loss

| | | | | | |
|-------------------------|-----------|------|---------|------|-----------|
| Equity securities | \$ 13,102 | \$ - | \$ - | \$ - | \$ 13,102 |
| Structured Notes | 69,227 | | | | 69,227 |
| Hybrid instruments | 9,940 | | 252,153 | | 262,093 |
| Beneficiary Certificate | 13,948 | - | | | 13,948 |

Financial assets at fair value through other comprehensive income

| | | | | | |
|-------------------|-----------|---|-----------|--|-----------|
| Equity securities | 2,412,078 | - | 1,433,664 | | 3,845,742 |
|-------------------|-----------|---|-----------|--|-----------|

| | | | | |
|-------------------------------|---------------------|-------------|---------------------|---------------------|
| <u>Liabilities securities</u> | 459,923 | - | | 459,923 |
| <u>Total</u> | \$ <u>2,978,218</u> | \$ <u>-</u> | \$ <u>1,685,817</u> | \$ <u>4,664,035</u> |

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

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

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

- 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 valuation models widely accepted 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 Group has adjusted the credit risk assessment into the calculation of the fair value of financial instruments and non-financial instruments to reflect the credit risk of counterparties and the credit quality of the Group, respectively.

D. For the years ended December 31, 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>Equity securities</u> | <u>2025</u> <u>Hybrid instruments</u> | <u>Total</u> |
|--|--------------------------|--|--------------|
| At January 1 | \$ 1,433,664 | \$ 252,153 | \$1,685,817 |
| Current period purchases | | 167,329 | 167,329 |
| Gains or losses recognized in profit or loss | | | |
| Valuation gains/losses on financial assets measured at FVTPL | - | 32,338 | 32,338 |
| Gains or losses recognized in OCI | | | |
| Valuation gains/losses on equity investments measured at FVOCI | (103,746) | | (103,746) |

| | | | |
|---------------------------------|---------------------|-------------------|---------------------|
| Effect of exchange rate changes | (59,107) | (666) | (59,773) |
| At December 31 | <u>\$ 1,270,811</u> | <u>\$ 451,154</u> | <u>\$ 1,721,965</u> |

| | <u>2024</u> | | <u>Total</u> |
|--|--------------------------|---------------------------|---------------------|
| | <u>Equity securities</u> | <u>Hybrid instruments</u> | |
| At January 1 | | | \$ 1,163,288 |
| Current period purchases | \$ 1,163,288 | \$ - | 250,000 |
| Gains or losses recognized in profit or loss | - | 250,000 | 2,153 |
| Valuation gains/losses on financial assets measured at FVTPL | - | 2,153 | |
| Gains or losses recognized in OCI | | | 189,498 |
| Valuation gains/losses on equity investments measured at FVOCI | 189,498 | | |
| Effect of exchange rate changes | | | <u>80,878</u> |
| At December 31 | <u>\$ 1,433,664</u> | <u>\$ 252,153</u> | <u>\$ 1,685,817</u> |

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

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

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

| | Fair value at December 31, 2025 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|---|---------------------------------------|-----------------------------------|---|--------------------------------|---|
| Non-derivative equity instrument : Unlisted shares | \$ 1,261,464 | Market comparable companies | Discount for lack of marketability | 10%~31.21 % | 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 | 1.1 | |
| | | | P/B value multiple | 0.86~2.45 | |
| | | comparable company analysis | Control discount | 16.04% | |
| | | | P/S value multiple | 0.28~0.50 | |
| | 9,347 | Asset approaches | Discount for lack of marketability Control discount | 10% 25.21% | |
| | <u>\$ 1,270,811</u> | | | | |
| Hybrid instruments Preferred stock | \$ 273,953 | Discounted Cash Flow | Discount for lack of marketability | 10% | The greater the discount due to lack of market liquidity, the lower the fair value; the higher the discount rate, the lower the fair value. |
| | | | Discount rate | 11.34% | |
| Shares with put option | 67,825 | Discounted Cash Flow | Discount for lack of marketability | 10% | The higher the discount due to lack of market liquidity, the lower the fair value; the higher the discount rate, the lower the fair value; the higher the |
| | | | Discount rate | 5.37% | |
| | | Black- Scholes | Risk-free interest rate; | 3.49% | |

| | | | | | |
|---------------------------|---------|----------------------|------------------------------------|--------|---|
| | | | Stock volatility | 26.84% | risk-free interest rate, the higher the fair value; the higher the volatility, the lower the fair value. |
| Private equity investment | 109,376 | Discounted Cash Flow | Discount for lack of marketability | 10% | The greater the discount due to lack of market liquidity, the lower the fair value; the higher the discount rate, the lower the fair value. |
| | | | Discount rate | 13.54% | |

