

Stock Code: 1416

KWONG FONG INDUSTRIES CORPORATION

2024 Annual Report

Notice to readers This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Date of publication: May 2, 2025

Check the websites for the annual report: <http://mops.twse.com.tw>

Company website: <https://www.kfic.com.tw>

1. Spokesperson and acting spokesperson of the Company
 - (1) Name of Spokesperson: Chen Su-Ching
Title: Manager
Tel.: (02)2704-8111
E-mail: s.j.chern@kfic.com.tw
 - (2) Name of acting spokesperson: Lin Dai-Fan
Title: Assistant Manager
Tel.: (02)2704-8111
E-mail: fannylin@kfic.com.tw
2. Headquarters location and contact
Address: 28F., No. 97, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan
Tel.: (02)2704-8111
Fax: (02)2706-1881
3. Stock transfer agency
Name: Yuanta Securities Co., Ltd.
Address: B1, No.67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City, Taiwan
Tel.: (02)2586-5859
Website: www.yuanta.com.tw
4. CPAs certifying the latest financial statements
Name of CPAs: Lai Chung-Hsi, Chih Ping-Chiun
Name of CPA firm: PricewaterhouseCoopers, Taiwan
Address: 27F, No. 333, Sec. 1, Keelung Rd., Taipei City, Taiwan
Tel.: (02)2729-6666
Website: www.pwc.tw
5. The venue's name for trading the Company's listed overseas securities and inquiry method for such overseas securities: None.
6. Company website: www.kfic.com.tw

Table of Contents

One.	Letter to Shareholders	1
Two.	Corporate Governance Report.....	5
I.	Background information on directors, the President, vice presidents, associate vice presidents and heads of various departments and branches.....	5
II.	Remuneration for directors, the President, and vice presidents in the most recent year.....	19
III.	The state of the company's implementation of corporate governance	25
IV.	Information on CPA professional fees	75
V.	Information on the replacement of CPAs	75
VI.	Circumstances in which the chairperson, president, or officers in charge of financial or accounting matters of the Company have worked in the firm of the CPA or its affiliated companies within the last year	75
VII.	Any equity transfer or change in equity pledge by a director, supervisor, manager, or shareholder with 10% stake or more during the most recent year or during the current year up to the date of publication of the annual report	76
VIII.	Information on the top ten shareholders who are a related party, a spouse, or a relative within the second degree of kinship of one another	78
IX.	The total number of shares and the consolidated equity stake percentage held in any single investee enterprise by the Company, its directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company	79
Three.	Fund Raising Status	80
I.	Capital and shares	80
II.	Corporate bonds	83
III.	Preferred shares	83
IV.	Global depository receipt (GDR)	83
V.	Employee stock options	83
VI.	New employee restricted stock	83
VII.	Issuance of new shares in connection with mergers or acquisitions	83
VIII.	Implementation of fund utilization plan.....	84
Four.	Operational Highlights	85
I.	Business activities	85
II.	Market and Sales Overview.....	91
III.	Information on employees for the last 2 years up to the date this annual report was published	95
IV.	Environmental Expenditure	96
V.	Labor Relations	96

VI.	Information security management.....	99
VII.	Important contracts.....	104
Five.	Review and analysis of the financial status and financial performance and risks	105
I.	Financial position.....	105
II.	Financial performance	106
III.	Cash flow.....	107
IV.	Significant capital expenditures in the most recent year and the impact on finance and business matters.....	108
V.	Investment policy for the most recent years, the main reasons for profit or loss, improvement plan, and investment plan for the coming year.....	108
VI.	Analysis and assessment of risks.....	108
VII.	Other important matters	109
Six.	Special Items.....	110
I.	Information on affiliates	110
II.	Private placement of marketable securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. ...	112
III.	Other matters that require additional explanation	112
Seven.	Any events in the most recent year and the current year up to the publication date of this annual report that materially affects shareholders' equity or the price of securities as defined in Paragraph 3, Sub-paragraph 2, Article 36 of the Securities and Exchange Act.....	112

One. Letter to Shareholders

I. 2024 Business Report:

(I) Business Plan implementation achievements:

Unit: NT\$1,000

Items	2024	2023	Increase (decrease) Amount	Increase (decrease) Percentage (%)
Operating revenue (Note 1)	333,508	295,859	37,649	12.73
Gross profit (loss)	121,765	107,644	14,121	13.12
Net profits (loss) for the period	168,832	110,000	58,832	53.48
Net profit attributable to the parent company	146,930	95,103	51,827	54.50
Earnings (Loss) per share (NTD)	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
	Basic earnings per share (NTD)	0.79	0.51

(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 proposed operating plan summary and development strategy for 2025 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.

III. Influenced by the external competitive environment:

The information software industry is profoundly affected by emerging technologies such as artificial intelligence, cloud computing, and blockchain, which have significantly disrupted traditional software models. The widespread adoption of AI-driven software has lowered development barriers, increasing the diversity of customer demands and intensifying market competition. To stay competitive, the Company must continuously invest in technology upgrades and adjust its strategies to survive and grow in this highly competitive landscape.

The construction industry is heavily influenced by external factors, including economic conditions, government policies, and societal trends. Government regulations, particularly those promoting urban renewal and aging building reconstruction, will shape future industry trends. Low-cost housing projects aligned with these policies are expected to be a key focus moving forward.

IV. Influenced by the regulatory environment and the overall business environment:

To comply with various regulations, including environmental protection, labor rights, and corporate governance, the Company must allocate significant resources to ensure compliance and establish a robust risk management framework, which in turn increases operating costs.

Furthermore, incorporating Environmental, Social, and Governance (ESG) factors into business strategies enhances the Company's competitiveness and sustainability, reinforcing its commitment to corporate social responsibility. This approach also strengthens the Company's reputation and investor confidence.

In response to macroeconomic and external business environment changes, the Company remains proactive in facing future challenges. It continues to focus on technological advancements and talent development while expanding its financial patent portfolio to strengthen its competitive edge.

Sincere gratitude to all shareholders for your continuous encouragement and support.
Wishing you all good health and success in all endeavors!

Chairperson: Leo Ho
Manager: Liu Chia-Cheng
Accounting Manager: Chen Su-Ching

Two. Corporate Governance Report

I. Background information on directors, the President, vice presidents, associate vice presidents and heads of various departments and branches:

About the Directors (I)

March 24, 2025
Unit: shares; NT\$1,000

Title	National ity/ Place of Incorpor ation	Name	Gende r /Age	Date of Elect ed /Took office	Ter m (Yea rs)	Date of First Elect ed	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Experience (Education)	Positions Currently Held in the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Nam e	Relati on
Chairpe rson	Canada	Leo Ho	Male 41-50	2024. 05.30.	3	2008. 08.01.	12,772,701	6.89%	12,772,701	6.89%	-	-	-	-	Bachelor, University of California, USA Chairperson: Kwong Fong Industries Corporation Pao Fong Asset Management Co., Ltd. Kwong Fong Holdings Limited Hemisphere Industries Corp. De Fong Investment Co., Ltd. Zhee Fong Investments Co., Ltd. Hann Fong Investments Co., Ltd. Haoh Fong Investments Co., Ltd. Independent Director: East Tender Optoelectronics Corp.	Chairperson: Pao Fong Asset Management Co., Ltd. Kwong Fong Holdings Limited Hemisphere Industries Corp. De Fong Investment Co., Ltd. Zhee Fong Investments Co., Ltd. Hann Fong Investments Co., Ltd. Haoh Fong Investments Co., Ltd.	-	-	-

Title	National ity/ Place of Incorpor ation	Name	Gende r /Age	Date of Elect ed /Took office	Ter m (Yea rs)	Date of First Elect ed	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Experience (Education)	Positions Currently Held in the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Na me	Relati on
Director	ROC	Luo Sheng Tai Co., Ltd. Repres entativ e: Ho Ming- Hong	Male 61-70	2024. 05.30.	3	2015. 06.30.	1,063,180	0.57%	3,009,180	1.62%	-	-	-	-	Master, University of Washington, USA Head Director of Taiwan Securities Association Director: Taipei Exchange (TPEX) Taiwan Depository & Clearing Corporation Yuanta Financial Holding Co., Ltd. Yuanta Securities Co., Ltd.	Vice Chairperson: Kwong Fong Industries Corporation Director: Pao Fong Asset Management Co., Ltd. Kwong Fong Holdings Limited Yuanta Securities Co., Ltd.	-	-	-
Director	ROC	Luo Sheng Tai Co., Ltd. Repres entativ e: Lee Ming- Huei	Male 61-70	2024. 05.30.	3	2021. 07.01.	1,063,180	0.57%	3,009,180	1.62%	-	-	-	-	Master of Science- Management, Stevens Institute of Technology USA Chairperson: MasterLink Securities Investment Advisory Corp. Director and President: MasterLink Securities Co., Ltd.		-	-	-

Title	National ity/ Place of Incorpor ation	Name	Gende r /Age	Date of Electe d /Took office	Ter m (Yea rs)	Date of First Electe d	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Experience (Education)	Positions Currently Held in the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Nam e	Relati on
															MasterLink Venture Management Corp.				
Director	ROC	Hann Fong Invest ments Co., Ltd. Repres entativ e: Liu Shiang	Male 71-80	2024. 05.30.	3	2000. 06.27.	1,306,435	0.70%	1,306,435	0.70%	-	-	-	-	Bachelor, Harvard University, USA Tiffany and Company Vice President - Asia Region Director: Pao Fong Asset Management Co., Ltd. Kwong Fong Holdings Limited				
Director	ROC	Hann Fong Invest ments Co., Ltd. Repres entativ e: Huang Szu- Ying (Note)	Femal e 31-40	2024. 05.30.	3	2024. 05.30.	1,306,435	0.70%	1,306,435	0.70%	-	-	-	-	Master of Department of Shipping and Transportation Management, National Taiwan Ocean University Corporate Governance Officer, Acting Spokesperson, and Assistant Manager in the Management Department, of China Container Terminal Co., Ltd.	Governance Officer of China Container Terminal Co., Ltd.			

