

Stock Code: 1416

KWONG FONG INDUSTRIES CORPORATION

2024 Annual Shareholders' Meeting

Agenda Handbook

(Translation)

May 30, 2024

18F., No. 105, Section 2, Dunhua South Rd., Taipei City, Taiwan

Table of Contents

Meeting Procedure	1
Meeting Agenda.....	2
One. Call the meeting to order.....	2
Two. Chairperson’s Remarks	2
Three. Company Reports.....	3
Four. Ratification Matters.....	4
Five. Discussion Matters	6
Six. Election Matters.....	7
Seven. Other Matters.....	12
Eight. Questions and Motions	14
Nine. Meeting Adjourned	15
Ten. Attachments	16
Attachment 1 2023 Business Report	16
Attachment 2 2023 Audit Committee Review Report	19
Attachment 3 2023 Final Account Statements	20
Attachment 4 2023 Earnings Distribution Statement	51
Attachment 5 Amended Articles of the "Articles of Incorporation"	52
Eleven. Appendixes	57
Appendix 1 Articles of Incorporation	57
Appendix 2 Rules of Procedure for Shareholders’ Meetings	63
Appendix 3 Procedures for Election of Directors.....	76
Appendix 4 The Minimum Number of Shares Held by Directors and The Shareholding Situation	80

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail.

Meeting Procedure

- One. Call the Meeting to Order
- Two. Chairperson's Remarks
- Three. Company Reports
- Four. Ratification Matters
- Five. Discussion Matters
- Six. Election Matters
- Seven. Other Matters
- Eight. Questions and Motions
- Nine. Meeting Adjourned

Meeting Agenda

Time: 10:00 a.m., May 30, 2024

Place: 18F., No. 105, Section 2, Dunhua South Rd., Taipei City, Taiwan

Meeting Type: Physical Meeting

- One. Call the meeting to order
(announce the total number of shares represented by the attending shareholders)
- Two. Chairperson's Remarks
- Three. Company Reports
 - I. 2023 Business Report
 - II. 2023 Audit Committee Review Report
 - III. Report on the distribution of remuneration for employees and directors for 2023
- Four. Ratification Matters
 - I. To ratify the Company's 2023 final account statements
 - II. To ratify the Company's 2023 Earnings Distribution Proposal
- Five. Discussion Matters
 - I. Amendment to the Company's "Articles of Incorporation"
- Six. Election Matters
 - I. Election of the 19th Directors
- Seven. Other Matters
 - I. Proposal for release the prohibition on directors from participation in competitive business
- Eight. Questions and Motions
- Nine. Meeting Adjourned

Three. Company Reports

I. 2023 Business Report

Description: The Business Report can be found on p.16 (Attachment 1) of this Handbook.

II. 2023 Audit Committee Review Report

Description: The Audit Committee Review Report can be found on p.19 (Attachment 2) of this Handbook.

III. Report on the distribution of remuneration for employees and directors for 2023

Description:

(I) The matter was carried out in accordance with Article 235-1 of the Company Act and the Company's Articles of Incorporation.

(II) Director remuneration of NT\$900,000 and employee remuneration of NT\$600,000 distributed by the Company for 2023 were all in cash.

Four. Ratification Matters

Proposal 1

(Proposed by the Board of Directors)

Subject: To ratify the Company's 2023 final account statements

Description:

- I. The Company's 2023 Business Report and financial statements were audited by PwC Taiwan and reviewed by the Audit Committee by law (for the Business Report, see Attachment 1 on p.16 of this Handbook; for financial statements, see Attachment 3 on p.20 of this Handbook)
- II. Hereby proposed for ratification.

Resolution:

Proposal 2

(Proposed by the Board of Directors)

Subject: To ratify the Company's 2023 Earnings Distribution Proposal

Description:

- I. The Company's 2022 undistributed earnings in the amount of NT\$838,108,871 ; 2023 net profits in the amount of NT\$95,103,062 ; addition of NT\$ 198,875 to the reversal of special reserves for retained earnings and NT\$ 17,433 to changes in investments accounted for using the equity method amounting ; 10% of remainder earnings that is required by law to be provided as legal reserves in the amount of NT\$9,531,937 ; and distributable earnings in the amount of NT\$923,896,304.
- II. The calculation of this cash dividend distribution ratio is calculated up to the dollar, and the amount below the dollar is rounded down. The total amount of odd amounts distributed less than one yuan is included in other income.
- III. For the Earnings Distribution Statement, see Attachment 4 (on p.51 of this Handbook).
- IV. Hereby proposed for ratification.

Resolution:

Five. Discussion Matters

Proposal 1

(Proposed by the Board of Directors)

Subject: Amendment to the Company's Articles of Incorporation

Description:

- I. The company proposes to amend its Articles of Incorporation , with the comparison table of the amended articles see Attachment 5 (on p.52 of this Handbook).

Resolution:

Six. Election Matters

Proposal 1

(Proposed by the Board of Directors)

Subject: Election of the 19th Directors

Description:

- I. The current directors of the 18th Board will be end on June 30th, 2024. Accordingly, the company proposes to duly elect new Board members at this (2024) year's Annual Meeting of Shareholders.
- II. Pursuant to Article 12 of the company's charter, the board of directors shall consist of five to nine members, adopting a candidate nomination system. This time, it is proposed to elect eight directors (including three independent directors).
- III. The 19th board of directors will take office from the date of election, with a term from May 30, 2024 to May 29, 2027, for a period of three years.
- IV. This election will be conducted in accordance with the company's "Procedures for Election of Directors".
- V. The list of director and independent director candidates approved by the board of directors on March 15, 2024, in accordance with the law, is as follows:

List of Candidates Nominated for Director and Independent Director

Position	Name of Candidate	Education	Experience	Shareholding (Shares)
Director	Leo Ho	Bachelor of Mathematics-Applied Science, University of California, USA	Chairperson: Kwong Fong Industries Corporation Hemisphere Industries Corp. De Fong Investment Co., Ltd. Zhee Fong Investments Co., Ltd. Haoh Fong Investments Co., Ltd. Hann Fong Investments Co., Ltd. President: Kwong Fong Industries Corporation Independent director: East Tender Optoelectronics Corp.	12,772,701
Director	Luo Sheng Tai Co., Ltd. Representative: Ho Ming-Hong	Master of Business Administration, University of Washington, USA	Chairperson: Yuanta Securities Co., Ltd. Yuanta Futures Co., Ltd. Head Director: Taiwan Securities Association Chinese National Futures Association Director: Yuanta Financial Holding Co., Ltd.	3,009,180

Position	Name of Candidate	Education	Experience	Shareholding (Shares)
			Kwong Fong Industries Corporation Taipei Exchange (TPEX) Taiwan Depository & Clearing Corporation (TDCC)	
Director	Luo Sheng Tai Co., Ltd. Representative: Lee Ming-Huei	Master of Science - Management, Stevens Institute of Technology USA	Chairperson: MasterLink Securities Investment Advisory Corp. MasterLink Securities (HK) Corp., Ltd. Director and General Manager: MasterLink Securities Co., Ltd. MasterLink Venture Management Corp. Independent Director and Member of Remuneration Committee: Taisun Enterprise Co., Ltd.	
Director	Hann Fong Investments Co., Ltd. Representative: Liu Shiang	Bachelor of Arts in Art, Harvard University, USA	Director/Supervisor : Kwong Fong Industries Corporation President: Tiffany and Company Asia Region	1,306,435

Position	Name of Candidate	Education	Experience	Shareholding (Shares)
Director	Hann Fong Investments Co., Ltd. Representative: Huang Li-Ling	Dept. of Accounting, National Cheng Kung University	Chief Financial Officer and President: Kwong Fong Industries Corporation Pao Fong Asset Management Co., Ltd. Finance manager, United Highway Bus Company Limited	
Independent director	Kuan Chi-Jui	National United University Junior College Division	Chairperson: Qunfu Construction Co., Ltd. Zhongxing Engineering Co., Ltd. Chief Engineering Consultant: Te Chang Construction Co., Ltd. Northern Region, Kang He Construction co., Ltd.	0
Independent director	Ho Chin-Chih	Master of Business Administration, University of Illinois Urbana-Champaign, USA	Consultant of KGI Futures Co., Ltd. Director and Supervisor of Chinese National Futures Association Chairperson of SYF Information Co., LTD. Senior Vice Manager of Yuanta Futures Co., Ltd. President of Fubon Futures Co., Ltd. Financial Vice President of the California branch of The Tokai Bank Limited, Japan	0

Position	Name of Candidate	Education	Experience	Shareholding (Shares)
Independent director	Cheng Yu-Wei	Doctor of Scientiae Juridicae (S.J.D.), University of Pennsylvania, USA	Associate Dean of the College of Management, National Central University Director of the Graduate Institute of Industrial Economics, National Central University Professor at the Graduate Institute of Industrial Economics, National Central University	0

Election Result:

Seven. Other Matters

Proposal 1

(Proposed by the Board of Directors)

Subject: Proposal for release of the prohibition on directors from participation in competitive business

Description:

- I. According to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval".
- II. The company intends to lift the non-compete restrictions for the newly appointed directors and their representatives, based on operational needs and business considerations.
- III. The company's director election adopts a candidate nomination system, and to facilitate shareholders to exercise voting rights electronically, the details of the non-compete agreement for the director candidates are lifted as follows. The detailed list of non-compete agreements will be disclosed at the shareholders' meeting after the election of directors and independent directors.

