

Stock Code: 1416

# **KWONG FONG INDUSTRIES CORPORATION**

## **2025 Annual Shareholders' Meeting**

### **Agenda Handbook**

(Translation)

**May 22, 2025**

**2F., No. 306, Sec. 4, Xinyi Rd., Taipei City, Taiwan**

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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. Questions and Motions
- Seven. Meeting Adjourned

# Meeting Agenda

Time: 10:00 a.m., May 22, 2025

Place: 2F., No. 306, Sec. 4, Xinyi Rd., Da'an Dist., 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. 2024 Business Report
  - II. 2024 Audit Committee Review Report
  - III. Report on the distribution of remuneration for employees and directors for 2024
  - IV. The Establishment of the Company's "Sustainable Development Best Practice Principles"
- Four. Ratification Matters
  - I. To ratify the Company's 2024 Final Account Statements
  - II. To ratify the Company's 2024 Earnings Distribution Proposal
- Five. Discussion Matters
  - I. Amendment to the Company's "Articles of Incorporation"
- Six. Questions and Motions
- Seven. Meeting Adjourned

## **Three. Company Reports**

### **I. 2024 Business Report**

Description: The Business Report can be found on p.9  
(Attachment 1) of this Handbook.

### **II. 2024 Audit Committee Review Report**

Description: The Audit Committee Review Report can be found on  
p.12 (Attachment 2) of this Handbook.

### **III. Report on the distribution of remuneration for employees and directors for 2024**

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 2024 were all in cash.

### **IV. The Establishment of the Company's "Sustainable Development Best Practice Principles"**

Description: The articles of "Sustainable Development Best Practice Principles" can be found on p.13  
(Attachment 3) of this Handbook.

## **Four. Ratification Matters**

### **Proposal 1**

(Proposed by the Board of Directors)

Subject: To ratify the Company's 2024 Final Account Statements

Description:

- I. The Company's 2024 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.9 of this Handbook; for Financial Statements, see Attachment 4 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 2024 Earnings Distribution Proposal

Description:

- I. The Company's 2023 undistributed earnings in the amount of NT\$831,225,220 ; 2024 net profits in the amount of NT\$146,930,348 ; addition of \$4,984,091 from the gain or loss on disposal of equity instruments at fair value through other comprehensive income ; 10% of remainder earnings that is required by law to be provided as legal reserves in the amount of NT\$15,191,444 ; and distributable earnings in the amount of NT\$967,948,215.
- 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 dollar is included in other income.
- III. For the Earnings Distribution Statement, see Attachment 5 (on p.57 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 Articles of Incorporation were amended in accordance with the Financial Supervisory Commission's Directive No. 1130385442, issued on November 8, 2024, and the provisions of Paragraph 6, Article 14 of the Securities and Exchange Act.
- II. The company proposes to amend its Articles of Incorporation, with the comparison table of the amended articles see Attachment 6 (on p.58 of this Handbook).
- III. Hereby proposed for discussion.

Resolution:



## **Six. Questions and Motions**

## **Seven. Meeting Adjourned**

## Eight. Attachments

### Attachment 1

#### Kwong Fong Industries Corporation

#### 2024 Business Report

#### I. 2024 Business Report:

##### (I) Business plan implementation achievements:

Unit: NT\$1,000

| Item   | 2024    | 2023    | Increase<br>(decrease)<br>Amount | Increase<br>(decrease)<br>Percentage(%) |
|--|---------|---------|----------------------------------|---|
| Operating revenue                              | 333,508 | 295,859 | 37,649                           | 12.73                                   |
| Gross profit                                   | 121,765 | 107,644 | 14,121                           | 13.12                                   |
| Net profits                                    | 168,832 | 110,000 | 58,832                           | 53.48                                   |
| Net profit belongs<br>to the parent<br>company | 146,930 | 95,103  | 51,827                           | 54.50                                   |
| Earnings per share<br>(NT\$)                   | 0.79    | 0.51    | 0.28                             | 54.90                                   |

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

(III) An analysis of income and expenses and profitability for 2024:

| Item              |  | 2024     | 2023     |
|-------------------|--|----------|----------|
| Capital structure | Debt to assets ratio (%)                       | 23.99    | 22.42    |
|                   | Ratio of long-term capital to fixed assets (%) | 33673.49 | 25640.14 |
| Solvency          | Current ratio (%)                              | 223.58   | 347.84   |
|                   | Quick ratio (%)                                | 78.07    | 140.42   |
| Profitability     | Return on assets (%)                           | 3.48     | 2.55     |
|                   | Return on equity (%)                           | 3.78     | 3.10     |
|                   | Net profit margin (%)                          | 50.62    | 37.17    |

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

## II. Overview of the 2025 Business Plan

The business plan overview and development strategies are as follows:

### (I) Investment Business:

Adhering to a prudent principle of balancing returns and risks, the Company carefully selects domestic and international investment targets to pursue high-yield investments.

1. Domestic investments: Invest in high-quality listed stocks and preferred stocks for long-term holding to achieve stable returns.
2. Overseas investments: Invest in overseas A-grade bonds and high-quality listed stocks, maintaining an annualized return of over 5%. Long-term holdings not only ensure stable bond and dividend returns but also serve as a foreign exchange hedging strategy.

### (II) Construction Business:

1. Carefully assess real estate investment opportunities in alignment with the government's urban renewal and aging building reconstruction policies. The Company seeks to expand business opportunities and increase profitability through joint construction or joint venture development projects. The Company's investment in a reconstruction project on Bade Road in Taipei City is expected to launch in the first half of 2025. Additionally, potential projects in Sanchong District (New Taipei City), Da'an District (Taipei City), and Xinzhuang District (New Taipei City) are under evaluation, with plans for phased investments over the next five years.
2. The Company will assess favorable development opportunities for its land in Bade District, Taoyuan City. The goal is to participate in local urban renewal projects within the next ten years, revitalizing assets and enhancing corporate asset value.

### (III) Digital Technology Business:

1. Deepening client engagement in the financial sector to increase profitability  
The Company continues to invest in application systems for the securities, fund, and insurance industries, leveraging its expertise in system efficiency, information integration, cross-industry development experience, and innovative knowledge

application. By offering optimal solutions to clients, the Company enhances service value-added benefits and strengthens core competencies to increase profitability.

2. Optimizing applications to expand customer base and boost revenue

The Company is expanding its focus on information applications and AI development. Efforts are ongoing to optimize its autonomous investment and wealth management platform, incorporating not only strategic applications but also digital learning and social networking tools. This initiative aims to establish the Company as a leader in financial education and enhance overall business synergy to drive revenue growth.

(IV) Corporate Governance:

The Company remains committed to promoting ESG-driven sustainable development. In addition to strengthening corporate governance, ensuring legal compliance, and enhancing risk management, the Company seeks to improve operational performance and competitiveness while balancing the interests of all stakeholders.