Title	National ity/ Place of Incorpor ation	Name	Gende r /Age	Date of Electe d /Took office	Ter m (Yea rs)	Date of First Electe d	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Experience (Education)	Positions Currently Held in the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Nam e	Relati on
Indepen dent director	ROC	Ho Chin- Chih	Male 61-70	2024. 05.30.	3	2021. 07.01.	-	-	-	-	-	-	-	-	Master, University of Illinois, USA Consultant of KGI Futures Co., Ltd. Director and supervisor of Chinese National Futures Association Chairperson of SYF Information Co., LTD. Senior vice manager of Yuanta Futures Co., Ltd. General manager of Fubon Futures Co., Ltd. Financial vice president of the California branch of The Tokai Bank Limited, Japan		-	-	-
Indepen dent director	ROC	Kuan Chi-Jui	Male 61-70	2024. 05.30.	3	2021. 07.01.	-	-	-	-	-	-	-	-	National United University Junior College Division Chairperson: Qunfu Construction Co., Ltd.		-	-	-

Title	National ity/ Place of Incorpor ation	Name	Gende r /Age	Date of Elect ed /Took office	Ter m (Yea rs)	Date of First Elect ed	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Experience (Education)	Positions Currently Held in the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Nam e	Relati on
															Zhongxing Engineering Co., Ltd. Chief Engineering Consultant: Te Chang Construction Co., Ltd. Kang He Construction Co., Ltd.				
Indepen dent director	ROC	Cheng Yu-Wei	Male 51-60	2024. 05.30.	3	2024. 05.30.	-	-	-	-	-	-	-	-	Doctor of Scientiae Juridicae (S.J.D.), University of Pennsylvania, USA Associate Dean of the College of Management, Director of the Graduate Institute of Industrial Economics, and Professor at the Graduate Institute of Industrial Economics, National Central University	Independent director: Yong Yi International Group Co., Ltd.	-	-	-

Notes: Hann Fong Investment Co., Ltd. reassigned its representative Huang Li-ling with Huang Szu-Ying on December 9, 2024.

Table 1: Major Shareholders of Corporate Shareholders

March 24, 2025

Names of corporate shareholders (Note 1)	Major shareholders of corporate shareholders (Note 2)
Hann Fong Investments Co., Ltd.	Leo Ho (72%); Hsu Pei-Yi (14%); Hsu Su-Chen (7%); Luo Shao-Ku (7%)
Luo Sheng Tai Co., Ltd.	Luo Sheng Fong Co., Ltd. (99.75%)

Note 1: If a director or supervisor is a representative of a corporate shareholder, fill in the name of that corporate shareholder.

Note 2: Fill in the names of the corporate shareholder's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios.

Table 2: If any Major Shareholder Listed in Table 1 is a Corporate/Juristic Person, List its Major Shareholders in this Table

March 24, 2025

Name of corporate / juristic person (Note 1)	Major shareholders of the corporate/juristic person (Note 2)
Luo Sheng Fong Co., Ltd.	Ho Ming-Hong (99.81%)

Note 1: If any major shareholder in Table 1 above is a corporate/juristic person, fill in the name of that corporate/juristic person.

Note 2: Fill in the names of the corporate shareholder's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios.

About the Directors (II)

(i) Disclosure of information on directors' professional qualifications and independent directors' independence

Name	Criteria	Professional qualifications and experience	Status of independence	Number of concurrent duties as an independent director at a public company
Director	Leo Ho	Chairperson, Leo Ho, graduated from the University of California with a bachelor's degree in applied mathematics. He joined the Kwong Fong Group as the vice general manager in 2008 and was promoted to be the chairperson in 2021. He has participated in the business of various departments and the management of "Kwong Fong Plaza" shopping mall and is serving as an independent director of the East Tender Optoelectronics Corporation. He has the accounting and financial practical experience, strategic management and leadership skills and has the knowledge, skills and accomplishments to perform	<ol style="list-style-type: none"> 1. The chairperson of the Company is not an independent director. 2. The director of an affiliated company (100% subsidiary) of the Company. 3. One of the top ten natural person shareholders of the Company. 4. The chairperson of Hemisphere Industries Corp., a juridical person shareholder holding more than 5% of the Company's issued shares. 5. The rest have been verified in accordance with the 	1

Name \ Criteria		Professional qualifications and experience	Status of independence	Number of concurrent duties as an independent director at a public company
		the duties and industry management experience to contribute corporate governance management expertise.	independence requirements listed in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” by the Financial Supervisory Commission and still meet the relevant independence requirements.	
Director	Ho Ming-Hong	Vice Chairperson, Ho Ming-Hong, graduated from the University of Washington with a master’s degree in business administration. He used to be the chairperson of the Taiwan Securities Association and the Chinese National Futures Association and the chairperson of Yuanta Futures/Securities Co., Ltd. He has practical experience, strategic management and leadership skills, with abundant knowledge, skills and industry management experience for performing the duties and also serves as director in related industry companies to contribute his corporate governance management expertise. He has practical abilities in financial accounting, business and securities and futures industry-related operating planning, operations and management.	<ol style="list-style-type: none"> 1. The vice chairperson of the Company is not an independent director. 2. The director of an affiliated company (100% subsidiary) of the Company. 3. The director is the representative of the juridical person director of the Company (Luo Sheng Tai Co., Ltd.), not an independent director. 4. The rest have been verified in accordance with the independence requirements listed in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” by the Financial Supervisory Commission and still meet the relevant independence requirements. 	None
Director	Lee Ming-Huei	Director Lee Ming-Huei graduated with a Master of Science-Management from Stevens Institute of Technology USA. Since 2000, he has held the position of President at Hua Nan Securities Co., Ltd./Taiwan International Securities Co., Ltd. and has served as the Chairman of Masterlink Securities (Hong Kong) Corp. Ltd./MasterLink Securities Investment Advisory Co., Ltd. He is also a board member of the Taiwan Securities Association, and an independent director and member of the Remuneration Committee at Taisun Enterprise Co., Ltd. He has extensive practical experience in the financial industry, along with strategic management and leadership skills. He possesses the necessary	<ol style="list-style-type: none"> 1. The director is the representative of the juridical person director of the Company (Luo Sheng Tai Co., Ltd.), not an independent director. 2. The rest have been verified in accordance with the independence requirements listed in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” by the Financial Supervisory Commission and still meet the relevant independence requirements. 	None

Criteria Name		Professional qualifications and experience	Status of independence	Number of concurrent duties as an independent director at a public company
		knowledge, skills, and competence for executing his duties, and has substantial experience in business management, financial accounting, commerce, marketing, and related industry operational planning, management, and administration.		
Director	Liu Shiang	Director, Liu Shiang, graduated from Harvard University with a Bachelor's degree of Arts. He used to be the general manager of the Asian region of Tiffany & Co. International, Taiwan Branch (U.S.A.). He has practical experience, strategic management and leadership skills in the sales management industry, with abundant knowledge, skills and accomplishments to perform duties, and industry management experience. He has practical abilities in financial accounting, business, marketing and industry-related operational planning, operation and management.	<ol style="list-style-type: none"> 1. The director is the representative of the juridical person director of the Company (Hann Fong Investments Co., Ltd.), not an independent director. 2. The rest have been verified in accordance with the independence requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" by the Financial Supervisory Commission and still meet the relevant independence requirements. 	None
Director	Huang Szu-Ying	Director Huang Szu-Ying holds a Master's degree in Shipping and Transportation Management and graduated from the Department of Maritime Science and Management at National Taiwan Ocean University. She served as the Corporate Governance Officer, Acting Spokesperson, and Assistant Manager in the Management Department of China Container Terminal Co., Ltd. With practical industry experience, strategic management expertise, and leadership capabilities, she possesses the requisite knowledge, skills, competencies, and experience in operations and management. She has practical ability in financial accounting, business operations, marketing, and industry-related operational planning and management.	<ol style="list-style-type: none"> 1. The director is the representative of the juridical person director of the Company (Hann Fong Investments Co., Ltd.), not an independent director. 2. The rest have been verified in accordance with the independence requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" by the Financial Supervisory Commission and still meet the relevant independence requirements. 	None
Independent director	Ho Chin-Chih	Independent director, Ho Chin-Chih, graduated from the University of Illinois with a master's degree in business administration. He was the director and supervisor of the Chinese National Futures Association /senior vice president of Yuanta Futures/general	The three independent directors listed on the left have met the qualifications in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the	None

Criteria Name		Professional qualifications and experience	Status of independence	Number of concurrent duties as an independent director at a public company
		manager of Fubon Futures. He has the practical experience, strategic management and leadership skills in the securities and futures industry and is equipped with abundant knowledge, skills and industry management experience to perform his duties. He was also a director in related industry companies to contribute his corporate governance management expertise. He has practical abilities in financial accounting, business and securities and futures industry-related operating planning, operations and management.	Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act, during the two years before the election and during their tenure and all independent directors have been given the power to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities Exchange Act, and as the basis of performing relevant powers independently.	
Independent director	Kuan Chi-Jui	Independent director, Kuan Chi-Jui, graduated from the Department of Architectural Engineering of the National United University. He used to be the chief engineering consultant of Te Chang Construction Co., Ltd. and Kang He construction Co., Ltd. He has practical experience, strategic management and leadership skills in the construction real estate management industry and has the knowledge, skills and accomplishments to perform his duties, as well as industry management experience. He has practical abilities in business, construction and industry-related operational planning, operations and management.		None
Independent director	Cheng Yu-Wei	Independent director, Cheng Yu-Wei, Doctor of Scientiae Juridicae (S.J.D.), University of Pennsylvania, USA, as Associate Dean of the College of Management and the Professor at the Graduate Institute of Industrial Economics of National Central University. With experience as Director of the Graduate Institute of Industrial Economics at National Central University, He has legal and business experience, strategic management, and leadership skills and has the knowledge, skills, and accomplishments to perform his duties, as well as industry management experience. He has practical abilities in business, legal, and industry-related operational planning, operation, and management.		1

Note: All Directors or Independent directors with no any of the circumstances under Article 30 of the Company Act.

(ii) Diversity of the Board of Directors and Independence

1. The Board of Directors Diversity Policy:

The composition of the board of directors shall be determined by taking diversity into consideration. In addition to the directors concurrently serving as company managers not exceed one-third of the total number of board members and that an appropriate policy on diversity based on the company's business operations, operating type and development needs to be formulated and includes but not limited to the following two general standards:

- (1) Basic requirements and values: gender, age, nationality and culture; it is advisable that the number of female directors accounts for at least one-third of all the directors.
- (2) Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, construction), professional skills and industry experience.

All members of the board shall have the knowledge, skills and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- (a) Ability to make operational judgments.
- (b) Ability to perform accounting and financial analysis.
- (c) Ability to conduct management administration.
- (d) Ability to conduct crisis management.
- (e) Knowledge of the industry.
- (f) An international market perspective.
- (g) Ability to lead.
- (h) Ability to make decisions.