Title	Name	Current concurrent positions (related to non-compete agreements)
Director	Leo Ho	Chairperson: Pao Fong Asset Management Co., Ltd. Kwong Fong Holdings Ltd. Hemisphere Industries Corp. De Fong Investment Co., Ltd. Zhee Fong Investments Co., Ltd. Haoh Fong Investments Co., Ltd.

Title	Name	Current concurrent positions (related to non-compete agreements)
		Hann Fong Investments Co., Ltd. Independent director: East Tender Optoelectronics Corp.
Director	Luo Sheng Tai Co., Ltd. Representative: Ho Ming-Hong	Director: Pao Fong Asset Management Co., Ltd. Kwong Fong Holdings Ltd. Yuanta Securities Co., Ltd.
Director	Luo Sheng Tai Co., Ltd. Representative: Lee Ming-Huei	Director: Pao Fong Asset Management Co., Ltd. Kwong Fong Holdings Ltd.
Director	Hann Fong Investments Co., Ltd. Representative: Liu Shiang	Director: Pao Fong Asset Management Co., Ltd. Kwong Fong Holdings Ltd.
Director	Hann Fong Investments Co., Ltd. Representative: Huang Li-Ling	President: Pao Fong Asset Management Co., Ltd.

Resolution:

Eight. Questions and Motions

Nine. Meeting Adjourned

Ten. Attachments

Attachment 1

Kwong Fong Industries Corporation

2023 Business Report

I. 2023 Business Report:

(I) Business plan implementation achievements:

Unit: NT\$1,000

Item	2023	2022	Increase (decrease) Amount	Increase (decrease) Percentage(%)
Operating revenue	295,859	249,391	46,468	18.63
Gross profit	107,644	66,543	41,101	61.77
Net profits	110,000	96,256	13,744	14.28
Net profit belongs to the parent company	95,103	94,462	641	0.68
Earnings per share (NT\$)	0.51	0.51	-	-

(II) Budget execution status: Not applicable (because no financial forecast was filed)

(III) An analysis of income and expenses and profitability for 2023:

Item		2023	2022
Capital structure	Debt to assets ratio (%)	22.42	18.17
	Ratio of long-term capital to fixed assets (%)	25640.14	11858.72
Solvency	Current ratio (%)	347.84	1094.73
	Quick ratio (%)	140.42	438.40
Profitability	Return on assets (%)	2.55	2.50
	Return on equity (%)	3.10	2.74
	Net profit margin (%)	37.17	38.59

(IV) R&D status: The R&D status that the general manufacturing industry is required to disclose is not applicable to the Company.

II. Summary of the 2024 Business Plan: The summary of the Business Plan and development strategy are as follows:

(I) Digital technology business:

1. Achieve a strategic position by leveraging core technological capabilities

The team possesses the ability for high-speed trading technology. In addition to having greater bargaining power, they are gradually transitioning from pure OEM to leasing operations, combining high-speed computation of market and transaction data to gradually achieve the key position of an information hub, with the potential to become an important corporate moat in the future.

2. Optimizing applications to expand the customer base and increase revenue

Expanding information utilization and AI development aspects, continuously optimizing the autonomous investment and wealth management platform. In addition to strategic applications, digital learning and community tools are being added to enhance user experience, shaping the company's leading position in financial professional learning. Combining high-speed trading technology, the platform can integrate algorithmic trading, steadily increasing its membership base to expand its user base and enhance overall operational efficiency to increase revenue.

3. Deepen engagement in the financial sector to enhance profitability among customer groups.

Continuously invest in financial application systems such as securities, funds, and insurance, leveraging the efficiency of professional OEM systems, information integration, cross-industry development experience, and innovative knowledge application. Provide customers with the best solutions, create service value-added, and deepen cultivate the main customer base by core capabilities and enhance profitability.

4. Enhance talent development

Establish learning teams to maximize talent cultivation synergy, implement standardization, make programs atomic, and streamline the work process, to increase competitive advantages.

(II) Construction business:

1. Short-term goals: Have a good grasp of market prices and actively sell housing units on hand to recover funds.
2. Long-term goals: Promote the activation gradually of the land assets in Bade, Taoyuan, held by our company, by sequentially conducting research on land development regulations, communicating with residents, and integrating consensus. Carefully and prudently assess the opportune moment to develop the land to enhance the company's value.

(III) Investment business:

1. Strategic investment: Strengthen the supervision of invested companies to realize investment returns.
2. Financial investment: Seek stable returns to enhance the utilization of funds and generate profits.

(IV) Corporate Governance:

Promote various ESG projects, implement legal compliance, strengthen risk management, and enhance operational performance and competitiveness.

Chairperson: Leo Ho

Manager: Huang Li-Ling

Accounting Manager: Chen Su-Ching

Attachment 2

Kwong Fong Industries Corporation

Audit Committee Review Report

The Board of Directors has prepared the Company's 2023 business report, financial statements, and earnings distribution proposal. The financial statements have been audited by the CPAs of PricewaterhouseCoopers Taiwan, who have issued an Independent Auditors' Report accordingly. The Audit Committee has reviewed the said business report, financial statements, and earnings distribution proposal, and did not find any non-conformity thereof. Therefore, according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, those documents are submitted for your approval.

Submitted to:

2024 Annual general meeting

Audit Committee Convener: Liu Wei-Ting

March 15, 2024

Attachment 3

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Attachment 3 2023 Final Account Statements

INDEPENDENT AUDITORS' REPORT

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

Introduction

We have audited the accompanying consolidated balance sheets of Kwong Fong Industries Corporation and its subsidiaries (collectively referred herein as the "Group") as of December 31, 2023 and 2022, 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, 2023 and 2022, 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 2023 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 2023 consolidated financial statements are stated as follows:

Measurement of Financial Assets at Fair Value of Fulcrest Limited

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Explanation of Items

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

As of December 31, 2023, 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\$3,205,820 thousands, which represents 70% of total consolidated assets, of which Fulcrest Limited, a Hong Kong-based company, accounts for at fair value of NT\$1,130,904 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 recognition of revenue from information software service.

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

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(21) for details of operating revenue.

The operating income of Kwong Fong Industries Group of Companies and its subsidiaries is primarily comprised of revenue from information software services, and construction. The information software service revenue in 2023 amounted to NT\$271,588 thousands, accounting for 92% of its operating income in 2023. During the period of financial reporting, revenue from information software services is recognized based on the percentage of completion method for contractually agreed-upon services provided to clients. As of the balance sheet date, the percentage of completion is based on the engaged time proportion of the total estimated hours contracted. Due to the subjective nature of the management's assessment of the degree of completion, the accountant has ranked the accuracy of software service revenue recognition 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. 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. Understand the process involved in the recognition of revenue from information software service and test-related internal control, including obtaining project cost details, random inspection of the engaged time list and project estimation table, confirming the ratio of engaged time, and ensuring the justification for 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, services rendered, 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.

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

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, 2023 and 2022 on which we have issued an unqualified opinion with explanatory paragraph thereon.

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

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

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

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

Auditors’ responsibilities for the audit of the consolidated financial statements

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

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

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.