\$ 451,154

| | Fair value at December 31, 2024 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|---|---------------------------------|-----------------------------|------------------------------------|--------------------------|---|
| Non-derivative equity instrument : Unlisted shares | \$ 1,424,827 | Market comparable companies | Discount for lack of marketability | 10%~31.21% | 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/S value multiple | 0.33~0.52 | |
| | | | P/M value multiple | 1.94 | |
| | | | P/B value multiple | 0.88~2.59 | |
| | | Comparable company analysis | Control discount | 16.04% | |
| | | | P/S value multiple | 0.27~0.47 | |
| | | | | 10% | |

| | | | | | |
|------------------------------------|---------------------|----------------------|------------------------------------|--------|---|
| | 8,837 | Asset approaches | Control discount | 27.48% | |
| | <u>\$ 1,433,664</u> | | | | |
| Hybrid instruments Preferred stock | | 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 | 10.6% | |
| | <u>\$ 252,153</u> | | | | |

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

| | | December 31, 2025 | | | | |
|-------------------|--------------------------------|-------------------------------------|--------------------------|---|--------------------------|----------------------------|
| | | <u>Recognised in profit or loss</u> | | <u>Recognised in other comprehensive income</u> | | |
| Input | | Change | <u>Favourable change</u> | <u>Unfavourable change</u> | <u>Favourable change</u> | <u>Unfavourable change</u> |
| Financial assets | | | | | | |
| Equity instrument | Long-term dividend yield, | | \$ - | \$ - | \$ 6,816 | (\$ 6,816) |
| Unlisted shares | Comparable company volatility, | ±1% | | | | |

| | | | | | | | |
|---------------------------|---|-----|----------|------------|----------|------------|--|
| | Discount for lack of marketability , | | | | | | |
| Hybrid instruments | | | | | | | |
| Preferred stock | Discount rate, discount for lack of marketability | ±1% | 6,745 | (6,518) | | | |
| Shares with put option | Discount rate, discount for lack of marketability Risk-free interest rate; Stock volatility | ±1% | 2,389 | (2,366) | | | |
| Private equity investment | Discount rate, discount for lack of marketability | | 126 | (126) | | | |
| Total | | | \$ 9,296 | (\$ 9,010) | \$ 6,816 | (\$ 6,816) | |

| | | | | | | |
|--------------------|--|--------|-------------------------------------|----------------------------|---|----------------------------|
| | | | December 31, 2024 | | | |
| | | | <u>Recognised in profit or loss</u> | | <u>Recognised in other comprehensive income</u> | |
| | | | <u>Favourable change</u> | <u>Unfavourable change</u> | <u>Favourable change</u> | <u>Unfavourable change</u> |
| Financial assets | Input | Change | | | | |
| Equity instrument | | | | | | |
| | Long-term dividend yield, Comparable company volatility, \ | | \$ - | \$ - | \$12,287 | (\$ 12,281) |
| Unlisted shares | Discount for lack of marketability , \ Control discount (or premium), Volatility | ±1% | | | | |
| Hybrid instruments | | | | | | |
| Preferred stock | Discount rate, discount for lack of marketability | ±1% | | | = | = |
| | | | <u>8,613</u> | <u>(8,248)</u> | | |
| Total | | | <u>\$ 8,613</u> | <u>(\$ 8,248)</u> | <u>\$ 12,287</u> | <u>(\$ 12,281)</u> |

13. 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.

14. SEGMENT INFORMATION

(1) General information

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

- A. Kwong Fong Department : Specialized investment business.
- B. .Pao Fong Asset Management Department: Real estate development, construction and property management.
- C. Kwong Fong Holdings Department: Overseas asset investment business.