Chairperson: Leo Ho

Manager: Liu Chia-Cheng

Accounting Manager: Chen Su-Ching

## Attachment 2

### **Kwong Fong Industries Corporation**

#### **Audit Committee Review Report**

The Board of Directors has prepared the Company's 2024 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:

2025 Annual General Meeting

Audit Committee Convener: Ho Chin-Chih

March 14, 2025

## Attachment 3

### **Kwong Fong Industries Corporation**

#### **Sustainable Development Best Practice Principles**

|           |  |
|-----------|--|
| Chapter 1 | General Principles   |
| Article 1 | In order to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Company formulates sustainable development principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies to be followed.   |
| Article 2 | The principles apply to the Company, including the entire operations activities and its corporate group. The Company shall actively fulfill sustainable development in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community, and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.  |
| Article 3 | <p>In promoting sustainable development initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p> <p>The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.</p> |
| Article 4 | <p>To implement sustainable development initiatives, the Company is advised to follow the principles below:</p> <ol style="list-style-type: none"><li>1. Exercise corporate governance.</li><li>2. Foster a sustainable environment.</li><li>3. Preserve public welfare.</li><li>4. Enhance disclosure of sustainable development information.</li></ol>   |
| Article 5 | The Company shall take into consideration the correlation between the development of domestic and international sustainable development principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs.   |
| Chapter 2 | Implementation of Corporate Governance   |
| Article 6 | The Company may follows the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical  |

Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

- Article 7 The directors of the Company shall exercise the due care of good administrators to urge the company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.
- The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's promotion of its sustainable development initiatives:
1. Identifying the company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines;
  2. Making sustainable development the guiding principle of the company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives; and
  3. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.
- The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of a TWSE/GTSM listed company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.
- Article 8 The Company may regularly organize education and training on the promotion of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.
- Article 9 For the purpose of managing sustainable development initiatives, the Company shall create a governance structure for promotion of sustainable development, and establish as an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.
- The Company may subscribed to reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.
- The employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.
- Article 10 The Company shall based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.



Chapter 3      Fostering a Sustainable Environment

- Article 11      The Company shall follow relevant environmental laws, regulations and, international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.
- Article 12      The Company may endeavor to consume energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.
- Article 13      The Company may establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:
1.    Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
  2.    Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
  3.    Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.
- Article 14      The Company may establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.
- Article 15      The Company may take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:
1.    Reduce resource and energy consumption of their products and services.
  2.    Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
  3.    Improve recyclability and reusability of raw materials or products.
  4.    Maximize the sustainability of renewable resources.
  5.    Enhance the durability of products.
  6.    Improve efficiency of products and services.
- Article 16      To improve water use efficiency, The Company shall properly and sustainably use water resources and establish relevant management measures.  
The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.
- Article 17      The Company may assess the current and future potential risks and opportunities that climate change may present to enterprises and adopt relevant measures. To adopt standards or guidelines generally used in Taiwan

and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally imported electricity, heating, or steam.
3. Other indirect emissions: Emissions generated by corporate activities that are not indirect emissions from energy use, but come from emission sources owned or controlled by other companies.

The Company may compile statistics on greenhouse gas emissions, volume of water consumption, and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption, or management of other wastes. The companies' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.

#### Chapter 4 Preserving Public Welfare

Article 18 The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

To fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

- Article 19 The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.
- Article 20 The Company may provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.  
The Company may organize training on safety and health for their employees on a regular basis.
- Article 21 The Company may create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.  
The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.
- Article 22 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.  
The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.  
The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.
- Article 22-1 The Company shall treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. To develop the relevant strategies and specific measures for implementation.
- Article 23 The Company shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of its products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.
- Article 24 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its

industries.

The Company shall follow relevant laws, regulations and international guidelines and marketing and labeling of, its products and services and shall not deceive, mislead, commit fraud, or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

- Article 25     The Company may evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.  
The Company may provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.
- Article 26     The Company may assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.  
The Company may establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and, health or labor rights. Prior to engaging in commercial dealings, the Company may assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.  
When the Company enters into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded at any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.
- Article 27     The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.  
The Company may through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.
- Article 27-1    The Company may dedicate resources to cultural and art activities or the cultural and creative industry constantly through donations, sponsorships, investments, procurements, strategic cooperation, corporate volunteering of technical support, or other supporting means, to promote cultural development.
- Chapter 5       Enhancing Disclosure of Sustainable Development Information

- Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for the Company and shall fully disclose relevant and reliable information relating to its sustainable development initiatives to improve information transparency. Relevant information relating to sustainable development which the Company shall disclose includes:
1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
  2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
  3. Goals and measures for realizing the sustainable development initiatives established by the Company, and promotional in implementation.
  4. Major stakeholders and their concerns.
  5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
  6. Other information relating to sustainable development initiatives
- Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing sustainable development reports, to disclose the status of their implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:
1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
  2. Major stakeholders and their concerns.
  3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
  4. Future improvements and goals.
- Chapter 6 Supplementary regulations
- Article 30 The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to obtain better results from the implementation of the sustainable development policy.
- Article 31 These principles were approved by the Board of Directors for implementation, and the same applies to any amendments.  
These principles were established on June 26, 2024.

## Attachment 4

### INDEPENDENT AUDITORS' REPORT

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

#### ***Introduction***

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

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

#### ***Basis for opinion***

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

#### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters

were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

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

#### Explanation of Items

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

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

#### How our audit addressed the matter

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

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

5.Ensure that the value of the stock right evaluation report's fair value corresponds to the carrying amount.

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

#### Description

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

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

#### How our audit addressed the matter

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

- 1.Understand and test the effectiveness of internal controls related to information system development revenue.
- 2.Obtain project contracts and revenue reports, sample and review supporting documents for hours worked and project cost budgets, confirm the alignment with the contract schedule and the accuracy of the hours worked ratio to verify the reasonableness of the percentage-of-completion calculation.
3. Recalculate the accuracy of the information used by management to calculate information system development revenue, verify the contract price and payment terms, and re-calculate the recognized revenue based on completion percentage, ensuring consistency with the recorded revenue.

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

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



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

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

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

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

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

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

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

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

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lai, Chung-Hsi      Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2025

Kwong Fong Industries Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

|                          |  |            | December 31, 2024 |           | December 31, 2023 |           |
|--------------------------|--|------------|-------------------|-----------|-------------------|-----------|
|                          |  |            | Amount            | %         | Amount            | %         |
| ASSETS                   | Notes  |            |                   |           |                   |           |
| <b>CURRENT ASSETS</b>    |  |            |                   |           |                   |           |
| 1100                     | Cash and cash equivalents  | 6(1)       | \$ 145,856        | 3         | \$ 226,370        | 5         |
| 1110                     | Financial assets at fair value through profit or loss - current    | 6(2) and 8 | 106,217           | 2         | 81,165            | 2         |
| 1136                     | Financial assets at amortized cost - current                       | 6(4) and 8 | 35,884            | 1         | 22,766            | -         |
| 1140                     | Contract assets- current   | 6(20)      | 16,380            | -         | 10,384            | -         |
| 1170                     | Accounts receivable, net   | 6(5)       | 23,300            | -         | 28,053            | 1         |
| 1200                     | Other receivables  |            | 9,060             | 1         | 58,934            | 1         |
| 1220                     | Income tax assets  |            | 6,967             | -         | 4,190             | -         |
| 130X                     | Inventories  | 6(6) and 8 | 629,621           | 11        | 629,621           | 14        |
| 1410                     | Prepayments  |            | 11,086            | -         | 8,320             | -         |
| 1470                     | Other current assets   |            | 99                | -         | 33                | -         |
|                          | <b>Total current assets</b>  |            | <u>984,470</u>    | <u>17</u> | <u>1,069,836</u>  | <u>23</u> |
| <b>NONCURRENT ASSETS</b> |  |            |                   |           |                   |           |
| 1510                     | Financial assets at fair value through profit or loss - noncurrent | 6(2)       | 252,153           | 5         |                   |           |
| 1517                     | Financial assets at fair value through other comprehensive         | 6(3) and 8 | 4,305,665         | 75        | 3,205,820         | 70        |