2. The specific management goals and achievements of the diversity policy are as follows:

Management Objectives	Achievement Status
Directors who are also employees: 2	Proportion: 25.0%
Directors who have served as chairpersons/presidents of listed companies: 2	Proportion: 25.0%
Directors of foreign nationality: 1	Proportion: 12.5%
Age distribution	34-72 years
Female director ratio should reach one-third of director seats	Proportion: 12.5%
The directors concurrently serving as company managers do not exceed one-third of the director seats	Achieving

Management Objectives	Achievement Status
Independent directors account for at least one-third of all the director seats	Achieving
Independent director tenure does not exceed three terms	Achieving
Diversity in professional knowledge and skills Directors possess diverse backgrounds including: law, accounting, industry, finance, marketing, construction, professional skills, and industry experience.	Achieving

3. The implementation of the relevant diversity policy is as follows.

Diversified core Name of Director	Basic composition									Core item of diversity								
	Nationality	Gender	An employee of the Company	Age				Seniority of being an independent director		Finance and futures and securities	Real estate investment and development and construction	Professional service and marketing	Law	Management administration	Leadership and decision making	Crisis management	International market perspective	Risk management
				aged 31-50	aged 51-60	aged 61-70	aged 71-80	Under 3 years	3-6 years									
Leo Ho	Canada	Male	V	V						V		V		V	V	V	V	V
Ho Ming-Hong	ROC	Male	V			V				V				V	V	V	V	V
Lee-Ming-Huei	ROC	Male				V				V		V		V	V	V	V	V
Liu Shiang	ROC	Male					V					V		V	V	V	V	V
Huang Szu-Ying	ROC	Female		V								V		V	V	V	V	V
Independent director Ho Chin-Chih	ROC	Male				V			V	V				V	V	V	V	V
Independent director Kuan Chi-Jui	ROC	Male				V			V		V			V	V	V	V	V
Independent director Cheng Yu-Wei	ROC	Male			V			V					V	V	V	V	V	V

The 19th Board of Directors comprises eight members, including three independent directors. The members of the board possess diverse professional backgrounds in law, industry, accounting, marketing, and finance. Each member brings specialized capabilities based on their professional background, including operational management and leadership decision-making, operational judgment and crisis management, accounting and financial analysis, industry knowledge, and an international market perspective. This diversity demonstrates complementary and multifaceted effectiveness.

(II) Background information on the President, vice presidents, associate vice presidents and heads of various departments and branches

March 24, 2024

Title (Note 1)	Nationality	Name	Gender	Date of Elected /Took office	Shareholding		Shareholding of spouse and underage children		Shareholding in the name of others		Major Experience (Education) (Note 2)	Concurrent duties in the Company and other companies	Managers with spouses or relatives with second degree of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Vice Chairperson	ROC	Ho Ming-Hong	Male	2021.02.28.	108	0%	107,153	0.06%	-	-	Master, University of Washington, USA Chairperson: Yuanta Securities Co., Ltd. Yuanta Futures Co., Ltd. Head Director of Taiwan Securities Association Director: Taipei Exchange (TPEX) Taiwan Depository & Clearing Corporation	Director: Pao Fong Asset Management Co., Ltd. Kwong Fong Holdings Limited Yuanta Securities Co., Ltd.			
President and Chief Financial Officer (Note 3)	ROC	Liu Chia-Cheng	Male	2024.12.10.	353	0%	-	-	-	-	Bachelor of Accounting, Chung Yuan Christian University Chief Financial Officer of Kwong Fong Industries Corporation Vice President of China Container Terminal Co., Ltd. Corporate Governance Officer of China Container Terminal Co., Ltd.	Director: Pao Fong Asset Management Co., Ltd. Kwong Fong Holdings Limited MDBS Digital Technology Co., Ltd. Galaxy Digital Co., Ltd. President, Pao Fong Asset Management Co., Ltd.	-	-	-
Vice President, Investment Department	ROC	Tsai Chia-Jung	Male	2021.11.12.	-	-	-	-	-	-	National Chung Cheng University Quantitative R&D Engineer of the FinTech, MDevelop Technology Co., Ltd. Fund manager, Yuanta				

Title (Note 1)	Nationality	Name	Gender	Date of Elected /Took office	Shareholding		Shareholding of spouse and underage children		Shareholding in the name of others		Major Experience (Education) (Note 2)	Concurrent duties in the Company and other companies	Managers with spouses or relatives with second degree of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
											Securities Investment Trust Co., Ltd. Deputy manager of the Proprietary Business Department, Yuanta Futures Co., Ltd.				
Accounting Officer	ROC	Chen Su-Ching	Female	2021.02.28.	234	0%	-	-	-	-	National Taipei University of Business Accounting Manager, Kwong Fong Industries Corporation	Director: MDBS Digital Technology Co., Ltd. Galaxy Digital Co., Ltd. Accounting Manager, Pao Fong Asset Management Co., Ltd.	-	-	-
Head of the Audit Department	ROC	Hsu Hui-Chen	Female	2017.11.13.	10,000	0%	-	-	-	-	National Taipei University of Business Senior Specialist, Kwong Fong Industries Corporation	-	-	-	-

Note 1: The information in this table should be disclosed to the president, vice presidents, associate vice presidents, and the chiefs of all the company's divisions and branch units, including all persons in positions equivalent to the president, vice presidents, associate vice presidents, regardless of job title.

Note 2: Specify the experience related to the current position. If during a period specified above, the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 3: Former President, Huang Li-Ling, adjusted the position on December 10, 2024.

II. Remuneration for directors, the President, and vice presidents in the most recent year

(I) Remuneration to Ordinary Directors and Independent Directors (2024)

Unit: NT\$1,000

Title	Name	Directors' remuneration								Sum of A, B, C, and D and as a % of the net profit (loss) after tax		Remuneration for concurrent duty as an employee						Sum of A, B, C, D, E, F, and G and as a % of the net profit (loss) after tax		Whether received remuneration from an investee other than a subsidiary
		Compensation (A)		Disability retirement benefits (B)		Directors' compensation (C)		Fees for professional practice (D)				Salary, bonus, and special reimbursement (E) (Note)		Disability retirement benefits (F)		Employee compensation (G)				
		The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	
Chairperson	Leo Ho	240	240	-	-	180	180	-	-	420 0.29%	420 0.29%	3,508	3,508	-	-	-	-	3,928 2.67%	3,928 2.67%	None
Director	Luo Sheng Tai Co., Ltd. Representative: Ho Ming-Hong	240	240	-	-	180	180	-	-	420 0.29%	420 0.29%	2,800	2,800	108	108	-	-	3,328 2.27%	3,328 2.27%	
Director	Luo Sheng Tai Co., Ltd. Representative: Lee Ming-Huei	240	240	-	-	180	180	-	-	420 0.29%	420 0.29%	-	-	-	-	-	-	420 0.29%	420 0.29%	
Director	Hann Fong Investments Co., Ltd. Representative: Liu Shiang	240	240	-	-	180	180	-	-	420 0.29%	420 0.29%	-	-	-	-	-	-	420 0.29%	420 0.29%	
Director	Hann Fong Investments Co., Ltd. Representative: Huang Szu-Ying	14	14	-	-	-	-	-	-	14 -%	14 -%	-	-	-	-	-	-	14 -%	14 -%	
Director	Hann Fong Investments Co., Ltd.	126	126	-	-	180	180	-	-	306 0.21%	306 0.21%	1,805	1,805	91	91	-	-	2,202 1.50%	2,202 1.50%	60

Title	Name	Directors' remuneration								Sum of A, B, C, and D and as a % of the net profit (loss) after tax		Remuneration for concurrent duty as an employee						Sum of A, B, C, D, E, F, and G and as a % of the net profit (loss) after tax		Whether received remuneration from an investee other than a subsidiary
		Compensation (A)		Disability retirement benefits (B)		Directors' compensation (C)		Fees for professional practice (D)				Salary, bonus, and special reimbursement (E) (Note)		Disability retirement benefits (F)		Employee compensation (G)				
		The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements			
	Representative: Huang Li-ling (Note)																			
Independent director	Ho Chin-Chih	360	360	-	-	-	-	-	-	360 0.25%	360 0.25%	-	-	-	-	-	-	360 0.25%	360 0.25%	None
Independent director	Kuan Chi-Jui	360	360	-	-	-	-	-	-	360 0.25%	360 0.25%	-	-	-	-	-	-	360 0.25%	360 0.25%	
Independent director	Cheng Yu-Wei	210	210	-	-	-	-	-	-	210 0.14%	210 0.14%	-	-	-	-	-	-	210 0.14%	210 0.14%	
Director (stepped down)	Chen Cheng-Te	100	100	-	-	-	-	-	-	100 0.07%	100 0.07%	-	-	-	-	-	-	100 0.07%	100 0.07%	
Independent director (stepped down)	Liu Wei-Ting	150	150	-	-	-	-	-	-	150 0.10%	150 0.10%	-	-	-	-	-	-	150 0.10%	150 0.10%	

Note: The 19th board of directors (including independent directors) was fully re-elected in the Annual Shareholders' Meeting on May 30, 2024.

Hann Fong Investment Co., Ltd. replaced its representative Huang Li-ling with Huang Szu-Ying on December 9, 2024.

The Board of Directors is authorized to determine the remuneration paid to independent directors based on their extent of participation in the Company's operations and the responsibilities they resume, taking into account the Company's business goals and financial condition, and by referencing the prevailing industry standards among peers.

Aside from the remuneration disclosed in the above table, is there any other remuneration received by directors in the most recent year from any company included in the financial statements for their services rendered (such as serving as an advisor other than as an employee): None

(II) Remuneration to the President and Vice Presidents (2024)

Unit: NT\$1,000

Title	Name	Salary (A)		Disability retirement benefits (B)		Bonus and special reimbursement (C) (Note)		Employee compensation (D)				The total amount of A, B, C, and D and the percentage of net profit (loss) after tax (%)		Whether received remuneration from an investee other than a subsidiary
		The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company		All companies within the financial statements		The Company	All companies within the financial statements	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
President	Liu Chia-Cheng	67	67	4	4	26	26	-	-	-	-	97 0.07%	97 0.07%	-
President	Huang Li-Ling (Note)	1,500	1,500	91	91	305	305	-	-	-	-	1,896 1.29%	1,896 1.29%	60
Vice President	Tsai Chia-Jung	1,716	1,716	106	106	503	503	-	-	-	-	2,325 1.58%	2,325 1.58%	-

Note : President, Huang Li-Ling, adjusted the position on December 10, 2024.