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

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 15, 2024

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

			December 31,		December 31,			
			2023		2022			
ASSETS			Notes	Amount	%	Amount	%	
CURRENT ASSETS								
1100	Cash and cash equivalents	6(1)	\$	233,146	5	\$	311,144	7
1110	Financial assets at fair value through profit or loss - current	6(2)		81,165	2		15,638	-
1136	Financial assets at amortized cost - current	6(4)		15,990	-		19,000	1
1140	Contract assets- current	6(21)		10,384	-		11,617	-
1170	Accounts receivable, net	6(5)		28,053	1		21,637	1
1200	Other receivables			58,934	1		55,648	1
1220	Income tax assets			4,190	-		421	-
130X	Inventories	6(6) and						
		8		629,621	14		647,406	14
1410	Prepayments			8,320	-		3,988	-
1470	Other current assets			33	-		5	-
11XX	Total current assets			1,069,836	23		1,086,504	24
NONCURRENT ASSETS								
1517	Financial assets at fair value through other comprehensive income-noncurrent	6(3) and						
		8		3,205,820	70		3,044,936	68
1535	Financial assets at amortized cost - noncurrent	6(4)		5,000	-		-	
1600	Property, plant and equipment	6(7) and						
		8		16,180	-		35,768	1
1755	Right-of-use assets	6(8)		25,960	1		39,405	1
1780	Intangible assets	6(10)		67,614	1		74,395	2
1840	Deferred income tax assets	6(28)		120,147	3		153,410	3
1900	Other noncurrent assets	6(11)		82,885	2		59,183	1
15XX	Total noncurrent assets			3,523,606	77		3,407,097	76
1XXX	Total assets		\$	4,593,442	100	\$	4,493,601	100

(Continued)

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

			December 31,		December 31,		
			2023		2022		
LIABILITIES AND EQUITY			Notes	Amount	%	Amount	%
Current Liabilities							
2100	Short-term loans	6(12)	\$	40,000	1	\$	-
2110	Short-term bills payable	6(13)		19,985			
2120	Financial liabilities measured at fair value through profit or loss- current	6(14)		56,783	1		
2130	Current contract liabilities	6(21) and 7		43,341	1	22,143	1
2150	Notes payable			-	-	24	-
2170	Accounts payable			6,201	-	7,743	-
2219	Other payables			120,423	3	38,865	1
2230	Income tax payable			4,598	-	169	-
2250	Provision-Current			-	-	114	-
2280	Lease liabilities-Current			14,492	-	14,056	-
2320	Long-term liabilities - current portion	6(15) and 8		-	-	13,766	-
2399	Other current liabilities			1,735	-	2,368	-
21XX	Total current liabilities			307,558	6	99,248	2
Noncurrent liabilities							
2540	Long-term bank loans	6(15) and 8		585,223	13	564,541	12
2570	Deferred income tax liabilities	6(28)		124,484	3	125,399	3
2580	Non-current lease liabilities			12,250	-	26,236	1
2600	Other noncurrent liabilities			573	-	1,088	-
25XX	Total noncurrent liabilities			722,530	16	717,264	16
2XXX	Total liabilities			1,030,088	22	816,512	18

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

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

		Notes	December 31,		December 31,	
			2023		2022	
LIABILITIES AND EQUITY			Amount	%	Amount	%
EQUITY						
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
	Capital	6(17)				
3110	Capital stock		1,853,422	40	1,853,422	41
	Capital surplus	6(18)				
3200	Capital surplus		50,079	1	43,767	1
	Retained earnings	6(19)				
3310	Appropriated as legal capital reserve		415,698	9	406,305	9
3320	Appropriated as special capital reserve		76,252	2	76,450	2
3350	Unappropriated earnings		933,428	20	940,173	21
	Other equity interest	6(20)				
3400	Other equity interest		165,475	4	290,553	6
31XX	Equity attributable to shareholders of the parent		3,494,354	76	3,610,670	80
36XXNON-CONTROLLING INTERESTS			69,000	2	66,419	2
3XXX	Total equity		3,563,354	78	3,677,089	82
Significant Contingent Liabilities And Unrecognized Contract		9				
Commitments						
Significant Events After The Balance Sheet Date						
3X2X	Total liabilities and equity		\$ 4,593,442	100	\$ 4,493,601	100

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, 2023 AND 2022

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

	Items	Notes	2023		2022	
			Amount	%	Amount	%
4000	Net revenue	6(21) and 7	\$ 295,859	100	\$ 249,391	100
5000	Cost of revenue	6(26)	(188,215)	(64)	(182,848)	(73)
5900	Gross profit		<u>107,644</u>	<u>36</u>	<u>66,543</u>	<u>27</u>
	Operating expenses	6(26)(27)				
6100	Selling expenses		(2,197)	(1)	(1,393)	(1)
6200	General and administrative		(116,605)	(39)	(113,446)	(45)
6450	Expected credit loss (gain)		(847)	-	187	(-)
6000	Total operating expenses		<u>(119,649)</u>	<u>(40)</u>	<u>(114,652)</u>	<u>(46)</u>
6900	Income(Loss) from operations		<u>(12,005)</u>	<u>(4)</u>	<u>(48,109)</u>	<u>(19)</u>
	Non-operating income and expenses					
7100	Interest income	6(22)	6,946	2	1,682	1
7010	Other income	6(23)	162,826	55	247,240	99
7020	Other gains and losses, net	6(24)	(1,298)	-	(83,273)	(34)
7050	Finance costs	6(25)	(7,827)	(3)	(10,544)	(4)
7000	Total non-operating income and expenses		<u>160,647</u>	<u>54</u>	<u>155,105</u>	<u>62</u>
7900	Profit before income tax		<u>148,642</u>	<u>50</u>	<u>106,996</u>	<u>43</u>
7950	Income tax expense	6(28)	(38,642)	(13)	(10,740)	(4)
8200	Profit for the year		<u>\$ 110,000</u>	<u>37</u>	<u>\$ 96,256</u>	<u>39</u>

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

Items	Notes	2023		2022	
		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)	(\$ 126,004)	(42)	\$ 90,045	36
8349 Income tax benefit (expense) related to items that will not be reclassified subsequently	6(3)(28)	(11,678)	(4)	(12,855)	(5)
8310 Components of other comprehensive income that will not be reclassified to profit or loss		(137,682)	(46)	77,190	31
Items that may be reclassified subsequently to profit or loss:					
8361 Exchange differences arising on translation of foreign operations	6(20)	7,077	2	125,448	50
8367 Unrealized gain/(loss) on investments in debt instruments at fair value through other comprehensive income	6(3)	5,545	2	-	-
8360 Items that may be reclassified subsequently to profit or loss:		12,622	4	125,448	50
8300 Other comprehensive income (loss), net of income tax		(\$ 125,060)	(42)	\$ 202,638	81
8500 Total comprehensive income for the year		(\$ 15,060)	(5)	\$ 298,894	120
Profit attributable to:					
8610 Shareholders of the parent		\$ 95,103	32	\$ 94,462	38
8620 Non-controlling interests		14,897	5	1,794	1
TOTAL		\$ 110,000	37	\$ 96,256	39
Comprehensive income attributable to:					
8710 Shareholders of the parent		(\$ 29,957)	(10)	\$ 297,100	119
8720 Non-controlling interest		14,897	5	1,794	-
Total		(\$ 15,060)	(5)	\$ 298,894	120
Basic earnings per share (in dollars)	6(30)				
Earnings per share					
9750 Basic earnings per share	6(29)	\$	0.51	\$	0.51
9850 Diluted earnings per share		\$	0.51	\$	0.51

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, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Equity Attributable to Shareholders of the Parent											

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, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	Notes	Equity Attributable to Shareholders of the Parent									
		Retained Earnings					Others		Total	Non-controlling Interests	Total Equity
		Capital Stock - Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Financial statements translation differences of foreign operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
for the year											
Total comprehensive income (loss)		-	-	-	-	95,103	7,077	(132,137)	(29,957)	14,897	(15,060)
Appropriation of 2022 earnings											
Legal reserve	6(19)	-	-	9,393	-	(9,393)	-	-	-	-	-
Cash dividends to shareholders	6(19)	-	-	-	-	(92,671)	-	-	(92,671)	-	(92,671)
Dividends unclaimed by shareholders with claim period elapsed	6(18)	-	6,312	-	-	-	-	-	6,312	-	6,312
Reversal of special reserve		-	-	-	(198)	198	-	-	-	-	-
Disposal of equity instruments at fair value through other comprehensive income		-	-	-	-	18	-	(18)	-	-	-
Changes in non-controlling interests		-	-	-	-	-	-	-	-	(12,316)	(12,316)
Balance at December 31, 2023		<u>\$ 1,853,422</u>	<u>\$ 50,079</u>	<u>\$ 415,698</u>	<u>\$ 76,252</u>	<u>\$ 933,428</u>	<u>\$ 139,473</u>	<u>\$ 26,002</u>	<u>\$ 3,494,354</u>	<u>\$ 69,000</u>	<u>\$ 3,563,354</u>