Kwong Fong Industries Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

|      |                                |             |              |     |              |
|------|--------------------------------|-------------|--------------|-----|--------------|
|      | income-noncurrent              |             |              |     |              |
|      | Financial assets at amortized  | 6(4)        |              |     |              |
| 1535 | cost - noncurrent              |             | 5,000        | -   | 5,000        |
|      | Property, plant and equipment  | 6(7) and 8  |              |     |              |
| 1600 |                                |             | 14,889       | -   | 16,180       |
|      | Right-of-use assets            | 6(8)        |              |     |              |
| 1755 |                                |             | 14,111       | -   | 25,960       |
|      | Intangible assets              | 6(9)        |              |     | 1            |
| 1780 |                                |             | 63,208       | 1   | 67,614       |
|      | Deferred income tax assets     |             |              |     | 1            |
| 1840 |                                |             | 81,347       | 2   | 120,147      |
|      | Other noncurrent assets        | 6(10) and 8 |              |     | 3            |
| 1900 |                                |             | 13,858       | 2   | 82,885       |
|      | <b>Total noncurrent assets</b> |             |              |     | <b>2</b>     |
| 15XX |                                |             | 4,750,231    | 83  | 3,523,606    |
|      | <b>Total assets</b>            |             |              |     | <b>77</b>    |
| 1XXX |                                |             | \$ 5,734,701 | 100 | \$ 4,593,442 |
|      |                                |             |              |     | <b>100</b>   |

Kwong Fong Industries Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

|                               |  |             | December 31, 2024 |   | December 31, 2023 |   |
|-------------------------------|--|-------------|-------------------|---|-------------------|---|
| LIABILITIES AND EQUITY        |  | Notes       | Amount            | % | Amount            | % |
| <b>Current Liabilities</b>    |  |             |                   |   |                   |   |
| 2100                          | Short-term loans   | 6(11) and 8 | \$ 115,000        | 2 | \$ 40,000         | 1 |
| 2110                          | Short-term bills payable   | 6(12) and 8 | 199,792           | 4 | 19,985            | - |
| 2120                          | Financial liabilities measured at fair value through profit or loss- current | 6(13)       | -                 | - | 56,783            | 1 |
| 2130                          | Current contract liabilities   | 6(20) and 7 | 46,694            | 1 | 43,341            | 1 |
| 2150                          | Notes payable  |             | 29                | - | -                 | - |
| 2170                          | Accounts payable   |             | 6,757             | - | 6,201             | - |
| 2219                          | Other payables   |             | 51,177            | 1 | 120,423           | 3 |
| 2230                          | Income tax payable   |             | 4,804             | - | 4,598             | - |
| 2280                          | Lease liabilities-Current  |             | 13,873            | - | 14,492            | - |
| 2399                          | Other current liabilities  |             | 2,186             | - | 1,735             | - |
| 21XX                          | <b>Total current liabilities</b>   |             | 440,312           | 8 | 307,558           | 6 |
| <b>Noncurrent liabilities</b> |  |             |                   |   |                   |   |

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

Kwong Fong Industries Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

|                               |                                     |             |           |    |           |    |
|-------------------------------|-------------------------------------|-------------|-----------|----|-----------|----|
|                               | Long-term loans                     | 6(14) and 8 |           |    |           |    |
| 2540                          |                                     |             | 655,078   | 11 | 585,223   | 13 |
|                               | Deferred income tax liabilities     |             |           |    |           |    |
| 2570                          |                                     |             | 279,449   | 5  | 124,484   | 3  |
|                               | Non-current lease liabilities       |             |           |    |           |    |
| 2580                          |                                     |             | 721       | -  | 12,250    | -  |
|                               | Other noncurrent liabilities        |             |           |    |           |    |
| 2600                          |                                     |             | 573       | -  | 573       | -  |
|                               | <b>Total noncurrent liabilities</b> |             |           |    |           |    |
| 25XX                          |                                     |             | 935,821   | 16 | 722,530   | 16 |
|                               | <b>Total liabilities</b>            |             |           |    |           |    |
| 2XXX                          |                                     |             | 1,376,133 | 24 | 1,030,088 | 22 |
| <b>EQUITY</b>                 |                                     |             |           |    |           |    |
| <b>EQUITY ATTRIBUTABLE TO</b> |                                     |             |           |    |           |    |
| <b>SHAREHOLDERS OF THE</b>    |                                     |             |           |    |           |    |
| <b>PARENT</b>                 |                                     |             |           |    |           |    |
|                               |                                     | 6(16)       |           |    |           |    |
|                               | Capital                             |             |           |    |           |    |
|                               | Capital stock                       |             |           |    |           |    |
| 3110                          |                                     |             | 1,853,422 | 32 | 1,853,422 | 40 |
|                               | Capital surplus                     | 6(17)       |           |    |           |    |
|                               | Capital surplus                     |             |           |    |           |    |
| 3200                          |                                     |             | 50,069    | 1  | 50,079    | 1  |
|                               | Retained earnings                   | 6(18)       |           |    |           |    |
|                               | Appropriated as legal capital       |             |           |    |           |    |
| 3310                          | reserve                             |             | 425,230   | 8  | 415,698   | 9  |
|                               | Appropriated as special             |             |           |    |           |    |
| 3320                          | capital reserve                     |             | 76,252    | 1  | 76,252    | 1  |

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

Kwong Fong Industries Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

|      |                                     |                     |            |                     |            |
|------|-------------------------------------|---------------------|------------|---------------------|------------|
|      | Unappropriated earnings             |                     |            |                     |            |
| 3350 |                                     | 983,139             | 17         | 933,428             | 20         |
|      | Other equity interest               | 6(19)               |            |                     |            |
|      | Other equity interest               |                     |            |                     |            |
| 3400 |                                     | <u>893,038</u>      | <u>16</u>  | <u>165,475</u>      | <u>4</u>   |
|      | <b>Equity attributable to</b>       |                     |            |                     |            |
| 31XX | <b>shareholders of the parent</b>   | 4,281,150           | 75         | 3,494,354           | 76         |
|      | <b>NON-CONTROLLING</b>              |                     |            |                     |            |
| 36XX | <b>INTERESTS</b>                    | <u>77,418</u>       | <u>1</u>   | <u>69,000</u>       | <u>2</u>   |
|      | <b>Total equity</b>                 |                     |            |                     |            |
| 3XXX |                                     | <u>4,358,568</u>    | <u>76</u>  | <u>3,563,354</u>    | <u>78</u>  |
|      | Significant Contingent Liabilities  | 9                   |            |                     |            |
|      | And Unrecognized Contract           |                     |            |                     |            |
|      | Commitments                         |                     |            |                     |            |
|      | Significant Events After The        | 11                  |            |                     |            |
|      | Balance Sheet Date                  |                     |            |                     |            |
|      | <b>Total liabilities and equity</b> |                     |            |                     |            |
| 3X2X |                                     | <u>\$ 5,734,701</u> | <u>100</u> | <u>\$ 4,593,442</u> | <u>100</u> |