(III) Remuneration to the Five Highest Remunerated Management Personnel

Unit: NT\$1,000

Title	Name	Salary (A)		Disability retirement benefits (B)		Bonus and special reimbursement (C) (Note)		Employee compensation (D)				The total amount of A, B, C, and D and the percentage of net profit (loss) after tax (%)		Whether received remuneration from an investee other than a subsidiary
		The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company		All companies within the financial statements		The Company	All companies within the financial statements	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
Chairperson	Leo Ho	3,007	3,007	-	-	501	501	-	-	-	-	3,508 2.39%	3,508 2.39%	None
Vice Chairperson	Ho Ming-Hong	2,400	2,400	108	108	400	400	-	-	-	-	2,908 1.98%	2,908 1.98%	
Vice President	Tsai Chia-Jung	1,716	1,716	106	106	503	503	-	-	-	-	2,325 1.58%	2,325 1.58%	
President	Huang Li-Ling (Note)	1,500	1,500	91	91	305	305	-	-	-	-	1,896 1.29%	1,896 1.29%	60
Head of the Audit Department	Hsu Hui-Chen	919	919	57	57	192	192	70	-	70	-	1,238 0.84%	1,238 0.84%	None

Note : President, Huang Li-Ling, adjusted the position on December 10, 2024.

Name of managers receiving employee remuneration and the distribution:

March 31, 2025

Unit: NT\$1,000

	Title	Name	Amount in shares	Amount in cash	Total	Ratio of total amount to the net profit after tax (%)
Manager	President	Liu Chia-Cheng	0	480	480	0.33%
	Vice President	Tsai Chia-Jung				
	Accounting Officer	Chen Su-Ching				
	Head of the Audit Department	Hsu Hui-Chen				

(IV) Separately compare and describe total remuneration, as a percentage of net profit after tax, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, presidents, and vice presidents and analyze and describe remuneration policies, standards and packages, the procedure for determining remuneration and its linkage to operating performance.

1. Total remuneration paid to the company's directors, president, and vice presidents, as a percentage of net profit after tax, for the last two years by the Company and all companies in the consolidated financial statements

Ratio of total amount to the net profit after tax:

Title	2023 Total remuneration paid to the Company's directors, supervisors, president, and vice presidents, as a percentage of net profit (loss) after tax, by the Company and all companies in the consolidated financial statements	2024 Total remuneration paid to the Company's directors, supervisors, president, and vice presidents, as a percentage of net profit (loss) after tax, by the Company and all companies in the consolidated financial statements
Director	10.09%	6.53%
President and Vice Presidents	5.54%	2.94%

The difference in the proportion of the total remuneration paid to the company's directors, president, and vice president in the last two years by the

company and all companies in the consolidated statement to the net profit after-tax is mainly due to the increased profit in 2024, resulting in a slight decrease in the total compensation for the Director General Manager and Deputy General Manager as a percentage of net profit after taxes.

2. Remuneration policies, standards, and packages

Remuneration paid to directors and supervisors comprises salary and compensation; compensation is determined based on the Company's Articles of Incorporation. Remuneration paid to the President and vice presidents comprises salary, bonus, and employee compensation, which are determined based on the position they take, the contribution they make to the Company, and the industry standards

3. Procedures for determining remuneration

Compensation paid to directors and managers shall be determined by the Company's Remuneration Committee, which regularly assesses and formulates salary and compensation standards and shall be reported to the Board of Directors.

4. Determination of remuneration and its linkage to operating performance and future risk exposure.

Remuneration paid to directors and managers is determined by considering the Company's business goals, financial condition, responsibilities assumed, and future risks.

III. The state of the company's implementation of corporate governance

(I) The state of operation of the Board of Directors

The latest (2024) board of directors held 8 meetings (A) and the attendance of directors is as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Ratio of attendance in person % (B/A)	Remarks
Chairperson	Leo Ho	8	0	100	2024.05.30. Re-elected
Director	Luo Sheng Tai Co., Ltd. Representative: Ho Ming-Hong	8	0	100	2024.05.30. Re-elected
Director	Luo Sheng Tai Co., Ltd. Representative: Lee Ming-Huei	8	0	100	2024.05.30. Re-elected
Director	Hann Fong Investments Co., Ltd. Representative: Liu Shiang	8	0	100	2024.05.30. Re-elected
Director	Hann Fong Investments Co., Ltd. Representative: Huang Szu-Ying	1	0	100	The Corporate Director reassigned its representative on 2024.12.09. Newly appointed
Independent director	Ho Chin-Chih	8	0	100	2024.05.30. Re-elected
Independent director	Kuan Chi-Jui	8	0	100	2024.05.30. Re-elected
Independent director	Cheng Yu-Wei	5	0	100	2024.05.30. Newly elected
Director	Hann Fong Investments Co., Ltd. Representative: Huang Li-Ling	4	0	100	2024.05.30. Newly elected The Corporate Director reassigned its representative on 2024.12.09. Dismissal

Director	Hann Fong Investments Co., Ltd. Representative: Chen Cheng-Te	1	2	33	Predecessor
Independent director	Liu Wei-Ting	2	1	67	Predecessor

Other matters to be recorded:

- (i) If any of the following situations occur in the operation of the board of directors, the date, session, content of the proposal, opinions of all independent directors, and the handling of the opinions of independent directors by the company shall be stated:

(1) Matters listed in Article 14-3 of the Securities Exchange Act:

Meeting Date/Session	Resolution content	Independent directors that hold objections or expressions of reservation opinions and the handling of independent directors' opinions by the company
2024.01.24. The 17 th meeting of the 18 th session	To increase the endorsement guarantee quota for the merged subsidiary companies	None
2024.06.26. The 2 nd meeting of the 19 th session	Approved " Rules Governing Financial and Business Matters between Related Parties" Approved the Establishment of the "Sustainable Development Best Practice Principles"	None
2024.08.13. The 3 rd meeting of the 19 th session	Approval of Amendments to the Internal Control System Approval of "Rules of Procedure for Preparing and Assurance Sustainability Reports"	None
2024.12.10. The 5 th meeting of the 19 th session	Approve the appointment of the President, Corporate Governance Officer and Finance Officer	None

- (2) In addition to the aforementioned matters, other resolutions of the board of directors that have expressed an objection or reservation by the independent director are included in records or stated in writing: None.

- (ii) The implementation of directors' recusal of interest-related proposals: On March 15th, 2024, the Board of Directors reviewed the list of candidates for the 19th term in order. When the candidates' interests were involved, they left the meeting in order. In addition, Chairperson Leo Ho appointed Independent Director Ho Chin-Chih to preside over the review of his nomination on his behalf.

(iii) Information such as evaluation cycles, evaluation periods, scope, method of evaluation and evaluation content of the self (or peer) evaluation of the board of directors of the Company:
Evaluation indicators and options for 2024

Nature	Evaluation cycles	Evaluation periods	Evaluation scope	Method of evaluation	Evaluation content
Board of Directors meeting	Once/ year	2024.1.1.-2024.12.31.	Board of Directors and Individual Directors	The internal evaluation of the board, self-evaluation by individual board members	<p>The criteria for evaluating the performance of the board of directors:</p> <ul style="list-style-type: none"> • Participation in the operations of the company • Improvement of the quality of the board of directors' decision making • Composition and structure of the board of directors • Election and continuing education of the directors • Internal control <p>The criteria for evaluating the performance of the board members:</p> <ul style="list-style-type: none"> • Alignment of the goals and missions of the company • Awareness of the duties of a director • Participation in the operations of the company • Management of internal relationships and communication • The director's professionalism and continuing education • Internal control
Audit Committee	Once/ year	2024.1.1.-2024.12.31.	Audit Committee	The internal evaluation of the Audit Committee	<p>The criteria for evaluating the performance of the members of the Audit Committee:</p> <ul style="list-style-type: none"> • Participation in the operations of the company • Awareness of the duties of the audit committee • Improvement of quality of decisions made by the audit committee • Makeup of the audit committee and election of its members • Internal control
Remuneration Committee	Once/ year	2024.1.1.-2024.12.31.	Remuneration Committee	The internal evaluation of the Remuneration Committee	<p>The criteria for evaluating the performance of the members of the Remuneration Committee:</p> <ul style="list-style-type: none"> • Participation in the operations of the company • Awareness of the duties of the remuneration committee • Improvement of quality of decisions made by the remuneration committee

					<ul style="list-style-type: none"> • Makeup of the remuneration committee and election of its members • Internal control
--	--	--	--	--	--

Evaluation results: During the evaluation period, the board as a whole, individual directors and functional committees operated well, met the requirements of corporate governance, and effectively strengthened the competency of the board of directors and maintained shareholders' rights and interests.

Evaluation of the goals and implementation of strengthening the competency of the board of directors in the current year and the latest year:

1. Established independent directors according to the 2014 annual target, and in order to clarify the competency of independent directors, further strengthen their participation in the operation of the board of directors and revise the Company's meeting agenda rules of the board of directors for compliance.
2. The Company completed the performance evaluations of the Board of Directors, Directors, Remuneration Committee, and Audit Committee for the fiscal year 2024 in January 2025. The evaluation results were reviewed by the Nominating Committee on March 14, 2025, and were reported to the Board of Directors on the same day.
3. Training for directors: Encourage directors to continue their training, to enrich new knowledge continuously. In 2024, the total number of training hours for all directors was 62 hours.

(II) The state of operations of the Audit Committee:

1. There are three members of the Audit Committee of the Company.

Title	Name	Professional qualifications and experience
Convener	Ho Chin-Chih	Independent Director Hou has abundant experience in the futures and securities industry, consultant of KGI Futures Co., Ltd. the director and supervisor of the Chinese National Futures Association, chairperson of SYF Information Co., LTD., Senior vice manager of Yuanta Futures Co., Ltd., general manager of Fubon Futures Co., Ltd., financial vice president of California branch of The Tokai Bank Limited, Japan.
Committee member	Kuan Chi-Jui	Independent Director Kuan was the chairperson of Qunfu Construction Co., Ltd., and Zhongxing Engineering Co., Ltd., engineer consultant of Te Chang Construction Co., Ltd., and Kang He Construction Co., Ltd. and is specialized in the construction industry.
Committee member	Cheng Yu-Wei	Independent Director Cheng is serving at National Central University. He is well-equipped with practical expertise in legal, business, and operations and also with strategy managing and leadership ability, he possesses the knowledge, skills, and qualifications necessary for performing his duties, along with extensive experience in industry management.