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, 2023 AND 2022

	Notes	(In Thousands of New Taiwan Dollars) 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		148,642	106,996
Adjustments for:			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(26)	16,586	17,095
Amortization expense	6(26)	13,897	11,876
Expected credit losses recognized (reversal) on investments in debt instruments		847	(187)
Net gain on financial assets at fair value through profit or loss	6(24)	(5,786)	5,268
Interest expense	6(25)	7,827	10,544
Interest income	6(22)	(6,946)	(1,682)
Dividend income	6(23)	(139,882)	(226,704)
Loss (gain) on disposal or retirement of property, plant and equipment, net	6(24)	(3,044)	(6,746)
Reversal of benefits of financial asset		(25)	
Gain on lease modification	6(24)	-	(350)
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Contract assets		1,233	12,324
Accounts receivable		(7,263)	8,838
Receivables from related parties		-	16,964
Other receivables		(4,817)	7,609
Inventories		17,785	-
Prepayments		(4,332)	(3,101)
Changes in operating liabilities			
Contract liabilities		2,198	(147)
Notes payable		(24)	24
Accounts payable		(1,542)	(623)
Payables to related parties		-	(16)
Other payables		76,940	(11,737)
Other payables to related parties		(45)	(54)
Other current liabilities		(633)	394
Provision		(114)	(544)
Cash (out)inflow generated from operations		130,502	(53,959)
Interest received		4,852	1,553
Cash dividend received		139,882	226,704
Interest paid		(3,164)	(2,540)
Income tax paid		(16,700)	(17,011)
Net cash generated by operating activities		255,372	167,599

(Continued)

KWONG FONG INDUSTRIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	Notes	(In Thousands of New Taiwan Dollars) 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 275,674)	(\$ 698,419)
Proceeds from capital reduction of financial assets at fair value through profit or loss	6(3)	-	39,349
Acquisition of financial assets at amortised cost		(5,990)	194,500
Disposal of financial assets at amortised cost		4,000	
Acquisition of financial instruments at fair value through profit or loss		(1,623,096)	(339,406)
Disposal of financial instruments at fair value through profit or loss		1,568,197	336,328
Acquisition of property, plant and equipment		1,096)	(153)
Disposal of property, plant and equipment		74,848	-
Increase in refundable deposits paid		(30,751)	(13,734)
Decrease in refundable deposits paid		-	9,325
Acquisition of intangible assets		(7,100)	(4,459)
Increase in other financial assets - current		(28)	
Decrease in other financial assets - current		-	4,738
Increase in other non-current assets		-	(317)
Decrease in other non-current assets		3,654	(317)
Net cash generated by (used in) investing activities		(293,036)	(472,248)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans		60,000	-
Decrease in short-term loans		(20,000)	(58,000)
Increase in short-term bills payable		29,964	-
Decrease in short-term bills payable		(9,979)	-
Proceeds from long-term bank loans		20,080	591,236
Repayment of long-term bank loans		(13,766)	(105,005)
Increase in guarantee deposits received	6(30)	-	(1)
Decrease in guarantee deposits received	6(30)	(515)	
Repayment of the principal portion of lease liabilities	6(30)	(14,295)	(13,352)
Cash dividends		(102,413)	(95,964)
Decrease in financial liabilities measured at fair value through profit or loss- current		(1,016)	
Expired unclaimed dividends transferred to capital surplus	6(18)	6,312	(19)
Subsidiary cash reduction		-	(4,900)

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, 2023 AND 2022

	Notes	(In Thousands of New Taiwan Dollars) 2023	2022
Net cash generated by (used in)			
financing activities		(45,628)	313,995
Effect of exchange rate changes		5,294	176
Net increase(decrease) in cash and cash			
equivalents		(77,998)	9,522
Cash and cash equivalents at beginning of year		311,144	301,622
Cash and cash equivalents at end of year		<u>\$ 233,146</u>	<u>\$ 311,144</u>

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

INDEPENDENT AUDITORS' REPORT

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

Introduction

We have audited the accompanying parent company only balance sheets of Kwong Fong Industries Corporation as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Kwong Fong Industries Corporation as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" .

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company's only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters of the parent company only financial statements for the year ended December 31, 2023 are as follows:

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

Description

As of December 31, 2023, Kwong Fong Industries Corporation holds a subsidiary - Kwong Fong Holdings Limitd, with an investment amount of NT\$1,541,489 thousand using the equity method, accounting for 38% of the total assets. It has a significant impact on the individual financial statements of Kwong Fong Industries Corporation. Therefore, the auditor has identified the key audit matter of Fulcrest Limited's financial asset fair value measurement as one of the most important audit matters for the current year.

How our audit addressed the matter

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

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

used where it is appropriate.

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

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

Description

As of December 31, 2023, Kwong Fong Industries Corporation. holds subsidiaries - Mdb's Digital Technology Co., Ltd. and Star Galaxy Digital Co., Ltd., with a total investment amount of NT\$94,006 thousand using the equity method. The revenue of the aforementioned subsidiaries has a significant impact on the individual financial statements of Kwong Fong Industries Corporation. Therefore, the auditor has identified the key audit matter of the accuracy of information software service revenue recognition of the subsidiaries as one of the most important audit matters for the current year.

How our audit addressed the matter

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

1. 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. Understand the process involved in the recognition of revenue from information software service and test-related internal control, including obtaining project cost details, random inspection of the engaged time list and project estimation table, confirming the ratio of engaged time, and ensuring the justification for 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, services rendered, 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.

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

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the audit evidence obtained, reach a conclusion on the appropriateness of the management's use of the going concern assumption and whether there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that such events or conditions exist, the auditor is required to draw attention to the related disclosures in the financial statements in the audit report or, when such disclosures are inadequate, to modify the audit opinion. The auditor's conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause Guang Feng Industrial Co., Ltd. to lack the ability to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of the components of Kwong Fong Industries Corporation to express an opinion on the individual financial statements. The auditor is responsible for the direction,

supervision, and performance of the individual audit engagement, as well as for forming an audit opinion on the individual financial statements.

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

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

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

Lai, Chung-Hsi Chih, Ping-Chiun
For and on behalf of PricewaterhouseCoopers, Taiwan
March 15, 2024

KWONG FONG INDUSTRIES CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS			December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 100,222	3	\$ 260,725	6
1110	Financial assets at fair value	6(2)				
	through profit or loss - current		73,444	2	8,410	-
1200	Other receivables	7	57,252	1	30,634	1
1220	Income tax assets		4,190	-	314	-
1410	Prepayments		1,864	-	2,215	-
11XX	Total current assets		243,972	6	302,298	7
Noncurrent Assets						
1517	Financial assets at fair value	6(3) and 8				
	through other comprehensive					
	income-noncurrent		1,287,319	32	1,602,091	38
1550	Investments accounted for using	6(4)				
	equity method		2,426,674	60	2,276,665	54
1600	Property, plant and equipment	6(5)	2,488	-	4,354	-
1755	Right-of-use assets	6(6)	11,868	-	17,056	-
1840	Deferred income tax assets	6(25)	5,549	-	5,758	-
1920	Refundable deposits	6(7)	58,742	2	41,752	1
15XX	Total noncurrent assets		3,792,640	94	3,947,676	93
1XXX	Total assets		\$ 4,036,612	100	\$ 4,249,974	100

(Continued)

KWONG FONG INDUSTRIES CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
LIABILITIES AND EQUITY	Notes	Amount	%	Amount	%
Current Liabilities					
2100 Short-term loans	6(8)	\$ 40,000	1	-	-
2110 Short-term bills payable	6(9)	19,985	1	-	-
2120 Financial liabilities measured at fair value through profit or loss- current	6(10)	56,783	1	-	-
2130 Current contract liabilities	6(18) and 7	57	-	\$ 127	-
2150 Notes payable		-	-	24	-
2200 Other payables	7	76,529	2	12,884	-
2250 Provision-Current	6(13)	-	-	114	-
2280 Lease liabilities-Current		6,093	-	5,770	-
2300 Other current liabilities		187	-	357	-
21XX Total current liabilities		<u>199,634</u>	<u>5</u>	<u>19,276</u>	<u>-</u>
Noncurrent liabilities					
2540 Long-term bank loans	6(11)	295,695	7	564,541	14
2570 Deferred income tax liabilities	6(25)	40,250	1	42,652	1
2580 Non-current lease liabilities		6,179	-	11,765	1
2645 Guarantee deposits		500	-	1,070	-
25XX Total noncurrent liabilities		<u>342,624</u>	<u>8</u>	<u>620,028</u>	<u>15</u>
2XXX Total liabilities		<u>542,258</u>	<u>13</u>	<u>639,304</u>	<u>15</u>
Equity					
Capital	6(14)				
3110 Capital stock		1,853,422	46	1,853,422	44
Capital surplus	6(15)				
3200 Capital surplus		50,079	2	43,767	1
Retained earnings	6(16)				
3310 Appropriated as legal capital reserve		415,698	10	406,305	9
3320 Appropriated as special capital reserve		76,252	2	76,450	2
3350 Unappropriated earnings		933,428	23	940,173	22
Other equity interest	6(17)				
3400 Other equity interest		165,475	4	290,553	7
3XXX Total equity		<u>3,494,354</u>	<u>87</u>	<u>3,610,670</u>	<u>85</u>
Significant Contingent Liabilities And Unrecognized Contract Commitments	9				
Significant Events After The Balance Sheet Date	11				
3X2X Total liabilities and equity		<u>\$ 4,036,612</u>	<u>100</u>	<u>\$ 4,249,974</u>	<u>100</u>