D. Digital Technology department: Information Software Services.

(2) Measurement of segment information

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

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

(3) Segment information

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

| Year ended December 31, 2025 | Kwong Fong Department | Pao Fong Asset Management Department | Kwong Fong Holdings Department | Digital Technology Department | Adjustments and written-off | Total |
|---|-----------------------|--------------------------------------|--------------------------------|-------------------------------|-----------------------------|---------------------|
| Revenue : | | | | | | |
| Revenue from external customers | \$ 457 | \$ 419 | \$ - | \$ 359,276 | \$ - | \$ 360,152 |
| Revenue from internal customers | - | - | - | 18,039 | (18,039) | - |
| Segment revenue | \$ <u>457</u> | \$ <u>419</u> | \$ <u>-</u> | \$ <u>377,315</u> | (\$ <u>18,039</u>) | \$ <u>360,152</u> |
| Segment profit (loss) | \$ 140,670 | (\$ 55,428) | \$ 57,860 | \$ 52,702 | (\$ 996) | \$ 194,808 |
| Share of income (loss) of associates and joint ventures accounted for using equity method | 17,108 | - | - | - | (17,108) | - |
| Depreciation and amortisation | (7,178) | (94) | - | (19,430) | (3,317) | (30,019) |
| Segment profit (loss) | <u>150,600</u> | (<u>55,522</u>) | <u>57,860</u> | <u>33,272</u> | (<u>21,421</u>) | <u>164,789</u> |
| Segment assets | \$ <u>5,446,871</u> | \$ <u>791,473</u> | \$ <u>2,471,753</u> | \$ <u>339,285</u> | (\$ <u>2,952,493</u>) | \$ <u>6,096,889</u> |
| Segment liabilities | \$ <u>1,066,411</u> | \$ <u>79,189</u> | \$ <u>357,523</u> | \$ <u>200,470</u> | (\$ <u>59,250</u>) | \$ <u>1,644,343</u> |

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

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

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

(4) Reconciliation for segment income (loss)

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

The profit and loss of department portals in 2025 and 2024 of the Republic of China and the profit and loss before deduction of subsequent business departments are adjusted as follows:

| | Year ended December 31, 2025 | | Year ended December 31, 2024 | |
|---|------------------------------|---------|------------------------------|---------|
| Reportable Segment Profit and Loss | (\$ | 2,621 |)\$ | 3,874 |
| Non-operating income and expenses | | 175,114 | | 219,865 |
| Continuing operations profit (loss) before income tax | \$ | 172,493 | \$ | 223,799 |

(5) Information on products and services

The main sources of income for external clients include revenue from information software services, booths, labor, leases, and construction. Income breakdown is provided in Note 6 (20).

(6) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows :

| | Year ended December 31, 2025 | | Year ended December 31, 2024 | |
|--------|------------------------------|--------------------|------------------------------|--------------------|
| | Revenue | Non-current assets | Revenue | Non-current assets |
| Taiwan | \$ 360,152 | \$ 4,852,624 | \$ 333,508 | \$ 4,655,026 |

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

(7) Major customer information

The Group had no single customer whose sales accounted for more than 10% of the net operating revenue on the income statement for the years 2025 and 2024.

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

Table 1

Expressed in thousands of

| 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 | Mdbs 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

Table 2

Expressed in thousands of TWD

| Number (Note 1) | Endorser / Guarantor | Party being endorsed/guaranteed | | Limit on endorsements / guarantees provided for a single party (Note 3) | Maximum outstanding endorsement / guarantee amount (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 and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2025