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



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

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

|   |             | 2024       |       | 2023       |       |
|---|-------------|------------|-------|------------|-------|
|   |             | Amount     | %     | Amount     | %     |
| Items                                   | Notes       |            |       |            |       |
| Net revenue                             | 6(20) and 7 |            |       |            |       |
| 4000                                    |             | \$ 333,508 | 100   | \$ 295,859 | 100   |
| Cost of revenue                         | 6(25) (26)  |            |       |            |       |
| 5000                                    |             | ( 211,743) | ( 64) | ( 188,215) | ( 64) |
| Gross profit                            |             |            |       |            |       |
| 5900                                    |             | 121,765    | 36    | 107,644    | 36    |
| Operating expenses                      | 6(25)(26)   |            |       |            |       |
| Selling expenses                        |             |            |       |            |       |
| 6100                                    |             | ( 1,394)   | ( -)  | ( 2,197)   | ( 1)  |
| General and administrative              |             |            |       |            |       |
| 6200                                    |             | ( 117,120) | ( 35) | ( 116,605) | ( 39) |
| Expected credit loss (gain)             | 12(2)       |            |       |            |       |
| 6450                                    |             | 623        | -     | ( 847)     | -     |
| Total operating expenses                |             |            |       |            |       |
| 6000                                    |             | ( 117,891) | ( 35) | ( 119,649) | ( 40) |
| Income(Loss) from operations            |             |            |       |            |       |
| 6900                                    |             | 3,874      | 1     | ( 12,005)  | ( 4)  |
| Non-operating income and expenses       |             |            |       |            |       |
| Interest income                         | 6(21)       |            |       |            |       |
| 7100                                    |             | 27,832     | 8     | 6,946      | 2     |
| Other income                            | 6(22)       |            |       |            |       |
| 7010                                    |             | 145,600    | 44    | 162,826    | 55    |
| Other gains and losses, net             | 6(23)       |            |       |            |       |
| 7020                                    |             | 60,042     | 18    | ( 1,298)   | ( -)  |
| Finance costs                           | 6(24)       |            |       |            |       |
| 7050                                    |             | ( 13,609)  | ( 4)  | ( 7,827)   | ( 3)  |
| Total non-operating income and expenses |             |            |       |            |       |
| 7000                                    |             | 219,864    | 66    | 160,647    | 54    |
| <b>Profit before income tax</b>         |             |            |       |            |       |
| 7900                                    |             | 223,739    | 67    | 148,642    | 50    |
| Income tax expense                      | 6(27)       |            |       |            |       |
| 7950                                    |             | ( 54,907)  | ( 17) | ( 38,642)  | ( 13) |

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

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

|                            |    |                |           |    |                          |
|----------------------------|----|----------------|-----------|----|--------------------------|
| <b>Profit for the year</b> |    |                |           |    |                          |
| 8200                       | \$ | <u>168,832</u> | <u>50</u> | \$ | <u>110,000</u> <u>37</u> |

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

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

|   |          | 2024       |       | 2023       |       |
|---|----------|------------|-------|------------|-------|
|   | 附註 Notes | 金額 Amount  | %     | 金額 Amount  | %     |
| Items   |          |            |       |            |       |
| <b>Other comprehensive income (loss)</b>  |          |            |       |            |       |
| <b>Items that will not be reclassified subsequently to profit or loss:</b>  |          |            |       |            |       |
| 8316 Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income | 6(3)(19) | \$ 763,368 | 229   | \$ 126,004 | ( 42) |
| 8349 Income tax benefit (expense) related to items that will not be reclassified subsequently                     | 6(27)    | ( 153,630) | ( 46) | ( 11,678)  | ( 4)  |
| 8310 Components of other comprehensive income that will not be reclassified to profit or loss                     |          | 609,738    | 183   | ( 137,682) | ( 46) |
| <b>Items that may be reclassified subsequently to profit or loss:</b>   |          |            |       |            |       |
| 8361 Exchange differences arising on translation of foreign operations  | 6(19)    | 114,658    | 35    | 7,077      | 2     |
| 8367 Unrealized gain/(loss) on investments in debt instruments at fair value through other comprehensive income   | 6(3)(19) | 10,425     | 3     | 5,545      | 2     |
| 8399 Income tax related to items that may be reclassified subsequently to profit or loss                          | 6(27)    | ( 2,274)   | ( 1)  |            |       |
| 8360 Items that may be reclassified subsequently to profit or loss:   |          | 122,809    | 37    | 12,622     | 4     |

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

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

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

|      |   |                   |            |                   |              |
|------|---|-------------------|------------|-------------------|--------------|
| 8300 | <b>Other comprehensive income (loss), net of income tax</b> | <u>\$ 732,547</u> | <u>220</u> | <u>\$ 125,060</u> | <u>( 42)</u> |
| 8500 | <b>Total comprehensive income for the year</b>              | <u>\$ 901,379</u> | <u>270</u> | <u>\$ 15,060</u>  | <u>( 5)</u>  |
|      | Profit attributable to:                                     |                   |            |                   |              |
|      | Shareholders of the parent                                  |                   |            |                   |              |
| 8610 |   | \$ 146,930        | 43         | \$ 95,103         | 32           |
|      | Non-controlling interests                                   |                   |            |                   |              |
| 8620 |   | <u>21,902</u>     | <u>5</u>   | <u>14,897</u>     | <u>5</u>     |
|      | TOTAL   | <u>\$ 168,832</u> | <u>50</u>  | <u>\$ 110,000</u> | <u>37</u>    |
|      | Comprehensive income attributable to:                       |                   |            |                   |              |
|      | Shareholders of the parent                                  |                   |            |                   |              |
| 8710 |   | \$ 879,477        | 263        | \$ 29,957         | ( 10)        |
|      | Non-controlling interest                                    |                   |            |                   |              |
| 8720 |   | <u>21,902</u>     | <u>7</u>   | <u>14,897</u>     | <u>5</u>     |
|      | Total   | <u>\$ 901,379</u> | <u>270</u> | <u>\$ 15,060</u>  | <u>( 5)</u>  |
|      | Earnings per share  |                   |            |                   |              |
|      | Basic earnings per share 6(28)                              |                   |            |                   |              |
| 9750 |   | <u>\$ 0.79</u>    |            | <u>\$ 0.51</u>    |              |
|      | Diluted earnings per share                                  |                   |            |                   |              |
| 9850 |   | <u>\$ 0.79</u>    |            | <u>\$ 0.51</u>    |              |

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

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

(In Thousands of New Taiwan Dollars)

| Notes   | Equity Attributable to Shareholders of the Parent |                 |                       |                         |                         |  |   |              |                           |              |
|---|---|-----------------|-----------------------|-------------------------|-------------------------|--|---|--------------|---------------------------|--------------|
|   | Retained Earnings                                 |                 |                       |                         |                         | Others   | Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | Total        | Non-controlling Interests | Total Equity |
|   | Capital Stock - Common Stock                      | Capital Surplus | Legal Capital Reserve | Special Capital Reserve | Unappropriated Earnings | Financial statements translation differences of foreign operations |   |              |                           |              |
| <u>Year 2023</u>  |   |                 |                       |                         |                         |  |   |              |                           |              |
| Balance at January 1, 2023  | \$ 1,853,422                                      | \$ 43,767       | \$ 406,305            | \$ 76,450               | \$ 940,173              | \$ 132,396   | \$ 158,157  | \$ 3,610,670 | \$ 66,419                 | \$ 3,677,089 |
| Profit for the year   | -   | -               | -                     | -                       | 95,103                  | -  | -   | 95,103       | 14,897                    | 110,000      |
| Other comprehensive income (loss) for the year                                  | -   | -               | -                     | -                       | -                       | 7,077  | ( 132,137 )   | ( 125,060 )  | -                         | ( 125,060 )  |
| Total comprehensive income (loss)   | -   | -               | -                     | -                       | 95,103                  | 7,077  | ( 132,137 )   | ( 29,957 )   | 14,897                    | ( 15,060 )   |
| Appropriation of 2022 earnings  |   |                 |                       |                         |                         |  |   |              |                           |              |
| Legal reserve   | -   | -               | 9,393                 | -                       | ( 9,393 )               | -  | -   | -            | -                         | -            |
| Cash dividends to shareholders  | -   | -               | -                     | -                       | ( 92,671 )              | -  | -   | ( 92,671 )   | -                         | ( 92,671 )   |
| Reversal of special reserve   | -   | -               | -                     | ( 198 )                 | 198                     | -  | -   | -            | -                         | -            |
| Disposal of equity instruments at fair value through other comprehensive income | -   | -               | -                     | -                       | 18                      | -  | ( 18 )  | -            | -                         | -            |
| Dividends unclaimed by shareholders with claim period elapsed                   | -   | 6,312           | -                     | -                       | -                       | -  | -   | 6,312        | -                         | 6,312        |