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

KWONG FONG INDUSTRIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	Items	Notes	2023		2022	
			Amount	%	Amount	%
4000	Net revenue	6(18) and 7	\$ 458	100	\$ 462	100
	Operating expenses	6(23)(24)				
6200	General and administrative		(43,324)	(9459)	(44,336)	(9597)
6000	Total operating expenses		(43,324)	(9459)	(44,336)	(9597)
6900	Loss from operations		(42,866)	(9359)	(43,874)	(9497)
	Non-operating income and expenses					
7100	Interest income	6(19) and 7	4,957	1082	1,082	234
7010	Other income	6(20)	103,150	22522	237,301	51364
7020	Other gains and losses, net	6(21)	(3,327)	(726)	(87,720)	(18987)
7050	Finance costs	6(22)	(4,880)	(1066)	(8,719)	(1887)
7070	Share of profits of subsidiaries and associates	6(4)	32,631	7125	4,173	(903)
7000	Total non-operating income and expenses		132,531	28937	146,117	31627
7900	Profit before income tax		89,665	19578	102,243	22130
7950	Income tax expense	6(25)	5,438	1187	(7,781)	(1684)
8200	Profit for the year		<u>\$ 95,103</u>	<u>20765</u>	<u>\$ 94,462</u>	<u>20446</u>
	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)	\$ 121,409	26508	(\$ 15,718)	(3402)
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(250,305)	(54652)	105,763	22892
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently	6(3)(25)	(8,786)	(1918)	(12,855)	(2782)
	Components of other comprehensive income that will not be reclassified to profit or loss		(137,682)	(30062)	77,190	16708

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

KWONG FONG INDUSTRIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

Items that may be reclassified subsequently to profit or loss:					
8367	Unrealized gain/(loss) on investments in debt instruments at fair value through other comprehensive income	6(3)	4,600	1004	-
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		8,022	1752	125,448
8360	Items that may be reclassified subsequently to profit or loss:		12,622	2756	125,448
8300	Other comprehensive income (loss), net of income tax		<u>(\$ 125,060)</u>	<u>(27306)</u>	<u>\$ 202,638</u>
8500	Total comprehensive income for the year		<u>(\$ 29,957)</u>	<u>(6541)</u>	<u>\$ 297,100</u>
EARNINGS PER SHARE					
9750	Basic earnings per share (in dollars)	6(26)	\$ 0.51	\$ 0.51	
9850	Diluted earnings per share (in dollars)	6(26)	\$ 0.51	\$ 0.51	

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

KWONG FONG INDUSTRIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	Notes	Capital Stock - Common Stock	Capital Surplus	Retained Earnings			Others		Total Equity
				Legal Capital Reserve	Special Capita Reserve	Unappropriated Earnings	Financial statements Translation differences of foreign operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
Year 2022									
Balance at January 1, 2022		\$ 1,853,422	\$ 43,786	\$ 373,094	\$ 76,450	\$ 972,129	\$ 6,948	\$ 80,967	\$ 3,406,796
Profit for the year		-	-	-	-	94,462	-	-	94,462
Other comprehensive income 6(16) (loss) for the year		-	-	-	-	-	125,448	77,190	202,638
Total comprehensive income (loss)		-	-	-	-	94,462	125,448	77,190	297,100
Appropriation of 2021 earnings									
Provision of legal reserve				33,211		(33,211)			-
Cash dividends to 6(16) shareholders		-	-	-	-	(92,671)	-	-	(92,671)
Dividends paid to unclaimed 6(15) by shareholders with claim period elapsed		-	(19)	-	-	-	-	-	(19)
Adjustments to share of 6(4) changes in equity of associates and joint ventures						(536)			(536)
Balance at December 31, 2022		\$ 1,853,422	\$ 43,767	\$ 406,305	\$ 76,450	\$ 940,173	\$ 132,396	\$ 158,157	\$ 3,610,670
Year 2023									
Balance at January 1, 2023		\$ 1,853,422	\$ 43,767	\$ 406,305	\$ 76,450	\$ 940,173	\$ 132,396	\$ 158,157	\$ 3,610,670
Profit for the year		-	-	-	-	95,103	-	-	95,103
Other comprehensive income 6(17) (loss) for the year		-	-	-	-	-	7,077	(132,137)	(125,060)
Total comprehensive income		-	-	-	-	95,103	7,077	(132,137)	29,957

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

KWONG FONG INDUSTRIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

		Retained Earnings				Others		
							Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
	Notes	Capital Stock - Common Stock	Capital Surplus	Legal Capital Reserve	Special Capita Reserve	Unappropriated Earnings	Financial statements Translation differences of foreign operations	
(loss)								
Appropriation of 2022 earnings								
Legal reserve	6(16)	-	-	9,393	-	(9,393)	-	-
Cash dividends to shareholders	6(16)	-	-	-	-	(92,671)	-	(92,671)
Dividends unclaimed by shareholders with claim period elapsed	6(15)	-	6,312	-	-	-	-	6,312
Reversal of special reserve		-	-	-	(198)	198	-	-
Disposal of equity instruments at fair value through other comprehensive income	6(17)	-	-	-	-	18	-	(18)
Balance at December 31, 2023		\$ 1,853,422	\$ 50,079	\$ 415,698	\$ 76,252	\$ 933,428	\$ 139,473	\$ 3,494,354

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

KWONG FONG INDUSTRIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

		Retained Earnings			
	Notes	Capital Stock - Common Stock	Capital Surplus	Legal Capital Reserve	Special Capita Reserve
					Unappropri Earning
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Profit before tax			\$	89,665	\$
Adjustments for					102,243
Adjustments to reconcile profit (loss)					
Depreciation expense	6(23)			7,288	7,047
Net gain on financial assets at fair value through profit or loss	6(21)				
Interest expense	6(22)			4,880	8,719
Interest income	6(19)			4,957)	(1,082)
Dividend income	6(20)			80,209)	(221,113)
Share of profits of subsidiaries and associates	6(4)				
Loss (gain) on disposal or retirement of property, plant and equipment, net	6(21)			32,631)	(4,173)
Changes in assets/liabilities relating to operating activities				(633)	
Changes in operating assets					
Other receivables				(24,214)	(29,599)
Prepayments				351	(712)
Changes in operating liabilities					
Contract liabilities				(70)	-
Notes payable				(24)	24
Other payables				59,058	(5,487)
Provision				(144)	(544)
Other current liabilities				(170)	285
Financial liabilities measured at fair value through profit or loss- current				56,783	-
Cash out generated from operations				74,043	(140,001)
Interest received				3,200	636
Cash dividend received				104,371	446,912
Interest paid				(293)	(340)
Income tax paid				(9,417)	(10,650)
Net cash generated by operating activities				171,904	296,557
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Changes in financial assets at fair value through other comprehensive income				(225,312)	(698,419)
Changes in financial instruments at fair value through profit or loss				(59,231)	107
Proceeds from capital reduction of investments accounted for using equity method	6(4)			5,100	5,100
Disposal of property, plant and equipment				1,144	-
Increase in refundable deposits paid				(19,882)	(4,485)
Proceeds from capital reduction of financial	6(3)			-	39,349

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

KWONG FONG INDUSTRIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

		Retained Earnings			
	Notes	Capital Stock - Common Stock	Capital Surplus	Legal Capital Reserve	Special Capita Reserve
assets at fair value through other comprehensive income					
Net cash generated by (used in) investing activities			(658,348)	(658,348)	
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
Increase in short-term loans			60,000		-
Decrease in short-term loans			(20,000)		-
Increase in short-term bills payable			29,964		-
Decrease in short-term bills payable			(9,979)		-
Proceeds from long-term bank loans			18,137		589,088
Repayment of long-term bank loans			-	(24,547)	
Decrease in guarantee deposits received	6(27)		(570)		-
epayment of the principal portion of lease liabilities	6(27)		(6,008)	(5,285)	
Cash dividends	6(16)		(92,671)	(92,671)	
Expired unclaimed dividends transferred to capital surplus	6(15)		(6,312)	(19)	
Net cash generated by (used in) financing activities			(14,815)		466,566
Effect of exchange rate changes			(7,311)		-
Net increase in cash and cash equivalents			(153,503)		104,775
Cash and cash equivalents at beginning of year			260,725		155,950
Cash and cash equivalents at end of year			<u>\$ 107,222</u>		<u>\$ 260,725</u>