2. Tenure of the incumbent (the 2nd) Audit Committee: 2024.05.30 ~ 2027.05.29.

3. The Committee operates mainly to supervise the following:
 - A. Fair presentation of the Company's financial statements.
 - B. Appointment and dismissal of attesting CPAs and their independence and performance.
 - C. Effective implementation of the Company's internal control.
 - D. The Company's compliance with applicable laws and regulations.
 - E. Control of the risks facing or having the potential to affect the Company.
4. A total of five meetings were held in 2024. There were also good communication channels with the corporate governance supervisor, internal audit personnel, and the certifying accountant. The annual audit focus of the Audit Committee included the company's financial statements, corporate governance regulations, internal control systems, and the audit plan and execution of the audit unit. The Audit Committee held 5 meetings [A] in the most recent year (2024), the attendance is as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Ratio of attendance in person % (B/A)	Remarks
Convener	Ho Chin-Chih	5	0	100	Re-elected
Committee member	Kuan Chi-Jui	5	0	100	Re-elected
Committee member	Cheng Yu-Wei	3	0	100	Newly elected
Convener	Liu Wei-Ting	1	1	50	Predecessor
Any other matters that require reporting (i) If any of the following situations occur in the operation of the audit committee, the audit committee meeting date, session, content of proposals, independent directors' objections, reservation opinions or major proposal contents, audit committee resolution results and the company's handling of the audit committee's opinion.					

(1) Matters listed in Article 14-5 of the Securities Exchange Act:

Meeting Date/Session	Resolution content	Independent directors that hold objections or expressions of reservation opinions and the handling of independent directors' opinions by the company
2024.03.15. The 14 th meeting of the 1 st session	<ol style="list-style-type: none"> 1. Approved the Company's 2023 business report, financial statements and consolidated financial statements 2. Approved the company's 2023 earnings distribution proposal 3. Approved the independent assessment of the Company's CPA of the financial statement 	None
2024.08.13. The 2 nd meeting of the 2 nd session	<ol style="list-style-type: none"> 1. Approve the revision of internal control regulations and the procedures for preparing and assuring the sustainability report 2. Approve the 2023 sustainability report. 	None
2024.11.08. The 3 rd meeting of the 2 nd session	<ol style="list-style-type: none"> 1. Approved the 2025 internal audit plan review proposal 	None

(2) In addition to the aforementioned matters, other resolutions that have not been passed by the audit committee, but have been adopted with the approval of two-thirds or more of all board directors: None

(ii) The implementation of independent directors' recusal of interest-related proposals. The independent director's name, content of the proposal, reasons for his recusal of interests and participation in voting shall be stated: None

(iii) Communications between independent directors and internal audit supervisors and CPAs (should include major events, methods and results of communications regarding the company's financial and business conditions):

(1) Communication between independent directors and CPAs

Date	Communication key points	Remarks
2024.03.15.	1. The 2023 financial report audit conclusion matters of the CPA, including the type of audit opinion, key audit matters, materiality, etc., internal control and other communications.	Independent directors did not express their opinions.
2024.05.10.	1. The CPA's review of the financial report for the first quarter of 2024, including the type of audit opinion, materiality and subsequent events, internal control and other communications.	Independent directors did not express their opinions.

2024.08.13.	1. The CPA's review of the financial report for the second quarter of 2024, including the type of audit opinion, materiality and subsequent events, internal control and other communications.	Independent directors did not express their opinions.
2024.11.08.	1. The CPA's review of the financial report for the third quarter of 2024, including the type of audit opinion, materiality and subsequent events, internal control and other communications. 2. The accountant communicates with the audit plan regarding the entrusted audit of 2024 financial report, including the audit method and scope, the application of the concept of materiality, independence and matters that may be with high concern.	Independent directors did not express their opinions.

(2) Communication between independent directors and internal audit supervisors

Date	Communication key points	Notes
2024.03.15.	1. Implementation of the 2024 review items of the audit plan	Independent directors did not express their opinions.
2024.05.10.	1. Implementation of the 2024 review items of the audit plan	Independent directors did not express their opinions.
2024.08.13.	1. Implementation of the 2024 review items of the audit plan	Independent directors did not express their opinions.
2024.11.08.	1. Self-prepared tracking report on the implementation of the 2024 review items of the audit plan 2. 2025 audit plan	Independent directors did not express their opinions.

(III) The Company's implementation of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.

Evaluation items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?"	V		The Company's Board of Directors passed the Kwong Fong Industries Corporation Corporate Governance Best Practice Principles] on November 14, 2014, which was amended on August 12, 2022, and disclosed on the Company's website and on the Market Observation Post System.	No significant difference
II. The Company's equity structure and shareholder equity				
(I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations and implemented them in accordance with the procedures?	V		(I) The Company has a dedicated spokesperson, and the Company's website makes available complaint-filing channels, through which shareholders' recommendations and doubts can be addressed.	No significant difference
(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	V		(II) The Company checks for any change in the shareholding of directors, supervisors, and major shareholders every month, has a good grasp of the ultimate controllers of the major shareholders of the Company's major shareholders by referencing the shareholder register of the stock agent and files their shareholdings as required.	No significant difference
(III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	V		(III) Each affiliated company operates its finance and business affairs independently and has set up an internal control system for compliance purposes. In addition, an audit is carried out by an audit unit periodically.	No significant difference
(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		(IV) The Company has formulated the "Procedures for Preventing Insider Trading and Handling Material Internal Information" in order to set up a mechanism for dealing with	No significant difference

Evaluation items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
			and disclosing the Company's material internal information; doing so avoids improper information leak and ensures the consistency and accuracy of the information disclosed by the Company to outsiders.	
III. Composition and responsibilities of the Board of Directors				
(I) Has the Board of Directors formulated and implemented a diversity policy on membership?	V		(I) The election of the Company's directors already accounts for each director's professional skills and backgrounds and industry experience. All Board of Directors members possess the knowledge, skills, and literacy required for carrying out their duties. The Company's eight directors (including independent directors) are a specialist in business administration, finance, construction, and/or law.	No significant difference
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with the law, has the Company voluntarily set up other functional committees?	V		(II) The Company has set up the Remuneration Committee, Audit Committee, and Nominating Committee.	No significant difference
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as a reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		(III) The board of directors of the Company passed the revision of the "Rules for Performance Evaluation of Board of Directors" on November 11, 2022, stipulating that the board of directors shall conduct performance evaluation for the board of directors, director members, remuneration committee and audit committee at least once a year. The internal evaluation shall be carried out at the end of each year, and the performance evaluation of the current year shall be carried out according to these Rules. The criteria for evaluating the performance of the board of	No significant difference

Evaluation items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
			<p>directors of the Company include the following five aspects:</p> <ul style="list-style-type: none"> (1) Participation in the operation of the company (2) Improvement of the quality of the board of directors' decision making (3) Composition and structure of the board of directors (4) Election and continuing education of the directors (5) Internal control <p>The criteria for evaluating the performance of the board members include the following aspects:</p> <ul style="list-style-type: none"> (1) Alignment of the goals and missions of the company (2) Awareness of the duties of a director (3) Participation in the operation of the company (4) Management of internal relationships and communication (5) The director's professionalism and continuing education (6) Internal control <p>The criteria for evaluating the performance of functional committees include the following aspects:</p> <ul style="list-style-type: none"> (1) Participation in the operation of the company (2) Improvement of quality of decisions made by the functional committee (3) Makeup of the functional committee (4) Election of its members (5) Internal control 	

Evaluation items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
(IV) Does the company regularly evaluate the independence of attesting CPAs?	V		<p>The Company completed the performance evaluations of the Board of Directors, Directors, Remuneration Committee, Nominating Committee, and Audit Committee for the fiscal year 2024 in January 2025. The evaluation results were reviewed by the Nominating Committee on March 14, 2025, and were reported to the Board of Directors on the same day.</p> <p>(IV) The attesting CPAs appointed by the Company have no interest relationship with the Company and strictly adhere to the independence requirements. Attesting CPAs' independence and suitability are discussed and assessed at a Board of Directors meeting periodically every year; the assessment was passed by the Board of Directors on March 15, 2024 through deliberation.</p> <p>The independence of attesting CPAs is reviewed periodically every year in the following manner:</p> <ol style="list-style-type: none"> (1) Review of the CPA's resume. (2) CPAs may not accept and should recuse themselves from, the work that has a direct or indirect relationship with them and thus affects their independence and impartiality. (3) Check to see if the CPA is the Company's shareholder or receives salary from the Company; make sure that the CPA is not a related party. (4) Refer to the Audit Quality Indicators (AQIs) to assess the independence and suitability of the certifying accountant. 	No significant difference

Evaluation items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
			(5) Obtain the Independence Statement from the CPAs to be appointed.	
IV. Does the Company as a listed company have a suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance-related matters (including but not limited to, providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors in complying with laws and regulations, conducting board meeting and shareholders' meeting related matters in accordance with the law, handling company registration and alteration registration and preparing minutes of board meetings and shareholders' meetings, etc.)?	V		<p>The Company has set up a governance supervisor, and the finance department is in charge of corporate governance unit, responsible for the corporate governance related matters:</p> <p>(1) Handling matters relating to board meetings and shareholders meetings according to laws.</p> <p>(2) Producing minutes of board meetings and shareholders' meetings.</p> <p>(3) Assisting in onboarding and continuous development of directors and independent directors.</p> <p>(4) Furnishing information required for business execution by directors.</p> <p>(5) Assisting directors with legal compliance.</p> <p>(6) Other matters set out in the Articles of Incorporation or contracts.</p> <p>(7) Other corporate governance related matters.</p> <p>The governance supervisor has completed the 12-hour continuous development course in 2024 and declared on the MOPS.</p>	No significant difference
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		<p>The Company's website has a stakeholders' zone; the Company has properly responded to important corporate social responsibility issues that concern stakeholders.</p>	No significant difference

Evaluation items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The Company has mandated Yuanta Securities Co., Ltd. to be its stock affairs agent.	No significant difference
VII. Public disclosure of information				
(I) Has the Company set up a website to disclose finance and business matters and corporate governance information?	V		(I) The Company has set up a website through which the Group's information such as financials, stock affairs, and corporate governance is disclosed.	No significant difference
(II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?	V		(II) The Company's website features Chinese and English. The Company has a dedicated person who collects and discloses the Company's information. In addition, the channel through which the spokesperson may be contacted remains clear.	No significant difference
(III) Does the Company publish and make official filing of annual financial report within two months after the end of an accounting period, and publish/file Q1, Q2 and Q3 financial reports along with the monthly business performance statements before the required due dates?		V	(III) The Company files its financial statements and monthly operating performance data within the due date specified in the "Particulars That Must Be Carried Out by TWSE-listed Companies," but has yet to announce and file the annual financial statements within two months after the end of a fiscal year.	The Company will act in the future based on actual requirements or by laws or regulations.
VIII. Does the company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, implementation of risk management policies and risk	V		(1) The Company acts fully by the Labor Standards Act. Aside from that, the Company's Articles of Incorporation stipulates that 0.1%-2% of annual earnings, if any, be provided as employee remuneration and that welfare measures like subsidies for marriage and funeral be provided. (2) The Company provides a good working environment and system and maintains a good relationship with	No significant difference