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

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

(In Thousands of New Taiwan Dollars)

| Notes  | Equity Attributable to Shareholders of the Parent |                    |                          |                           |                             |   | Unrealized Gain<br>(Loss) on<br>Financial Assets<br>at Fair Value<br>Through Other<br>Comprehensive<br>Income | Total               | Non-<br>controlling<br>Interests | Total Equity        |
|--|---|--------------------|--------------------------|---------------------------|-----------------------------|---|---|---------------------|----------------------------------|---------------------|
|  | Capital Stock -<br>Common<br>Stock                | Capital<br>Surplus | Legal Capital<br>Reserve | Special Capita<br>Reserve | Unappropriate<br>d Earnings | Others<br><br>Financial<br>statements<br>translation<br>differences of<br>foreign<br>operations |   |                     |                                  |                     |
| Changes in non-controlling<br>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> |
| <u>Year 2024</u>   |   |                    |                          |                           |                             |   |   |                     |                                  |                     |
| Balance at January 1, 2024   | <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> |
| Profit for the year  | -   | -                  | -                        | -                         | 146,930                     | -   | -   | 146,930             | 21,902                           | 168,832             |
| Other comprehensive income (loss) 6(19)<br>for the year                                    | -   | -                  | -                        | -                         | -                           | 114,658   | 617,889   | 732,547             | -                                | 732,547             |
| Total comprehensive income (loss)  | -   | -                  | -                        | -                         | 146,930                     | 114,658   | 617,889   | 879,477             | 21,902                           | 901,379             |
| Appropriation of 2023 earnings   |   |                    |                          |                           |                             |   |   |                     |                                  |                     |
| Legal reserve 6(18)  | -   | -                  | 9,532                    | -                         | ( 9,532 )                   | -   | -   | -                   | -                                | -                   |
| Cash dividends to shareholders 6(18)   | -   | -                  | -                        | -                         | ( 92,671 )                  | -   | -   | ( 92,671 )          | -                                | ( 92,671 )          |
| Disposal of equity instruments at fair 6(3)<br>value through other comprehensive<br>income | -   | -                  | -                        | -                         | 4,984                       | -   | ( 4,984 )   | -                   | -                                | -                   |
| Expired unclaimed dividends 6(17)  | -   | ( 10 )             | -                        | -                         | -                           | -   | -   | (10)                | -                                | (10)                |

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

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

(In Thousands of New Taiwan Dollars)

|   | Equity Attributable to Shareholders of the Parent |                    |                          |                           |                             |   |   |                     |                                  |                     |
|---|---|--------------------|--------------------------|---------------------------|-----------------------------|---|---|---------------------|----------------------------------|---------------------|
|   | Retained Earnings                                 |                    |                          |                           |                             | Others  | Unrealized Gain<br>(Loss) on<br>Financial Assets<br>at Fair Value<br>Through Other<br>Comprehensive<br>Income | Total               | Non-<br>controlling<br>Interests | Total Equity        |
| Notes                                   | Capital Stock -<br>Common<br>Stock                | Capital<br>Surplus | Legal Capital<br>Reserve | Special Capita<br>Reserve | Unappropriate<br>d Earnings | Financial<br>statements<br>translation<br>differences of<br>foreign<br>operations |   |                     |                                  |                     |
| transferred to capital surplus          | -   | -                  | -                        | -                         | -                           | -   | -   | -                   | ( 13,482 )                       | ( 13,482 )          |
| Changes in non-controlling<br>interests | -   | -                  | -                        | -                         | -                           | -   | -   | -                   | -                                | -                   |
| Balance at December 31, 2024            | <u>\$ 1,853,422</u>                               | <u>\$ 50,069</u>   | <u>\$ 425,230</u>        | <u>\$ 76,252</u>          | <u>\$ 983,139</u>           | <u>\$ 254,131</u>   | <u>\$ 638,907</u>   | <u>\$ 4,281,150</u> | <u>\$ 77,418</u>                 | <u>\$ 4,358,568</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, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

|  | <u>Notes</u> | <u>2024</u> | <u>2023</u> |
|--|--------------|-------------|-------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u>  |              |             |             |
| Profit before tax  |              | 223,739     | 148,642     |
| Adjustments for:   |              |             |             |
| Adjustments to reconcile profit (loss)   |              |             |             |
| Depreciation expense   |              | 17,367      | 16,586      |
| Amortization expense   | 6(25)        | 11,126      | 13,897      |
| Expected credit losses recognized (reversal) on investments in debt instruments            | 12(2)        | ( 623 )     | 847         |
| Interest income  | 6(21)        | ( 27,832 )  | ( 6,946 )   |
| Dividend income  | 6(22)        | ( 145,214 ) | ( 139,882 ) |
| Loss (gain) on disposal of property, plant and equipment, net                              | 6(23)        | ( 3,044 )   |             |
| Gains on disposal of financial assets and liabilities at fair value through profit or loss | 6(23)        | ( 14,233 )  | ( 5,786 )   |
| Reversal of benefits of financial asset  | 6(23)        | ( 5 )       | ( 25 )      |
| Interest expense   | 6(24)        | 13,609      | 7,827       |
| Changes in assets/liabilities relating to operating activities                             |              |             |             |
| Changes in operating assets  |              |             |             |
| Contract assets  |              | ( 5,373 )   | 1,233       |
| Accounts receivable  |              | 4,753       | ( 7,263 )   |
| Other receivables  |              | 2,660       | ( 4,817 )   |



Kwong Fong Industries Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

|  |              | <u>(In Thousands of New Taiwan Dollars)</u> |                |
|--|--------------|---|----------------|
|  | <u>Notes</u> | <u>2024</u>                                 | <u>2023</u>    |
| Inventories                                |              | -   | 17,785         |
| Prepayments                                |              | ( 2,832 )                                   | ( 4,332 )      |
| Changes in operating liabilities           |              |   |                |
| Contract liabilities                       |              | 3,353                                       | 21,198         |
| Notes payable                              |              | 29  | ( 24 )         |
| Accounts payable                           |              | 556   | ( 1,542 )      |
| Other payables                             |              | ( 71,215 )                                  | 76,940         |
| Other payables to related parties          |              |   | ( 45 )         |
| Other current liabilities                  |              | 451   | ( 1,148 )      |
| Provision                                  |              |   | ( 114 )        |
| Cash (out)inflow generated from operations |              | <u>10,316</u>                               | <u>129,987</u> |
| Interest received                          |              | 20,386                                      | 4,852          |
| Cash dividend received                     |              | 145,214                                     | 139,882        |
| Interest paid                              |              | ( 11,640 )                                  | ( 3,164 )      |
| Income tax paid                            |              | ( 16,400 )                                  | ( 16,700 )     |
| Net cash generated by operating activities |              | <u>147,876</u>                              | <u>254,857</u> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|  |   |           |   |           |
|--|---|-----------|---|-----------|
| Acquisition of financial assets at amortised cost                                | ( | 24,384 )  | ( | 12,766 )  |
| Disposal of financial assets at amortised cost                                   |   | 11,266    |   | 4,000     |
| Acquisition of financial instruments at fair value through profit or loss        | ( | 402,773 ) | ( | 63,764 )  |
| Disposal of financial instruments at fair value through profit or loss           |   | 120,131   |   | 5,716     |
| Financial assets at fair value through profit or loss(day trading)               |   | 10,053    |   | 4,532     |
| Financial assets at fair value through profit or loss(futures).                  |   | 19,526    | ( | 10,538 )  |
| Capital surplus/Refund of revenue equalization reserve.                          |   | 23        |   | -         |
| Acquisition of financial assets at fair value through other comprehensive income | ( | 347,342)  | ( | 275,469 ) |
| Disposal of financial assets at fair value through other comprehensive income    |   | 27,237    |   | 630       |
| Acquisition of property, plant and equipment                                     | ( | 977 )     | ( | 1,096 )   |
| Disposal of property, plant and equipment  |   | -         |   | 74,848    |
| Acquisition of intangible assets   | ( | 6,720 )   | ( | 7,100 )   |
| Increase in other financial assets - current                                     |   | -         | ( | 28        |
| Increase in refundable deposits paid   | ( | 29,952)   | ( | 59,388 )  |
| Decrease in refundable deposits paid   |   | 98,979    |   | 39,677    |
| Refund of invested capital upon liquidation.                                     |   | 1,026     |   | 54,982    |
| Net cash generated by (used in) investing activities                             | ( | 523,907 ) | ( | 245,764 ) |