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

Attachment 4**Kwong Fong Industries Corporation****Earnings Distribution Statement 2023**

Unit: NTD

Item	Amount	Notes
Beginning undistributed earnings	838,108,871	
Increase (decrease):		
Reversal of special reserve for retained earnings - Reversal provision under IFRS	198,875	
Changes in investments accounted for using the equity method	17,433	
Net profit after tax for 2023	95,103,062	
Subtotal	933,428,241	
Provisions:		
Legal reserves (10%)	9,531,937	
Distributable earnings for the year – subtotal	923,896,304	
Distributions:		
Shareholder dividends – cash dividend (NT\$0.5 per share)	92,671,084	
Undistributed earnings at the end of the period	831,225,220	

Chairperson: Leo Ho

Manager: Huang Li-Ling

Accounting Manager: Chen Su-Ching

Attachment 5

Comparison Amended Table of the "Articles of Incorporation"

Article	Before revision	After revision	Description
Four.	Directors <u>and supervisors</u>	Directors	Amend the wording to align with current practices.
Article 12	<p>The Company shall have five to nine directors whose term of office shall be three years. They shall be elected via the candidate nomination system by the Shareholders' Meeting from among those with disposing capacity and may be eligible for re-election. The Company may purchase liability insurance policies that cover the liabilities that might be incurred by directors and supervisors performing their duties during their term of service.</p> <p>At least half of all directors of the Company may not have the following relationship with one another:</p> <p>I. Spouse.</p> <p>II. Relative within the second degree of</p>	<p>The Company shall have five to nine directors whose term of office shall be three years. They shall be elected via the candidate nomination system by the Shareholders' Meeting from among those with disposing capacity and may be eligible for re-election. The Company may purchase liability insurance policies that cover the liabilities that might be incurred by directors performing their duties during their term of service.</p> <p>At least half of all directors of the Company may not have the following relationship with one another:</p> <p>I. Spouse.</p> <p>II. Relative within the second degree of</p>	Amend the wording to align with current practices.

Article	Before revision	After revision	Description
	<p>kinship.</p> <p>Of the said number of directors, at least <u>two</u> shall be independent directors, who shall constitute at least one-fifth of all directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the competent authority.</p> <p>Directors shall assemble the Board of Directors, which shall carry out all the Company's business in accordance with laws and regulations, the Company's Articles of Incorporation, and resolutions of the Shareholders' Meeting. They shall elect from among themselves a Chairperson in accordance with Article 208 of the Company Act who represents the Company; they shall also elect a vice chairperson. If the Chairperson is unable to perform his/her duties for any reason, the Vice Chairperson shall act as an acting chairperson; if the Vice</p>	<p>kinship.</p> <p>Of the said number of directors, at least <u>three</u> shall be independent directors, who shall constitute at least one-fifth of all directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the competent authority.</p> <p>Directors shall assemble the Board of Directors, which shall carry out all the Company's business in accordance with laws and regulations, the Company's Articles of Incorporation, and resolutions of the Shareholders' Meeting. They shall elect from among themselves a Chairperson in accordance with Article 208 of the Company Act who represents the Company; they shall also elect a vice chairperson. If the Chairperson is unable to perform his/her duties for any reason, the Vice Chairperson</p>	

Article	Before revision	After revision	Description
	<p>Chairperson is unable to perform his/her duties, the directors shall elect an acting chairperson from among themselves.</p> <p>The Company has set up the "Audit Committee" in accordance with Article 14-4 of the Securities and Exchange Act. Matters relating to the number, office terms, duties, and rules of meeting proceedings with respect to the Audit Committee shall be specified in the Audit Committee Charter, which is formulated by the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.</p>	<p>shall act as an acting chairperson; if the Vice Chairperson is unable to perform his/her duties, the directors shall elect an acting chairperson from among themselves.</p> <p>The Company has set up the "Audit Committee" in accordance with Article 14-4 of the Securities and Exchange Act. Matters relating to the number, office terms, duties, and rules of meeting proceedings with respect to the Audit Committee shall be specified in the Audit Committee Charter, which is formulated by the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.</p> <p><u>When deemed necessary by the board of directors, functional committees may be established.</u></p>	
Article 15	<p>A director may designate another director as a proxy to attend a Board of Directors meeting on his/her behalf; however, such a proxy may represent only one director at the maximum.</p> <p>The notice of the convening of board meeting can be made in writing, e-mail or</p>	<p><u>The board of directors shall be convened by the chairman of the board, stating the purpose of the meeting and notifying each director seven days in advance. However, in case of emergency, the meeting may be convened at any time.</u></p> <p>A director may designate another director as</p>	Amend the wording to align with current practices.

Article	Before revision	After revision	Description
	fax.	a proxy to attend a Board of Directors meeting on his/her behalf; however, such a proxy may represent only one director at the maximum. The notice of the convening of board meeting can be made in writing, e-mail or fax.	
Five.	<u>Employees</u>	<u>Managers</u>	Amend the wording to align with current practices.
Article 19	If the Company has earnings in the final account statements, such earnings shall be used to pay tax and compensate for accumulated losses in the first place; of the retained earnings, 10% shall be set aside as legal reserves in the second place, a portion may be provided as special reserves or retained earnings if necessary, and then the rest amount may be used to distribute shareholder dividends. The distribution content must be passed by the Shareholders' Meeting. The Company's dividend policy is to distribute stock	If the Company has earnings in the final account statements, such earnings shall be used to pay tax and compensate for accumulated losses in the first place; of the retained earnings, 10% shall be set aside as legal reserves in the second place, a portion may be provided as special reserves or retained earnings if necessary, and then the rest amount may be used to distribute shareholder dividends. The distribution content must be passed by the Shareholders' Meeting. <u>The dividend policy of the Company is to maintain dividend</u>	Enhance corporate governance.

Article	Before revision	After revision	Description
	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.	<u>stability in accordance with the earnings of the current year. When the Board of Directors formulates a profit distribution plan, the amount of distribution shall be no less than 30% of the after-tax profit of the current year as a principle. However, if the distributable profit is less than the after-tax profit of the current year, the distributable profit shall be used as the basis for calculation. Among the dividends distributed, cash dividends shall be no less than 10% as a principle.</u>	
Article 21	This Articles of Incorporation was established on June 11, 1968; amended on October 16, 1969 for the first time...; and July 1, 2021 for the 43rd time. The Articles of Incorporation and any amendment thereto were enforced after being submitted to, approved by, and registered with, the competent authority.	<u>This Articles of Incorporation was established on June 11, 1968; amended on October 16, 1969 for the first time...July 1, 2021 for the 43rd time; and May 30, 2024 for the 44th time.</u>	Add revision date.

Eleven. Appendixes

Appendix 1

Kwong Fong Industries Corporation

Articles of Incorporation

One. General Provisions

Article 1: The Company is a company limited by shares duly incorporated under the Company Act, and shall have the name “廣豐實業股份有限公司” in the Chinese Language and “Kwong Fong Industries Corporation” in the English language.

Article 2: The Company mainly engages in the following industries:

- I. F399990 Retail sale of Other Integrated
- II. F401010 International Trade
- III. H701010 Housing and Building Development and Rental
- IV. H701040 Specific Area Development
- V. H701050 Investment, Development, and Construction in Public Construction
- VI. J901011 Tourist Hotel
- VII. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The head office of the Company is located in Taipei City. If necessary, branch offices, branch plants, and branch operations may be established at home and/or abroad by the resolution of the Board of Directors.

Article 4: The Company's total reinvestment amount is not subject to the restrictions stipulated in Article 13 of the Company Act. The Company may make endorsements or guarantees for others if the business requires so.

Article 5: The means by which the Company makes announcements shall be in accordance with related laws and regulations.

Two. Shares

Article 6: The Company has an authorized capital of six billion New Taiwan dollars, divided into six hundred million shares. Each share has a face value of ten New Taiwan dollars. The Board of Directors is authorized to issue such shares in installments according to law.