Table3

Expressed in thousands of shares/thousands of TWD

| Securities held by | Types of securities | Securities name (Note 1) | Relationship with the securities issuer (Note 2) | General ledger account | As of December 31, 2025 | | | | Footnote |
|-----------------------------------|----------------------------------|---|--|--|--|---------------------|-----------------------------|------------|----------|
| | | | | | Shares/Units (In thousands) Shares/Units | Book value (Note 3) | Percentage of Ownership (%) | Fair value | |
| Kwong Fong Industries Corporation | Unlisted common stock in Taiwan | Shin hua wool spinning co., ltd. | | Financial asset measured at fair value through other comprehensive income - noncurrent | 437 | \$ 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 | |
| " | 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 | |
| | | uanta 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 | |
| | 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% | 94 | |
| | | 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 | |
| | " | 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 | |
| | 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 | |
| | ZENITRON | | | 3 | 112 | 0.00% | 112 | |
| | TAIWAN MOBILE | | | 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 | |
| | 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 | MERRY ELECTRONICS CO.,LTD. Domestic 5th Unsecured Convertible Bonds | | | 30 | 3,122 | 0.00% | 3,122 | |
| | | Alexander Marine Co., Ltd. 1st Domestic Unsecured Convertible Bond | | | 65 | 6,078 | 0.00% | 6,078 | |
| | Unlisted preferred stock in Taiwan | Codak Archi Special Preferred Stock | | Financial assets at fair value through profit or loss - noncurrent | 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 | | " | | 54,665 | | 54,665 | |
| Kwong Fong Holdings Limitd | Unlisted common stock in Hong Kong | FULCREST LIMITED | | Financial asset measured at fair value through other comprehensive income - noncurrent | 2,716 | 1,240,219 | 44.24% | 1,240,219 | |
| " | Listed common stock in Hong Kong | Bank of China Co., Ltd. | | " | 10,400 | 187,298 | 0.02% | 187,298 | Note 4 |
| " | Listed common stock in Hong Kong | 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 |
| | USD bonds | BARCLAYS PLC 7.385% 22/28 | | " | | 49,879 | | 49,879 | |
| | | 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 | UBS Group AG-High-trigger loss-absorbing additional tier 1 capital instrument | | | | 44,899 | | 44,899 | |
| | Unlisted U.S. equity investments | Greenland Innovations, LLC | | Financial assets at fair value through profit or loss - noncurrent | 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 | | " | 1,115 | 67,681 | 0.01% | 67,681 | Note 4 |
| " | | Fubon Financial Holdings Special Shares | | " | 505 | 31,967 | 0.00% | 31,967 | Note 4 |
| " | Listed common stock in Taiwan | Fubon Financial Holding Co., Ltd. | | " | 23 | 2,195 | 0.00% | 2,195 | |
| " | " | Cathay Financial Holding Co., Ltd. | | Financial assets at fair value through profit or loss - current | 91 | 6,898 | 0.00% | 6,898 | |
| | Taiwan Index ETF | Yuanta Taiwan High Dividend Low Volatility ETF | | Financial assets at fair value through profit or loss - noncurrent | | 328 | | 328 | |
| | Taiwan Index ETF | Yuanta S&P500 | | " | | 542 | | 542 | |
| | | Yuanta Taiwan High Dividend Low Volatility ETF | | " | | 1,517 | | 1,517 | |
| | | Yuanta U.S. Treasury 1-3 Year Bond ETF | | " | | 1,247 | | 1,247 | |
| | Taiwan convertible bonds | Far Eastern New Century Corporation 1st Domestic Unsecured Exchangeable Bonds | | " | | 520 | | 520 | |
| | | 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 | |
| | | 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 4: The company pledges its financial assets for loan purposes.

Kwong Fong Industries Corporation and Subsidiaries
Significant inter-company transactions during the reporting periods
January 1, 2025-December 31, 2025

Table 4

Expressed in thousands of shares/thousands of TWD

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | |
|--------------------|--|--|--------------------------|------------------------|--------|-------------------|--|
| | | | | General ledger account | Amount | Transaction terms | Percentage of consolidated total operating revenues or total assets (Note 3) |
| 1 | Mdb's Digital Technology Co., Ltd. | Galaxy Digital Co., Ltd. | 3 | Project income | 13,690 | Note 4 | 3.80% |
| 2 | Digital Securities Investment Consultant Co., Ltd. | Galaxy Digital Co., Ltd. | 3 | Consultant income | 3,000 | | 0.83% |
| 3 | Galaxy Digital Co., Ltd. | Mdb's 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 | | 0.83% |

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

Table 5

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

| Investor | Investee (Note 1、 Note 2) | Location | Main business activities | Initial investment amount | | Shares held as of December 31, 2022 | | | Net profit (loss) of the investee For the year ended December 31, 2024 (Note 2(2)) | Investment income (loss) recognised by the Company For the year ended December 31, 2024 (Note 2(3)) | Footnot e |
|---|--|---|--|--|--|--|--------------------------|--------------|--|--|--------------|
| | | | | Balance as of December 31, 2024 | Balance as of December 31, 2023 | Number of shares | Owner ship (%) | Book value | | | |
| Kwong Fong Industries Corporation | Kwong Fong Holdings Limitd | British Virgin Islands(BVI) | General Investment | USD 30,442 | USD 30,442 | 30,442 | 100% | \$ 2,114,230 | \$ 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) | " |
| " | Mdb's 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 Consultant Co., Ltd. | 18F., No.105, Sec.2, Dunhua S, Rd., Da'an Dist., Taipei City 106, Taiwan | Securities Investment Advisory Industry | 20,000 | 20,000 | 2,000 | 100% | 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.