**CASH FLOWS FROM FINANCING ACTIVITIES**

|  |   |             |   |          |
|--|---|-------------|---|----------|
| Net change in financial liabilities measured at fair value through profit or loss (short selling). | ( | 12,591 )    | ( | 840 )    |
| Increase in short-term loans   |   | 1,410,750   |   | 60,000   |
| Decrease in short-term loans   | ( | 1,335,750 ) | ( | 20,000 ) |
| Increase in short-term bills payable   |   | 2,147,049   |   | 29,964   |
| Decrease in short-term bills payable   | ( | 1,967,242 ) | ( | 9,979 )  |
| Proceeds from long-term bank loans   |   | 75,716      |   | 20,080   |
| Repayment of long-term bank loans  | ( | 5,861 )     | ( | 13,766 ) |
| Cash dividends 6(18)   | ( | 92,671 )    | ( | 92,671 ) |
| Repayment of the principal portion of lease liabilities 6(30)                                      | ( | 15,398 )    | ( | 14,295 ) |
| Expired unclaimed dividends transferred to capital surplus 6(18)                                   | ( | 10 )        |   | 6,312    |
| Change in non-controlling interest-Cash dividends  | ( | 13,849 )    | ( | 2,995 )  |
| ubsidiary cash reduction   |   | -           |   | -        |
| Net cash generated by (used in) financing activities   |   | 190,143     | ( | 38,190 ) |

|   |                   |                   |
|---|-------------------|-------------------|
| Effect of exchange rate changes                     | <u>105,374</u>    | ( <u>55,677</u> ) |
| Net increase(decrease) in cash and cash equivalents | ( 80,514 )        | ( 84,774 )        |
| Cash and cash equivalents at beginning of year      | <u>226,370</u>    | <u>311,144</u>    |
| Cash and cash equivalents at end of year            | <u>\$ 145,856</u> | <u>\$ 226,370</u> |

## INDEPENDENT AUDITORS' REPORT

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

### ***Introduction***

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

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

### ***Basis for opinion***

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

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company's only financial statements for the year ended December 31, 2024. These matters were addressed in the context of

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

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

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

Description

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

How our audit addressed the matter

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

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

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

### Description

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

### How our audit addressed the matter

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

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

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

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

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

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

### ***Auditors' responsibilities for the audit of the financial statements***

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

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

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the audit evidence obtained, reach a conclusion on the appropriateness of the management's use of the going concern assumption and whether there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that such events or conditions exist, the auditor is required to draw attention to the related disclosures in the financial statements in the audit report or, when such disclosures are inadequate, to modify the audit opinion. The auditor's conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause Guang Feng Industrial Co., Ltd. to lack the ability to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of the components of Kwong Fong Industries Corporation to express an opinion on the individual financial statements. The auditor is responsible for the direction, supervision, and performance of the individual audit engagement, as well as for forming an audit opinion on the individual financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial



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

Lai, Chung-Hsi      Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2025

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

(In Thousands of New Taiwan Dollars)

| ASSETS            |  | Notes      | December 31, 2024 |           | December 31, 2023 |    |           |     |
|-------------------|--|------------|-------------------|-----------|-------------------|----|-----------|-----|
|                   |  |            | Amount            | %         | Amount            | %  |           |     |
| CURRENT ASSETS    |  |            |                   |           |                   |    |           |     |
| 1100              | Cash and cash equivalents  | 6(1)       | \$                | 9,306     | -                 | \$ | 107,222   | 3   |
| 1110              | Financial assets at fair value through profit or loss - current              | 6(2)and8   |                   | 97,448    | 2                 |    | 73,444    | 2   |
| 1200              | Other receivables  |            |                   | 8,065     | 1                 |    | 57,252    | 1   |
| 1220              | Income tax assets  |            |                   | 6,947     | -                 |    | 4,190     | -   |
| 1410              | Prepayments  |            |                   | 1,894     | -                 |    | 1,864     | -   |
| 1470              | Other current assets   |            |                   | 58        |                   |    | -         |     |
| 11XX              | Total current assets   |            |                   | 123,718   | 2                 |    | 243,972   | 6   |
| NONCURRENT ASSETS |  |            |                   |           |                   |    |           |     |
| 1510              | Financial assets at fair value through profit or loss - noncurrent           | 6(2)       |                   | 252,153   | 5                 |    | -         |     |
| 1517              | Financial assets at fair value through other comprehensive income-noncurrent | 6(3) and 8 |                   | 1,802,307 | 35                |    | 1,287,319 | 32  |
| 1550              | Investments accounted for using equity method                                | 6(4)       |                   | 2,993,986 | 58                |    | 2,426,674 | 60  |
| 1600              | Property, plant and equipment  | 6(5)       |                   | 1,244     | -                 |    | 2,488     | -   |
| 1755              | Right-of-use assets  | 6(6)       |                   | 5,934     | -                 |    | 11,868    | -   |
| 1840              | Deferred income tax assets   | 6(25)      |                   | 3,211     | -                 |    | 5,549     | -   |
| 1920              | Refundable deposits  | 6(7)       |                   | 2,074     | 2                 |    | 58,742    | 2   |
| 15XX              | Total noncurrent assets  |            |                   | 5,060,909 | 98                |    | 3,792,640 | 94  |
| 1XXX              | Total assets   |            | \$                | 5,184,627 | 100               | \$ | 4,036,612 | 100 |

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

(In Thousands of New Taiwan Dollars)