Article 7: All of the Company's shares shall be registered ones, and shall bear a serial number and the signature or seal of the director representing the Company, and may be issued after being duly certified.

Registered share certificates issued by the Company are not required to be printed. The Company, however, should contact the securities depository and custodian institution for registration of the share certificates.

Article 8: The transfer, ownership transfer, inheritance, bestowal, creation of pledge, loss, and destruction of the Company's shares or other share-related affairs shall be carried out in accordance with the Company Act and relevant laws and regulations. Taiwan Depository & Clearing Corporation may request that share certificates be consolidated and exchanged for larger denomination security certificates.

Three. Shareholders' meeting

Article 9: Shareholders' meetings of the Company are of two types, namely, annual general meetings and special meetings, which shall be convened by law.

At the Company's shareholders' meeting, shareholders may exercise their voting rights by correspondence or electronic means.

Article 10: A shareholder shall be entitled to one vote for each share held, except when the shares are deemed non-voting shares under the Company Act or other laws and regulations.

Article 11: Except otherwise provided by the Company Act, the Shareholders' Meeting shall be chaired by the Chairperson, or

by an acting chair when the Chairperson cannot perform such duties for any reason, in which case matters shall be conducted in accordance with the Company Act.

Four. Directors and supervisors

Article 12: The Company shall have five to nine directors whose term of office shall be three years. They shall be elected via the candidate nomination system by the Shareholders' Meeting from among those with disposing capacity and may be eligible for re-election. The Company may purchase liability insurance policies that cover the liabilities that might be incurred by directors and supervisors performing their duties during their term of service.

At least half of all directors of the Company may not have the following relationship with one another:

I. Spouse.

II. Relative within the second degree of kinship.

Of the said number of directors, at least two shall be independent directors, who shall constitute at least one-fifth of all directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the competent authority.

Directors shall assemble the Board of Directors, which shall carry out all the Company's business in accordance with laws and regulations, the Company's Articles of Incorporation, and resolutions of the Shareholders' Meeting. They shall elect from among themselves a Chairperson in accordance with Article 208 of the Company Act who represents the Company; they shall also elect a vice chairperson. If the Chairperson is unable to perform his/her duties for any reason, the Vice Chairperson shall act as an acting chairperson; if the Vice Chairperson is unable to perform his/her duties, the directors shall elect an acting chairperson from among themselves.

The Company has set up the "Audit Committee" in accordance

with Article 14-4 of the Securities and Exchange Act. Matters relating to the number, office terms, duties, and rules of meeting proceedings with respect to the Audit Committee shall be specified in the Audit Committee Charter, which is formulated by the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Article 13: The Company may pay directors the transportation fee on a monthly basis, regardless of being in profit or loss; such amount shall be determined by the Board of Directors. The Board of Directors is authorized to determine the remuneration for the Chairperson and directors based on the extent of their participation in, and contribution to, the Company's operations, and by referencing the industry standards among peers.

Article 14: The total number of registered shares held by all directors of the Company shall be in accordance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the Financial Supervisory Commission.

Article 15: A director may designate another director as a proxy to attend a Board of Directors meeting on his/her behalf; however, such a proxy may represent only one director at the maximum. The notice of the convening of board meeting can be made in writing, e-mail or fax.

Five. Employees

Article 16: The Company shall have one president and several managers; the appointment, dismissal, and remuneration thereof shall be in accordance with the Company Act. Managers shall be empowered to manage the operation of the company and to sign relevant business documents for the company, subject to the scope of his/her duties assigned separately by the Board of Directors.

Six. Accounting

Article 17: The Company's Board of Directors shall compile the following

documents at the end of a fiscal year and submit them to the annual general meeting for ratification.

(I) Business Report; (II) Financial Statements; (III) proposal to distribute earnings or compensate for prior losses.

Article 18: If the Company has profits in a given year, it shall allocate 0.1%–2% of such profits as employee remuneration and no greater than 1% as director remuneration (except for that for independent directors). However, if the Company has an accumulated loss, an amount equal to such loss shares be reserved in the first place. Those entitled to employee remuneration in the form of stocks or cash may include employees of a controlled or affiliated company who meet certain criteria.

Article 19: If the Company has earnings in the final account statements, such earnings shall be used to pay tax and compensate for accumulated losses in the first place; of the retained earnings, 10% shall be set aside as legal reserves in the second place, a portion may be provided as special reserves or retained earnings if necessary, and then the rest amount may be used to distribute shareholder dividends. The distribution content must be passed by the Shareholders' Meeting. 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.

Seven. Supplementary Provisions

Article 20: Matters not provided in this Articles of Incorporation shall be conducted by the Company Act.

Article 21: This Articles of Incorporation was established on June 11, 1968; amended on October 16, 1969 for the first time; August 2, 1972 for the 2nd time; December 25, 1972 for the 3rd time; May 19, 1974 for the 4th time; January 30, 1975 for the 5th time; June 11, 1975 for the 6th time; October 1, 1975 for the 7th time; February 11, 1976 for the 8th time; May 12, 1977 for

the 9th time; April 12, 1978 for the 10th time; August 22, 1978 for the 11th time; April 22, 1979 for the 12th time; August 27, 1979 for the 13th time; April 22, 1980 for the 14th time; June 12, 1981 for the 15th time; May 26, 1982 for the 16th time; June 29, 1983 for the 17th time; June 14, 1984 for the 18th time; June 28, 1985 for the 19th time; June 19, 1986 for the 20th time; June 30, 1987 for the 21st time; April 25, 1988 for the 22nd time; May 8, 1989 for the 23rd time; June 5, 1990 for the 24th time; April 18, 1991 for the 25th time; June 30, 1994 for the 26th time; June 16, 1994 for the 27th time; May 10, 1995 for the 28th time; April 26, 1997 for the 29th time; May 19, 1998 for the 30th time; June 27, 2000 for the 31st time; June 27, 2002 for the 32nd time; June 27, 2003 for the 33rd time; June 28, 2005 for the 34th time; June 23, 2006 for the 35th time; June 29, 2010 for the 36th time; June 24, 2014 for the 37th time; June 30, 2015 for the 38th time; June 30, 2016 for the 39th time; June 28th, 2017 for the 40th time; June 29th, 2018 for the 41st time; June 26th, 2019 for the 42nd time; and July 1, 2021 for the 43rd time. The Articles of Incorporation and any amendment thereto were enforced after being submitted to, approved by, and registered with, the competent authority.

Appendix 2

Kwong Fong Industries Corporation

Rules of Procedure for Shareholders' Meetings

Article 1

These Rules have been established in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies in order to build a strong board governance system for shareholders' meetings and robust supervisory capabilities and reinforce management capabilities for the Company.

Article 2

Unless otherwise specified by law or the Articles of Incorporation, shareholders' meetings of the Company shall proceed according to the terms of these Rules.

Article 3

Unless otherwise specified by law, shareholders' meetings are to be convened by the board of directors.

Changes to how the Company convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice. Matters regarding the Company's Shareholders' Meeting notice and preparation and uploading of the meeting handbook are carried out by the Company Act, Securities and Exchange Act, Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies, and other regulations promulgated by the competent authority.

The Company shall make the meeting handbook and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:

- I. For physical shareholders' meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders' meetings, to be distributed on-site at the

meeting and shared in electronic form on the virtual meeting platform.

III. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, changes to the articles of association, capital reduction, application for suspension of public offerings, directors' competition approval, capital increase from earnings, capital increase from reserves, company dissolution, merger, division, or any circumstance in paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the reason for the convening, and shall not be proposed via an extraordinary motion.

Where the re-election of all directors, as well as their inauguration date, is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

Shareholders who hold over 1% of the total issued shares may propose issues in the Company's annual general meeting. Each shareholder is limited to one issue, and additional issues will not be included in the proposal discussion. Furthermore, if the issue raised by shareholders involves items in Paragraph 4, Article 172-1 of the Company Act, the board of directors can omit the proposal. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date, before an annual general meeting is held, the Company shall publicly announce its acceptance of

shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholders shall limit their proposed motions to 300 words only; proposals that exceed 300 words will not be accepted for discussion. Shareholders who have successfully proposed their motions shall attend the annual general meeting in person or through proxy attendance and participate in the discussion.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. During the shareholders meeting, the board of directors shall explain the reasons why certain proposed motions are excluded from the discussion.

Article 4

Shareholders attending the meeting should show the power of attorney issued by the company that specifies the scope of authorization and the commissioned representative.

Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must be received by the Company at least 5 days before the shareholders' meeting. In cases where multiple proxy forms are issued, the one that arrives first shall prevail. However, this excludes situations where the shareholder has issued a proper declaration to withdraw from the previous proxy arrangement.