Evaluation items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
measurement standards, implementation of customer policies, the company's purchase of liability insurance for directors and supervisors, and so on)?			<p>employees, so the employee turnover rate is low.</p> <p>(3) The Company has a spokesperson and a deputy spokesperson who are always ready to answer any shareholder inquiry to help them understand the Company. In addition, as required by law, the Company also discloses its information on the Market Observation Post System.</p> <p>(4) The Company maintains a good relationship with both suppliers and customers, and has set up channels for stakeholders to file their grievances; therefore, communication is expected to be clear and smooth.</p> <p>(5) The Company organizes continuing education courses for directors and supervisors at irregular intervals, and discloses their attendance on the Market Observation Post System.</p> <p>(6) As required by law, the Company has set up various internal regulations and an internal control system to manage and assess risks. In addition, the internal audit unit also carries out regular and irregular audits to verify the implementation status of the internal control system.</p> <p>(7) The Company's purchase of liability insurance for directors and supervisors: The Company has purchased a USD 5.5 million liability insurance policy for its directors, supervisors, and managers from Mingtai Fire & Marine Insurance Co., Ltd., with the insured period being 2024.4.24. through 2025.4.24.</p>	

Evaluation items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
IX.	Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement: The Company has reviewed the items of the Corporate Governance Evaluation of the previous year for which the Company failed to score, and attempted to find out the causes and estimate the cost necessary for improvement. Furthermore, the Company also references the 2024 Corporate Governance Evaluation Guidelines to find out the items which can be improved. Improved items: Revised the "Rules Governing Financial and Business Matters between Related Parties", established the "Sustainable Development Best Practice Principles", formed the Sustainable Development Task Force and Integrity Management Promoting Task Force, formulated the "Rules of Procedure for Preparing and Assurance Sustainability Reports", and completed the "Sustainability Report" The implementation of various corporate governance measures was reported to the Board of Directors. All directors completed their professional training hours in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies". Priority enhancement measures planned for items still awaiting improvement: A concrete plan to promote and implement corporate social responsibilities. Evaluation items whose improvement will incur too much cost based on our assessment have yet to be included in the improvement plan and may be improved in the future based on actual needs or by laws and regulations.			

(IV) Composition, duties, and implementation status of the Remuneration Committee:

1. Remuneration Committee members

Identity	Criteria Name	Professional qualifications and experience	Status of independence	Number of concurrent duty as a Remuneration Committee member at a public company
Independent director (Convener)	Kuan Chi-Jui	Independent Director Kuan was the Chairperson of Qunfu Construction Co., Ltd., Zhongxing Engineering Co., Ltd., Engineer Consultant of Te Chang Construction Co., Ltd., and Kanghe Construction Co., Ltd. He is specialized in the construction industry.	The three independent directors listed on the left have met the qualifications in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act, during the two years before the election and during their tenure and all independent directors	0
Independent director	Ho Chin-Chih	Independent Director Hou has abundant experience in the futures and securities industry, as a Consultant of KGI Futures Co., Ltd. the Director and Supervisor of the Chinese National Futures Association, Chairperson of SYF Information Co., LTD., Senior Vice President of Yuanta Futures Co., Ltd., President of Fubon Futures Co., Ltd., and Financial Vice President of California branch of The Tokai Bank Limited, Japan.	have been given the power to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities Exchange Act, and as the basis of performing relevant powers independently.	0
Independent director	Cheng Yu-Wei	Independent Director Cheng is serving at National Central University. He is well-equipped with practical expertise in legal, business, and operations and also with strategy managing and leadership ability, he possesses the knowledge, skills, and qualifications necessary for performing his duties, along with extensive experience in industry management.		0

2. Information on the operations of the Remuneration Committee

(1) There are three members of the Remuneration Committee of the Company.

(2) Tenure of the 6th Remuneration Committee: 2024.05.30. ~ 2027.05.29

(3) The Remuneration Committee held 7 meetings in 2024

Members' qualifications and attendance are as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Ratio of attendance in person % (B/A)	Remarks
Convener	Ho Chin-Chih	7	0	100	Re-elected
Committee member	Kuan Chi-Jui	7	0	100	Re-elected
Committee member	Cheng Yu-Wei	5	0	100	Newly elected
Committee member	Liu Wei-Ting	2	0	100	Predecessor
<p>Other matters to be recorded:</p> <p>(i) If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, session, proposal content, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated): None.</p> <p>(ii) For the proposals by the Remuneration Committee, if any members have objections or reservations that are put down in records or written statements, the date, session, proposal content, the opinions of all members, its handling of the members' opinions should be stated: None.</p>					

(4) The Remuneration Committee's discussions and resolutions in 2024, and the Company's response to the committee members' opinion:

Date/Session	Content of proposals	Resolution situation	The company's handling of committee members' opinions
2024.01.24. The 10 th meeting of the 5 th session	1. Establish Performance Bonus Guidelines 2. Review performance bonuses of the Investment department 3. Review the 2023 year-end bonuses for managers	After being consulted by the chairman, all the attending committee members had no objection and passed the proposal.	Report the resolution to the board of directors
2024.03.15. The 11 th meeting of the 5 th session	1. Review the 2023 directors' and employees' remuneration proposal		
2024.05.30. The 1 st meeting of the 6 th session	1. Elect the Convener of the 6th Remuneration Committee		

Date/Session	Content of proposals	Resolution situation	The company's handling of committee members' opinions
2024.06.26. The 2 nd meeting of the 6 th session	1. Review the Compensation Proposal for the New Directors		
2024.08.13. The 3 rd meeting of the 6 th session	1. Review the 2023 manager's remuneration proposal 2. Review the manager's salary adjustment proposal.		
2024.11.08. The 4 th meeting of the 6 th session	1. Review performance bonuses of the Investment department		
2024.12.10. The 5 th meeting of the 6 th session	1. Review the salary of the new President		

(V) Composition, duties, and implementation status of the Nominating Committee:

1. Qualifications and Experience of Nominating Committee Members:

Title	Name	Professional qualifications and experience
Convener	Cheng Yu-Wei	Independent Director Cheng is serving at National Central University. He is well-equipped with practical expertise in legal, business, and operations and also with strategy managing and leadership ability, he possesses the knowledge, skills, and qualifications necessary for performing his duties, along with extensive experience in industry management.
Committee member	Kuan Chi-Jui	Independent Director Kuan was the chairperson of Qunfu Construction Co., Ltd., Zhongxing Engineering Co., Ltd., engineer consultant of Te Chang Construction Co., Ltd., Kang He Construction Co., Ltd. and is specialized in the construction industry.
Committee member	Ho Chin-Chih	Independent Director Hou has abundant experience in the futures and securities industry, consultant of KGI Futures Co., Ltd. the director and supervisor of the Chinese National Futures Association, chairperson of SYF Information Co., Ltd., Senior vice manager of Yuanta Futures Co., Ltd., general manager of Fubon Futures Co., Ltd.,

Title	Name	Professional qualifications and experience
		financial vice president of California branch of The Tokai Bank Limited, Japan.
Committee member	Leo Ho	Chairperson, Leo Ho, graduated from the University of California with a bachelor's degree in applied mathematics. He joined the Kwong Fong Group as the vice general manager in 2008 and was promoted to be the chairperson in 2021. He has participated in the business of various departments and the management of "Kwong Fong Plaza" shopping mall and is serving as an independent director of the East Tender Optoelectronics Corporation. He has the accounting and financial practical experience, strategic management and leadership skills and has the knowledge, skills and accomplishments to perform the duties and industry management experience to contribute corporate governance management expertise.
Committee member	Ho Ming-Hong	Vice Chairperson, Ho Ming-Hong, graduated from the University of Washington with a master's degree in business administration. He used to be the chairperson of the Taiwan Securities Association and the Chinese National Futures Association and the chairperson of Yuanta Futures/Securities Co., Ltd. He has practical experience, strategic management and leadership skills, with abundant knowledge, skills and industry management experience for performing the duties and also serves as director in related industry companies to contribute his corporate governance management expertise. He has practical abilities in financial accounting, business and securities and futures industry-related operating planning, operations and management.

Work Focus:

- (1) Establish standards for the professional knowledge, skills, experience, gender diversity, and independence required of board members, and use these standards to search for, review, and nominate director candidates.
- (2) Establish and develop the organizational structure of the board of directors and its committees.
- (3) Develop and review director training plans and succession plans for directors and senior executives.
- (4) Study the company's governance practices and director selection procedures.

(5) Serve as the executing unit for the performance evaluation of the board of directors and its functional committees.

2. Information on the operations of the Nominating Committee

(1) There are five members of the Nominating Committee of the Company.

(2) Tenure of the 2nd Nominating Committee: 2024.05.30. ~ 2027.05.29.

(3) The Nominating Committee held 3 meetings in 2024

Members' qualifications and attendance are as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Ratio of attendance in person % (B/A)	Remarks
Convener	Cheng Yu-Wei	2	0	100	Newly elected
Committee member	Ho Chin-Chih	3	0	100	Re-elected
Committee member	Kuan Chi-Jui	3	0	100	Re-elected
Committee member	Leo Ho	3	0	100	Re-elected
Committee member	Ho Ming-Hong	3	0	100	Re-elected
Committee member	Liu Wei-Ting	1	0	100	Predecessor

Other matters to be recorded:

- (i) If the Board of Directors does not adopt or amend the recommendations of the Nominating Committee, it should state the date, session, proposal content, resolution of the board, and its handling of the Nominating Committee's opinions: None.
- (ii) For the proposals by the Nominating Committee, if any members have objections or reservations that are put down in records or written statements, the date, session, proposal content, the opinions of all members, its handling of the members' opinions should be stated: None.
- (iii) The implementation of directors' recusal from interest-related proposals, including the director's name, the proposal content, the reason for recusal, and voting participation: On March 15, 2024, during the deliberation of the nominations for directors and independent directors, in accordance with the Company's Nominating Committee Charter, the nominees should recuse themselves from the discussion and voting due to the conflict of interest. In addition, Convener Kuan Chi-Jui appointed Committee Member Ho Chin-Chih to preside over the review of his nomination on his behalf.