| LIABILITIES AND EQUITY        |  |             | December 31, 2024 |           | December 31, 2023 |           |
|-------------------------------|--|-------------|-------------------|-----------|-------------------|-----------|
|                               |  |             | Amount            | %         | Amount            | %         |
| Notes                         |  |             |                   |           |                   |           |
| <b>Current Liabilities</b>    |  |             |                   |           |                   |           |
| 2100                          | Short-term loans   | 6(8)        | \$ 115,000        | 2         | 40,000            | 1         |
| 2110                          | Short-term bills payable   | 6(9)and8    | 199,792           | 4         | 19,985            | 1         |
| 2120                          | Financial liabilities measured at fair value through profit or loss- current | 6(10)       | -                 | -         | 56,783            | 1         |
| 2130                          | Current contract liabilities   | 6(17) and 7 | 57                | -         | \$ 57             | -         |
| 2150                          | Notes payable  |             | 29                | -         | -                 | -         |
| 2200                          | Other payables   | 7           | 11,549            | -         | 76,529            | 2         |
| 2280                          | Lease liabilities-Current  |             | 6,173             | -         | 6,093             | -         |
| 2300                          | Other current liabilities  |             | 143               | -         | 187               | -         |
| 21XX                          | <b>Total current liabilities</b>   |             | <u>332,743</u>    | <u>6</u>  | <u>199,634</u>    | <u>5</u>  |
| <b>Noncurrent liabilities</b> |  |             |                   |           |                   |           |
| 2540                          | Long-term bank loans   | 6(11)and8   | 371,410           | 7         | 295,695           | 7         |
| 2570                          | Deferred income tax liabilities  | 6(24)       | 198,818           | 4         | 40,250            | 1         |
| 2580                          | Non-current lease liabilities  |             | 6                 | -         | 6,179             | -         |
| 2645                          | Guarantee deposits   |             | 500               | -         | 500               | -         |
| 25XX                          | <b>Total noncurrent liabilities</b>  |             | <u>570,734</u>    | <u>11</u> | <u>342,624</u>    | <u>8</u>  |
| 2XXX                          | <b>Total liabilities</b>   |             | <u>903,477</u>    | <u>17</u> | <u>542,258</u>    | <u>13</u> |
| <b>EQUITY</b>                 |  |             |                   |           |                   |           |
|                               | Capital  | 6(13)       |                   |           |                   |           |
| 3110                          | Capital stock  |             | 1,853,422         | 36        | 1,853,422         | 46        |
|                               | Capital surplus  | 6(14)       |                   |           |                   |           |
| 3200                          | Capital surplus  |             | 50,069            | 1         | 50,079            | 2         |
|                               | Retained earnings  | 6(15)       |                   |           |                   |           |
| 3310                          | Appropriated as legal capital reserve  |             | 425,230           | 8         | 415,698           | 10        |
| 3320                          | Appropriated as special capital reserve                                      |             | 76,252            | 2         | 76,252            | 2         |
| 3350                          | Unappropriated earnings  |             | 983,139           | 19        | 933,428           | 23        |
|                               | Other equity interest  | 6(16)       |                   |           |                   |           |
| 3400                          | Other equity interest  |             | 893,038           | 17        | 165,475           | 4         |
| 3XXX                          | <b>Total equity</b>  |             | <u>4,281,150</u>  | <u>83</u> | <u>3,494,354</u>  | <u>87</u> |

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

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

(In Thousands of New Taiwan Dollars)

|                                      |                              |    |                  |            |                                |
|--------------------------------------|------------------------------|----|------------------|------------|--------------------------------|
| Significant Contingent Liabilities 9 |                              |    |                  |            |                                |
| And Unrecognized Contract            |                              |    |                  |            |                                |
| Commitments                          |                              |    |                  |            |                                |
| Significant Events After The 11      |                              |    |                  |            |                                |
| Balance Sheet Date                   |                              |    |                  |            |                                |
| 3X2X                                 | Total liabilities and equity | \$ | <u>5,184,627</u> | <u>100</u> | \$ <u>4,036,612</u> <u>100</u> |

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

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

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

|   |             | 2024       |         | 2023       |          |
|---|-------------|------------|---------|------------|----------|
| Items   | Notes       | Amount     | %       | Amount     | %        |
| 4000 Net revenue  | 6(17) and 7 | \$ 457     | 100     | \$ 458     | 100      |
| Operating expenses  | 6(22)(23)   |            |         |            |          |
| 6100 Selling expenses   |             | ( 49)      | ( 11)   | -          | -        |
| 6200 General and administrative   |             | ( 42,281)  | ( 9252) | ( 43,324)  | ( 9459)  |
| 6000 Total operating expenses   |             | ( 42,330)  | ( 9263) | ( 43,324)  | ( 9459)  |
| 6900 Loss from operations   |             | ( 41,873)  | ( 9163) | ( 43,866)  | ( 9359)  |
| Non-operating income and expenses   |             |            |         |            |          |
| 7100 Interest income  | 6(18) and 7 | 22,978     | 5028    | 4,957      | 1082     |
| 7010 Other income   | 6(19)       | 82,218     | 17991   | 103,150    | 22522    |
| 7020 Other gains and losses, net  | 6(20)       | 24,814     | 5430    | ( 3,327)   | ( 726)   |
| 7050 Finance costs  | 6(21)       | ( 9,524)   | ( 2084) | ( 4,880)   | ( 1066)  |
| 7070 Share of profits of subsidiaries and associates  | 6(4)        | 76,132     | 16659   | 32,631     | 7125     |
| 7000 Total non-operating income and expenses  |             | 196,618    | 43024   | 132,531    | 28937    |
| 7900 <b>Profit before income tax</b>  |             | 154,745    | 33861   | 89,665     | 19578    |
| 7950 Income tax expense   | 6(24)       | ( 7,815)   | ( 1710) | 5,438      | 1187     |
| 8200 <b>Profit for the year</b>   |             | \$ 146,930 | 32151   | \$ 95,103  | 20765    |
| <b>Other comprehensive income (loss)</b>  |             |            |         |            |          |
| <b>Items that will not be reclassified subsequently to profit or loss:</b>  |             |            |         |            |          |
| 8316 Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income   | 6(3)        | \$ 311,233 | 68103   | \$ 121,409 | 26508    |
| 8330 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss |             | 455,115    | 99588   | ( 250,305) | ( 54652) |

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

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

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

|      |   |            |            |              |          |
|------|---|------------|------------|--------------|----------|
| 8349 | Income tax benefit (expense) (24)<br>related to items that will not<br>be reclassified subsequently   | ( 156,610) | ( 34269)   | ( 8,786)     | ( 1918)  |
| 8310 | Components of other<br>comprehensive income that<br>will not be reclassified to<br>profit or loss   | 609,738    | 13342<br>2 | ( 137,682)   | ( 30062) |
|      | Items that may be reclassified<br>subsequently to profit or loss:   |            |            |              |          |
| 8367 | Unrealized gain/(loss) on 6(3)<br>investments in debt<br>instruments at fair value<br>through other<br>comprehensive income   | 10,301     | 2254       | 4,600        | 1004     |
| 8380 | Share of other<br>comprehensive income of<br>associates and joint ventures<br>accounted for using equity<br>method, components of<br>other comprehensive income<br>that will be reclassified to<br>profit or loss | 114,782    | 25117      | 8,022        | 1752     |
| 8399 | Income tax related to items (24)<br>that may be reclassified<br>subsequently to profit or<br>loss   | ( 2,274)   | ( 498)     |              |          |
| 8360 | Items that may be<br>reclassified subsequently<br>to profit or loss:  | 122,809    | 26873      | 12,622       | 2756     |
| 8300 | Other comprehensive income<br>(loss), net of income tax   | \$ 732,547 | 16029<br>5 | (\$ 125,060) | ( 27306) |
| 8500 | Total comprehensive income<br>for the year  | \$ 879,477 | 19244<br>6 | (\$ 29,957)  | ( 6541)  |

EARNINGS PER SHARE

|      |  |         |         |
|------|--|---------|---------|
| 9750 | Basic earnings per share (in 6(25)<br>dollars)   | \$ 0.79 | \$ 0.51 |
| 9850 | Diluted earnings per share (in 6(25)<br>dollars) | \$ 0.79 | \$ 0.51 |

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

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

(In Thousands of New Taiwan Dollars)

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

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

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

(In Thousands of New Taiwan Dollars)