Should the shareholder decide to attend a shareholders' meeting personally or exercise voting rights in writing or using electronic means after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than 2 days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

Should the shareholder decide to attend a virtual-only shareholders' meeting after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than 2 days before the meeting commences to withdraw the proxy arrangement.

If the shareholder fails to withdraw the proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

Article 5 (Principles determining the place and time of a shareholders' meeting)

Shareholders' meeting should be held at the location of the Company or the place convenient for the shareholders and suitable for the meeting occasion. The meeting should not be earlier than 9am or later than 3pm. Independent directors' opinions on the meeting place and time shall also be fully considered.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.

Article 6 (Preparation of documents such as the attendance book)

The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors, and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registration takes place shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed to have attended the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings by presenting valid conference pass, attendance card or other document of similar nature. The Company may not request shareholders to present additional documentary proof unless specified in advance. Proxy form acquirers are required to bring identity proof for verification.

The Company shall provide an attendance ledger for the attending shareholders to sign in, or have the attending shareholders turn in their attendance cards as to sign in.

The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips,

and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

Where the shareholder is a government agency or corporate entity, more than one proxy may attend the shareholders meeting. Corporate entities that have been designated as proxy attendants can only appoint one representative to attend a shareholders' meeting.

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

Article 7 (The chair and non-voting participants of a shareholders' meeting)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson of the Board of Directors. When the Chairperson is on leave or for any reason unable to exercise the powers of the chairperson, an acting chairperson shall be chosen in the manner specified by the Company Act.

The chairperson position mentioned above shall be assumed by a director, who has been on the board for more than six months and possesses adequate understanding of the Company's financial and business performance. The same applies if the chairperson is a representative of a corporate director.

Shareholders' meetings convened by the Board of Directors shall be chaired by the Chairperson of the board in person and attended by a majority of the directors and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

For the meeting that is convened by the ones with the convening authority outside of the board, the meeting should be chaired by convening authority. One person should be selected to chair the meeting if there are more than two present.

The Company may summon its lawyers, certified public accountants, or any relevant personnel to be present at shareholder meetings.

Article 8 (Documentation of a shareholders' meeting by audio or video)

The Company, beginning from the time it accepts shareholder

attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

These recordings must be retained for at least one year. However, if a shareholder raises a litigious claim against the Company according to Article 189 of The Company Act, the abovementioned documents must be retained until the end of the litigation.

Article 9

Attendance at a shareholders' meeting shall be calculated based on shares. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and the number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register with the Company in accordance with Article 6.

If the attending shareholders represent more than half of the total issued shares before the end of the meeting, the chair is to make a tentative resolution and re-submit it for a shareholder's vote in accordance with Article 174 of the Company Act.

Article 10

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

For the meeting that is convened by the ones with the convening authority outside of the board, the aforementioned rule still applies.

The chair may not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders and then continue the meeting.

The chairman shall give proposals and shareholder proposed revisions or extraordinary motions sufficient time for clarification and discussion. Once the chairman perceives that voting can proceed, the chairman shall stop the discussion and initiate the voting.

Article 11 (Shareholder's speech)

Before speaking, the attending shareholders should first fill out speech notes clearly stating the purpose, account number (or the attendance card number), and account name; the order in which shareholders speak will be set by the chair.

The attending shareholders are considered to offer no statement if they only provide speech notes without giving statements. In the event where the content of the statement is inconsistent with the speech note, the content of the statement should prevail.

Each shareholder shall not make more than two statements for the

same proposals without the chairman's agreement, and each statement shall not exceed five minutes. If the shareholder's statement violates the rules or exceeds the scope of the issue, the chairman shall halt the statement.

When an attending shareholder is making a statement, other shareholders shall not speak unless given permission by the chairman and the speaking shareholder. Violators shall be halted by the chairman.

The corporate shareholders who assign more than two legal representatives to attend the meeting can only have one person giving speech for a motion.

After an attending shareholder speaks, the chairman shall personally answer or designate a person to answer.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 through 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

The shares of the shareholders without voting rights are not counted in the total issued shares for the resolution of the meeting.

A shareholder who has a personal interest with the agenda of the meeting which may result in a conflict of interest with the Company shall not participate in the voting, nor shall he/she act on behalf of other shareholders to exercise the voting rights of other shareholders.

The number of shares for which voting rights may not be exercised

under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

Other than the trusts or securities agencies approved by the authorities, a person representing more than two shareholders as a proxy cannot have the shares exceeding three percent of the total voting shares. The exceeded voting rights will not be counted.

Article 13

Every share represents one vote unless it is restricted or deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, this is also considered to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting. It is therefore recommended that the Company avoids the submission of extraordinary motions and amendments to original proposals.

Shareholders exercising voting rights by correspondence or electronic means shall deliver their declaration of intent to the Company at least two days before the shareholders meeting. If there is a repetition of the declaration of intent, whichever delivered the first will be served, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If a

shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Unless otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. Votes shall be cast by shareholders on a proposal-by-proposal basis. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the number of votes for and against and the number of abstentions, shall be entered into the MOPS.

For the amendment or substitute of the same motion, the chair is to combine it with the original motion to determine the vote order. If one of the proposals has been passed, the other proposals are viewed as denied and no more voting will be conducted.

The monitoring and counting personnel for the voting should be assigned by the chair, and the monitoring personnel should have a shareholder status.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and made into record.

When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and the results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders'

meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and the number of votes they received.

All ballots used in the above election shall be sealed and signed by the ballot examiner, and held in proper custody for at least one year. However, if a shareholder raises a litigious claim against the Company according to Article 189 of the Company Act, the abovementioned documents must be retained until the end of the litigation.

Article 15

The voted issues should be made into a resolution record signed or stamped by the chair and then distributed to each shareholder within twenty days after the meeting. The production and the distribution of the resolution record can be made electronically.

The distribution of the aforementioned resolutions can be entered into the Market Observation Post System to be publicly announced.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. These records are to be kept

permanently during the Company's existence.

Article 16 (Public disclosure)

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event of a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

The Company must disclose on the MOPS in a timely manner any shareholders' meeting resolutions that constitute material information as defined by law or the rules of Taiwan Stock Exchange Corporation.

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.

The chair may direct the proctors or security personnel to help maintain order at the meeting venue. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

For venues that are equipped with broadcasting equipment, the chairman shall halt any shareholder that make statements from equipment not allocated to the Company.

Shareholders in violation of the rules and disobeying correction by the chair to disrupt the meeting are asked to leave the venue and will be escorted out by the proctors or the security personnel.

Article 18 (Recess and resumption of a shareholders' meeting)

The chair may announce a break time during the meeting at his/her discretion. The chair is to rule a meeting suspension due to force majeure and announce another time to resume the meeting as appropriate.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

The shareholders may decide to postpone or continue the meeting within five days in accordance with Article 182 of the Company Act.

Article 19

These Rules are to be announced and implemented after being approved by the shareholders' meeting, and likewise for the revision.

Appendix 3

Kwong Fong Industries Corporation

Procedures for Election of Directors

Article 1

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3

The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.

8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4

The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5

Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8

The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9

Before the election begins, the chair shall appoint counters and a number of scrutineers with shareholder status to perform the respective duties. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.

5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair or a designated representative on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 12

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix 4

The Minimum Number of Shares Held by All Directors of Kwong Fong Industries Corporation

- I. Since the Company's paid-in capital is NT\$1,853,421,680 (185,342,168 shares), the directors as a whole shall hold no less than 11,120,530 shares of registered shares.
- II. As of the book closure date of this annual general meeting (April 1, 2024), the shareholders registry showed total shares held by all Directors at 17,088,316, of which have complied with Article 26 of The Securities Exchange Act. The details are as follows:

Kwong Fong Industries Corporation Shareholding Status of Directors

Book-close date: April 1, 2024

Title	Name	Number of shares held as indicated on the shareholders' register on the book closure date
Chairperson	Leo Ho	12,772,701
Director	Ho Ming-Hong Corporate representative of Luo Sheng Tai Co., Ltd.	3,009,180
Director	Lee Ming-Huei Corporate representative of Luo Sheng Tai Co., Ltd.	3,009,180
Director	Liu Shiang Corporate representative of Hann Fong Investments Co., Ltd.	1,306,435
Director	Chen Cheng-Te Corporate representative of Hann Fong Investments Co., Ltd.	1,306,435
Independent director	Ho Chin-Chih	0
Independent director	Kuan Chi-Jui	0
Independent director	Liu Wei-Ting	0
Total Directors' shareholding		17,088,316