(4) The Nominating Committee's discussions and resolutions in 2024, and the Company's response to the committee members' opinion:

Date/Session	Content of proposals	Resolution situation	The company's handling of committee members' opinions
2024.03.15. The 2 nd meeting of the 1 st session	<ol style="list-style-type: none"> 1. 2023 Board of Directors and Functional Committees Performance Evaluation 2. Review of the Nomination Proposal for Directors and Independent Directors 3. Establish Guidelines for the Implementation of the Directors Continuing Education Program 4. Establish the 2024 Directors Continuing Education Plan 	After being consulted by the chairman, all the attending committee members had no objection and passed the proposal.	-
2024.05.30. The 1 st meeting of the 2 nd session	<ol style="list-style-type: none"> 1. Elect the Convener of the 2nd Nominating Committee 		
2024.06.26. The 2 nd meeting of the 2 nd session	<ol style="list-style-type: none"> 1. Amend the "Rules Governing Financial and Business Matters between Related Parties" 2. Establish the "Sustainable Development Best Practice Principles" 		

(VI) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Implementation Items	The State of Implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary description	
I. Has the Company established a governance structure to promote sustainable development, and designated a full-time (part-time) unit to promote sustainable development, which is to be handled by the senior management with the authorization of the Board of Directors, and the actual supervision of the Board of Directors?	V		The company has established a "Sustainable Development Task Force" to be responsible for the formulation and review of the company's sustainable operation policies, systems and management guidelines, as well as cross-departmental communication. Environmental protection (E), social responsibility (S), and corporate governance (G) are the 3 aspects used as important indicators for evaluating sustainable operations and investment decisions. The Chairperson is authorized to serve as the highest governance rank of the "Sustainable Development Task Force" and a Chief Sustainability Officer position is established, which will be concurrently held by the President.	No significant difference
II. Does the company conduct risk assessments on environmental, social, and corporate governance issues related to the Company's operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	V		The company has formulated "Risk Management Policies and Procedures." Through risk identification, risk response, risk monitoring and other management processes and adjusting at the proper time in line with changes in the business environment, business and operating activities. The 2024 risk management policy, scope, organizational structure and operation status have been submitted to the board of directors on November 8, 2024.	No significant difference
III. Environmental Issues				
(I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		(I) Launch energy-conservation and carbon-reduction campaigns in the office: Turn on the lights only in necessary areas; reduce paper consumption; manage the air conditioning system from area to area.	No significant difference
(II) Is the Company committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment?	V		(II) The Company recycles and re-uses resources, reduces waste generation, and uses recycled tissue paper.	No significant difference

Implementation Items	The State of Implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary description	
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to climate related issues?	V		(III) The Company implements resource recycling and sorting and air conditioning temperature control and uses energy-efficient equipment and lighting fixtures, and in doing so reaches the energy-conservation and carbon-reduction goal.	No significant difference
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	V		(IV) The Company continues to require that resources are recycled and waste is reduced in the office and hold internal awareness sessions. The Company has set up resource recycling bins for sorting resources; the Company also transitions the office paperwork to a digital flow so as to streamline processes and reduce paper use. By cherishing energy and resources, we avoid waste.	No significant difference
IV. Social Issues				
(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?	V		(I) The company formulates various management measures and the employees' employment and discharge, salary, leave, etc. are handled in accordance with the measures, and the following principles are jointly abide by in accordance with the human rights policy: "abide by labor and environmental laws and regulations," "equal employment, prevent discrimination," "prohibition of forced labor, prohibition of employing child labor," "provide a safe and healthy working environment," "keep labor-management communication channels open and provide a grievance mechanism"	No significant difference
(II) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, vacation, and other benefits, etc.), and appropriately reflected operating performance or results in employee remuneration?	V		(II) According to the Company's Articles of Incorporation, if the Company has earnings in a given year, it shall provide 0.1%-2% of such earnings as employee remuneration, which shall be distributed in cash or shares according to the resolution adopted by the Board of Directors. Those entitled to employee remuneration may include employees of a	No significant difference

Implementation Items	The State of Implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary description	
(III) Did the Company provide employees with a safe and healthy working environment, and conduct regular safety and health education for employees?	V		<p>controlled or affiliated company who meet certain criteria.</p> <p>Considering operational performance, reflect timely adjustments to employee compensation in accordance with the company's "Business Bonus Regulations" and "Year-end Bonus Distribution Regulations."</p> <p>(III) The Company provides a good working environment and continues to improve and periodically maintain it. In addition, the Company also promotes a smoke-free working environment. The Company cooperates on a fire drill carried out periodically by the administrative unit of the office building and the management center of the office. Furthermore, an access control system and a camera surveillance system are in place throughout the day.</p>	No significant difference
(IV) Has the Company established an effective career development training program for employees?	V		<p>(IV) The Company arranges for employees to participate in the courses held by the competent authority or external professional institutions, and to participate in related education and training courses and internal awareness sessions held irregularly.</p> <p>Courses in 2024: Advanced training course for accounting personnel, advanced training course for auditing personnel, class A occupational safety and health management supervisor education and training; internal training course: seminar on securities management reporting and investment control mechanisms, procedures for insider trading prevention management and handling of material inside, amendments to article 43-1 of the Securities and Exchange Act: new reporting system for acquisition of a large number of shares, amendments to corporate governance regulations and related</p>	No significant difference

Implementation Items	The State of Implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary description	
(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant customer rights protection policies and complaint procedures?	V		practices, seminar on AI smart financial analysis for fraud prevention, explanation of FCN - derivative financial products, seminar on Gender Equality in Employment Act, and seminar on regulations for the maintenance and security of personal data files. (V) The Company maintains a good relationship with both suppliers and customers, and has set up channels for stakeholders to file their grievances. The Company's marketing and labeling of products and services are in accordance with relevant laws and regulations and international standards.	No significant difference
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V		(VI) Before doing business with a supplier, the Company accounts for its historical reputation and always attends to whether or not it has a record of impacting the environment or violating occupational safety and health requirements or labor rights at the moment. The Company and suppliers strive together to improve corporate social responsibility practices.	No significant difference
V. Does the Company make reference to international reporting standards or guidelines to prepare corporate social responsibility or other reports that disclose non-financial information about the Company? Has the assurance or opinion from third-party certifying institutions been obtained for the reports of the preceding paragraph?		V	The Company has yet to disclose the information on its corporate social responsibility practices.	The Company will act in the future based on actual requirements or by laws or regulations.
VI. If the Company has its own corporate social responsibility best practice principles in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies," please state the differences between its own principles and the state of implementation: None.				
VII. Other important information conducive to understanding the implementation of corporate social responsibility: During the development of the residential and shopping mall in the Bade area of Taoyuan, the Company donated more than 4,800 pings of ecological green space and more than 800 pings of library for local people to use for free.				

(VII) Climate-related Information of Listed Companies

Implementation of climate-related information

Item	Implementation
1. Description on the Board and Management's oversight and governance on climate-related risks and opportunities.	<p>To implement corporate sustainability, the Board of Directors has authorized the Chairman to serve as the highest governance authority responsible for leading the sustainability governance structure. In 2024, the company has established a "Sustainability Promotion Task Force" and appointed the General Manager to concurrently serve as the Chief Sustainability Officer (CSO). The CSO acts as the head of the task force, overseeing and coordinating the operations of three working groups: Corporate Governance Group、Social Responsibility Group and Environmental Sustainability Group. These groups are primarily responsible for managing the execution of sustainability initiatives and coordinating across internal departments to promote sustainable development, climate risk management, and a culture of good governance. The CSO is required to report progress to the Chairman on an ad-hoc basis and to deliver an annual report to the Board of Directors detailing the progress in climate risk management and sustainability affairs</p> <p>In alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and relevant regulatory guidelines, the Company conducts annual identification and assessment of climate-related risks and opportunities. These are analyzed over different time horizons—short-term, medium-term, and long-term—to evaluate their potential impacts on our business operations, strategic planning, products, and financial performance. The scope of analysis covers all areas recommended by the TCFD, including: Products and services, Supply chain and value chain, Adaptation and mitigation activities, Research and development investments, Business operations, Operating costs and revenues, Capital expenditures and capital allocation, Mergers, acquisitions, and divestitures, Access to capital.</p> <p>The classification of climate-related risk impacts by time horizon is defined as follows, based on the Company's operational characteristics and industry profile, in accordance with TCFD guidance: Short-term: Within the next 1 to 3 years, Medium-term: 2026 to 2030, Long-term: 2031 to 2050. Given the specific nature of the software industry, our assessment emphasizes aspects such as digital transformation, cloud services, and energy consumption of data centers. In response to climate change challenges, the Company formulates corresponding adaptation strategies and mitigation measures.</p> <p>Based on the results of the assessment, we will develop specific climate-related strategies and targets in the following areas: R&D investment, Product and service innovation, Operational energy</p>

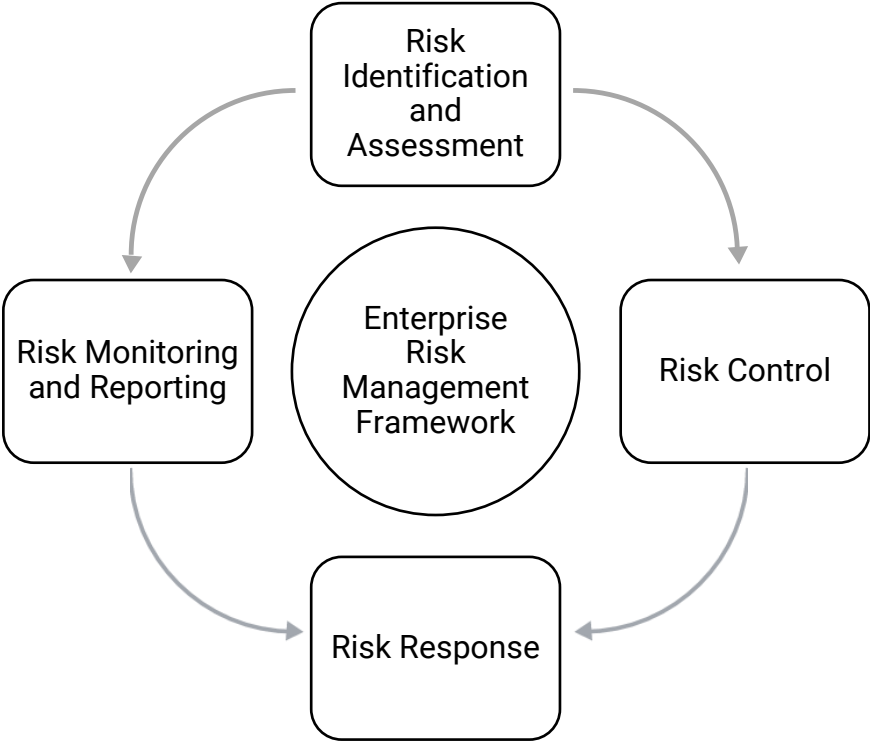
	<p>efficiency, Development of green cloud infrastructure, Carbon emissions control. These strategies and targets are reviewed annually, and their implementation performance is tracked and updated in our Climate Key Performance Indicators Report. This process ensures that our strategies remain responsive and adaptive to global environmental policies and evolving market demands.</p> <p>To ensure effective execution of climate strategies, climate-related issues are integrated into the Company's annual operational and strategic planning processes, including the allocation of related budgets and resources. The Chief Sustainability Officer (CSO) reports the annual climate strategy implementation plan to the Chairperson on an ongoing basis and adjusts the plan in accordance with the Chairperson's guidance. The Chairperson is responsible for overseeing the Company's progress in managing climate-related risks and for providing strategic direction to ensure the achievement of the Company's climate goals.</p>		
2. Description on how the identified climate risks and opportunities impact the company's business, strategies, and finance (short, mid, long-term).	Narrative description of short, medium and long-term climate risks and opportunities:		
	Timeframe	Climate Risks and Opportunities	Description
	Short-term	Transition Risk - Policies & Regulations	<p>(1) Global regulations on carbon emissions and energy consumption are becoming increasingly stringent. With changes in energy laws and the introduction of carbon fees, data center operations—being energy-intensive—may face increased operating costs.</p> <p>(2) In the construction business, short-term risks stem from climate policies and green building regulations. New standards may lead to higher construction costs.</p>
	Short-term	Opportunities - Products/Services	<p>(1) Providing software and financial AI innovation platforms enables paperless and low-carbon services, creating new business opportunities. Emerging energy-saving technologies and eco-friendly digital solutions—such as 5G, energy-optimized cloud infrastructure, intelligent energy management systems, and green data centers—can enhance energy efficiency and competitiveness.</p> <p>(2) By adopting sustainable building materials and energy-efficient designs, companies can reduce costs and attract</p>