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

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



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

|  |       | (In Thousands of New Taiwan Dollars) |             |
|--|-------|--------------------------------------|-------------|
|  | Notes | 2024                                 | 2023        |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u>                                      |       |                                      |             |
| Profit before tax  |       | \$ 154,745                           | \$ 89,665   |
| Adjustments for  |       |                                      |             |
| Adjustments to reconcile profit (loss)   |       |                                      |             |
| Depreciation expense   | 6(22) | 7,178                                | 7,288       |
| Net gain on financial assets at fair value through profit or loss                | 6(20) | ( 7,187 )                            | ( 960 )     |
| Loss (gain) on disposal of property, plant and equipment, net                    | 6(20) |                                      | ( 633 )     |
| Share of profits of subsidiaries and associates                                  | 6(4)  | ( 76,132 )                           | ( 32,631 )  |
| Interest income  | 6(18) | ( 22,978 )                           | ( 4,957 )   |
| Dividend income  | 6(19) | ( 81,962 )                           | ( 80,209 )  |
| Interest expense   | 6(21) | 9,524                                | 4,880       |
| Changes in assets/liabilities relating to operating activities                   |       |                                      |             |
| Changes in operating assets  |       |                                      |             |
| Other receivables  |       | 2,251                                | 29,429      |
| Prepayments  |       | ( 88 )                               | 351         |
| Changes in operating liabilities   |       |                                      |             |
| Contract liabilities   |       | -                                    | ( 70 )      |
| Notes payable  |       | 29                                   | ( 24 )      |
| Other payables   |       | ( 66,153 )                           | 59,058      |
| Provision  |       | -                                    | ( 14 )      |
| Other current liabilities  |       | ( 44 )                               | ( 170 )     |
| Cash out generated from operations   |       | ( 80,817 )                           | 70,903      |
| Interest received  |       | 15,624                               | 3,200       |
| Cash dividend received   |       | 160,679                              | 104,371     |
| Interest paid  |       | ( 8,351 )                            | ( 293 )     |
| Income tax paid  |       | ( 8,550 )                            | ( 9,417 )   |
| Net cash generated by operating activities                                       |       | 78,585                               | 168,764     |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>                                      |       |                                      |             |
| Acquisition of financial assets at fair value through other comprehensive income |       | ( 214,258 )                          | ( 242,237 ) |
| Disposal of financial assets at fair value through other comprehensive income    |       | 27,237                               | -           |
| Acquisition of financial instruments at fair value through profit or loss        |       | ( 399,748 )                          | ( 63,764 )  |
| Disposal of financial instruments at fair value through profit or loss           |       | 116,080                              | -           |
| Financial assets at fair value through profit or loss(day trading)               |       | 5,222                                | 4,532       |

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

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

|  |              | <u>(In Thousands of New Taiwan Dollars)</u> |             |
|--|--------------|---|-------------|
|  | <u>Notes</u> | <u>2024</u>                                 | <u>2023</u> |
| Financial assets at fair value through profit or loss(futures).                                    |              | 19,526                                      | ( 10,538 )  |
| Disposal of property, plant  |              | -   | 1,144       |
| Increase in refundable deposits paid   |              | ( 28,645 )                                  | ( 49,022 )  |
| Decrease in refundable deposits paid   |              | 85,313                                      | 41,061      |
| Net cash generated by (used in) investing activities   |              | ( 389,273 )                                 | ( 318,824 ) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>  |              |   |             |
| Increase in short-term loans   |              | 1,410,750                                   | 60,000      |
| Decrease in short-term loans   |              | ( 1,335,750 )                               | ( 20,000 )  |
| Increase in short-term bills payable   |              | 2,147,050                                   | 29,964      |
| 應付短期票券減少 Decrease in short-term bills payable  |              | ( 1,967,243 )                               | ( 9,979 )   |
| Proceeds from long-term bank loans   |              | 75,715                                      | 18,137      |
| Net change in financial liabilities measured at fair value through profit or loss (short selling). |              | ( 12,543 )                                  | ( 840 )     |
| Cash dividends   | 6(15)        | ( 92,671 )                                  | ( 92,671 )  |
| Decrease in guarantee deposits received  |              | -   | ( 570 )     |
| Repayment of the principal portion of lease liabilities  |              | ( 6,093 )                                   | ( 6,009 )   |
| (Expired) unclaimed dividends transferred to capital surplus                                       | 6(14)        | ( 10 )                                      | 6,312       |
| Net cash generated by (used in) financing activities   |              | 219,205                                     | ( 15,656 )  |
| Effect of exchange rate changes  |              | ( 6,433 )                                   | 12,213      |
| Net decrease in cash and cash equivalents  |              | ( 97,916 )                                  | ( 153,503 ) |
| Cash and cash equivalents at beginning of year   |              | 107,222                                     | 260,725     |
| Cash and cash equivalents at end of year   |              | \$ 9,306                                    | \$ 107,222  |

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

**Attachment 5****Kwong Fong Industries Corporation****Earnings Distribution Statement 2024**

Unit: NTD

| Item  | Amount      | Notes |
|---|-------------|-------|
| Beginning undistributed earnings  | 831,225,220 |       |
| Increase (decrease):  |             |       |
| Gain or loss on disposal of equity instruments at fair value through other comprehensive income | 4,984,091   |       |
| Net profit after tax for 2024   | 146,930,348 |       |
| Subtotal  | 983,139,659 |       |
| Provisions:   |             |       |
| Legal reserves (10%)  | 15,191,444  |       |
| Distributable earnings for the year – subtotal  | 967,948,215 |       |
| Distributions:  |             |       |
| Shareholder dividends – cash dividend (NT\$0.56 per share)                                      | 103,791,614 |       |
| Undistributed earnings at the end of the period   | 864,156,601 |       |

Chairperson: Leo Ho

Manager: Liu Chia-Cheng

Accounting Manager: Chen Su-Ching

## Attachment 6

### Comparison Amended Table of the "Articles of Incorporation"

| Article    | Before amendment   | After amendment   | Description  |
|------------|--|---|--|
| Four.      | Directors  | Board of Directors  | Amend the wording to align with current practices. |
| Article 18 | <p>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.</p> | <p>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. <u>Among the employee remuneration amount referred to, no less than 3% shall be allocated to grassroots employees.</u> 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. <u>The aforementioned two matters shall be resolved by the Board of Directors and reported to the</u></p> | Amended to align with regulatory                   |

| Article    | Before amendment  | After amendment  | Description        |
|------------|---|--|--------------------|
|            |   | <u>Shareholders' Meeting.</u>  |                    |
| Article 21 | 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. | 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; May 30, 2024 for the 44th time; <u>and May 22nd, 2025 for the 45th time.</u> | Add revision date. |

## Nine. 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

- 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 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 three 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.

The Board may establish relevant functional committees when deemed necessary.

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 The Board of Directors meeting shall be convened by the Chairperson of the Board. The reasons for convening the meeting shall be notified to each director at least seven days in advance. In emergency events, however, a meeting may



be convened at any time.

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. Manager

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 depends on the profitability of the current year, and on the principle of dividend stability. The Board of Directors proposes a

profit distribution plan in the principle that the distribution amount shall not be less than 30% of the current year's after-tax profit. However, if the distributable earnings are less than the current year's after-tax profit, the distributable earnings shall serve as the basis for calculation. Among the distributed dividends, cash dividends shall not be less than 10%.

#### 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, and May 30, 2024 for the 44th time.

## 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

#### Shareholding Status of All Directors

- 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 (March 24, 2025), the shareholders registry showed total shares held by all Directors at 11,188,316, of which have complied with Article 26 of The Securities Exchange Act. The details are as follows:

Book-close date: March 24, 2025

| Title                         | Name   | Number of shares held as indicated on the shareholders' register on the book closure date |
|-------------------------------|--|---|
| Chairperson                   | Leo Ho   | 6,872,701   |
| Director                      | Ho Ming-Hong<br>Corporate representative of<br>Luo Sheng Tai Co., Ltd.           | 3,009,180   |
| Director                      | Lee Ming-Huei<br>Corporate representative of<br>Luo Sheng Tai Co., Ltd.          | 3,009,180   |
| Director                      | Liu Shiang<br>Corporate representative of<br>Hann Fong Investments Co., Ltd.     | 1,306,435   |
| Director                      | Huang Szu-Ying<br>Corporate representative of<br>Hann Fong Investments Co., Ltd. | 1,306,435   |
| Independent director          | Ho Chin-Chih   | 0   |
| Independent director          | Kuan Chi-Jui   | 0   |
| Independent director          | Cheng Yu-Wei   | 0   |
| Total Directors' shareholding |  | 11,188,316  |