			sustainability-focused investors. Additionally, the demand for disaster prevention and resilience presents a market opportunity for future development.
	Medium-term	Transition Risk - Technology	<p>(1) As the global energy structure shifts and demand for renewable energy increases, companies may need to make substantial infrastructure investments and transitions, such as adopting high-efficiency cooling technologies in data centers to meet stricter environmental standards. Moreover, increased extreme weather events may disrupt global supply chains and data transmission services.</p> <p>(2) Climate risks introduce long-term uncertainties in project return on investment, especially as extreme weather events increase the likelihood of infrastructure damage. This impacts budget planning and expected returns, particularly for low-carbon construction projects that may face high initial investment costs.</p>
	Medium-term	Transition Risk - Market	<p>(1) With growing demand for environmental sustainability, both consumers and businesses are seeking green digital solutions. Failure to meet these expectations could result in the loss of potential customers.</p> <p>(2) Companies that fail to transition quickly and offer low-carbon and energy-efficient construction solutions may lose market share and be at a competitive disadvantage.</p>
	Medium-term	Opportunities - Products/ Services	<p>(1) The digital technology sector can further develop AI-, big data-, and IoT-based environmental technologies to offer innovative, sustainable solutions.</p> <p>(2) As global demand for sustainable buildings rises, companies have the opportunity to design and construct green buildings that meet low-carbon standards, driving innovation in green materials and technologies. This aligns with international agreements and can attract global investment in sustainable construction projects.</p>

	Medium-term	Transition Risk - Reputation	With increasing environmental awareness, failure to actively address climate change may result in reputational risk. Society is becoming more sensitive to corporate climate performance, and insufficient environmental responsibility may lead to negative public opinion and erosion of trust among investors, customers, and partners.		
	Long-term	Physical Risk - Long-term Risks	(1) Rising temperatures leading to extreme weather events—such as typhoons, heavy rainfall, droughts, and water shortages—may result in power outages, water disruptions, fires, or flooding. These events could damage property, disrupt operations and systems, or harm equipment. (2) Sea level rise, extreme heatwaves, and strong winds will increase risks in building design and construction, potentially causing asset damage and financial loss for enterprises.		
3. Description on the impact extreme climate events and transitional actions have on finance.					
	Risk Type		Related Driver	Financial Impact	Company-Specific Description
	Physical	Acute	Drought (Operations)	Operating Cost	Global warming leads to higher temperatures, increased water/electricity costs, and greater power outage risks
	Physical	Acute	Drought (Supply Chain)	Operating Cost	Global warming leads to higher temperatures, increased water/electricity costs, and greater power outage risks
	Physical	Acute	Flood	Operating Cost	Impacts labor management and planning (e.g., hygiene, safety, absenteeism)
	Physical	Acute	Flood (Supply Chain)	Operating Cost	Global warming leads to higher temperatures, increased electricity costs, and outage risks

	Physical	Acute	Typhoon	Operating Cost	Impacts labor management and planning (e.g., hygiene, safety, absenteeism)
	Physical	Chronic	Rising Temperatures	Operating Cost	Increased electricity consumption and operational costs
	Transition	Policy & legal	Carbon Cap, Carbon Tax/Fee	Operating Cost	Costs from GHG inventory and verification raise operational expenses
	Transition	Policy & legal	Net Zero Emissions	Operating Cost	
	Transition	Policy & legal	Environmental Impact Assessment	Operating Cost	Increased cost for land development and EIA approvals in construction business
	Transition	Policy & legal	Uncertainty in New Low-Carbon Technologies	Operating Cost	Continued R&D on energy-saving technologies increases operational cost
	Transition	Policy & legal	Renewable Energy Laws and Procurement	Operating Cost	Increase in external renewable energy purchase costs; insufficient supply leads to rising prices
	Transition	Policy & legal	1% Power Saving Regulation	Operating Cost	Low impact due to lack of heavy pollution and high-energy equipment
	Transition	Reputation	Changing Consumer Preferences	Revenue	Decline in product demand, reduced revenue
	Transition	Reputation	Negative Reputation	Revenue & Operating Cost	Negative impact on product sales; higher hiring and financing costs; reduced brand value

	Transition	Market	Changing Customer Behavior	Revenue & Operating Cost	Reduced revenue from non-low-carbon products; increased R&D costs for new offerings
	Transition	Technology	New Tech Investment	Operating Cost	Increased R&D expenses
	Opportunities	Products/Services	Business Diversification	Revenue	Increased revenue
	Opportunities	Resilience	Natural Disaster Adaptability	Revenue	Increased revenue
4. Description on how the climate risk identification, assessment, and management process is integrated in the overall risk management system.	<p>To achieve Kwong Fong's sustainability goals and safeguard the long-term value of the Company and its stakeholders, Kwong Fong adopts a strategy that balances climate-related risks and commercial returns. The Company is committed to identifying and effectively managing various climate-related risks and opportunities encountered during the implementation of its business strategy. The Board of Directors has delegated authority to the Chairperson, along with the Corporate Governance Group and the Environmental Sustainability Group under the Sustainability Promotion Department, to conduct a comprehensive review of Kwong Fong's Enterprise Risk Management (ERM) framework and overall risk profile. This ensures that climate-related risks identified during operations are effectively managed and maintained within acceptable risk thresholds. It also guarantees that all climate-related risks are fully assessed and appropriately controlled. These risks include, but are not limited to: Net-zero emission targets, Reputational risks, Energy shortages or supply disruptions, Impacts of extreme weather on data center operations, Cybersecurity threats. Each of these risks may pose potential threats to Kwong Fong's business operations and supply chain.</p>				

	 <p>The Chief Sustainability Officer (CSO) provides periodic reports to the Chairperson on the assessment results of climate-related risks and opportunities. These reports include scenario analyses and evaluations of potential financial impacts, as well as proposed response measures. Based on these assessments, the Chairperson ensures that related risk control plans and response strategies are properly reviewed and adjusted in a timely manner. Upon completion of data compilation and analysis, the Task Force prioritizes the identified issues and selects those with the most significant impact on the Company and its environmental responsibilities. These key issues are then discussed internally, and specific response strategies and action plans are developed. The CSO is required to report progress to the Chairman on an ad-hoc basis and to deliver an annual report to the Board of Directors on an ad hoc basis to ensure full support and allocation of necessary resources for implementation.</p>
5. Should scenario analysis is used to assess the	Climate Risk Scenario Analysis, Kwong Fong has adopted climate scenario analysis in reference to the climate scenario parameters published by the Network for Greening the Financial System (NGFS). Three scenarios are used to assess potential climate-related financial risks: Orderly Transition (Net

<p>Company's resilience in face of climate change risks, the scenario, parameters, hypothesis, analysis factors, and major financial impacts should be illustrated.</p>	<p>Zero 2050), Disorderly Transition (Delayed 2°C), Hot House World (NDCs). These scenarios help evaluate the potential increase in operating costs and expenses due to carbon pricing under different climate pathways. The analysis includes projected electricity-related financial impacts and carbon tax costs for the period 2025 to 2050.</p> <p>(1) Orderly Transition (Net Zero 2050)</p> <p>In this scenario, the world reaches net-zero emissions by 2050 through effective global cooperation, policy implementation, and technological innovation. Countries gradually adopt carbon pricing mechanisms, such as carbon taxes and emissions trading systems, while increasing investments in renewable energy and low-carbon technologies.</p> <p>A. Carbon Pricing Impact Analysis:</p> <p>(a) Carbon Tax: It is assumed that global carbon prices will gradually rise to approximately USD 100 per ton of CO₂ by 2030, eventually reaching USD 200–250 per ton by 2050. Kwong Fong's carbon-intensive operations-such as data center operations, manufacturing, and logistics-will be directly affected and required to pay additional carbon taxes.</p> <p>(b) Operating Costs and Expenses :</p> <ul style="list-style-type: none"> • Data Center Operations: To mitigate the carbon tax burden, Kwong Fong must invest in green energy and energy efficiency technologies (e.g., high-efficiency cooling systems, low-carbon energy use). Although this requires substantial upfront capital investment, energy and cost savings are expected in the long term. • Construction Business: Carbon pricing will increase construction costs. Kwong Fong will need to purchase carbon allowances or pay carbon taxes, and adopt more sustainable materials and low-carbon design practices. However, green building features may enhance the company's market competitiveness. <p>B. Anticipated Impact :</p> <p>(a) Short-term: Rising carbon prices will increase operating costs, especially in high-emission sectors such as data centers and energy-intensive facilities.</p> <p>(b) Long-term: By improving energy efficiency, adopting renewable energy, and upgrading to green technologies, Kwong Fong is expected to reduce emissions and lower energy-related operating costs over time.</p> <p>(2) Disorderly Transition (Delayed 2°C)</p>
---	--

	<p>In this scenario, meaningful climate action is delayed, with emissions continuing to rise until strong reduction measures begin between 2025 and 2030. The global goal is to ultimately limit warming to 2°C.</p> <p>A. Carbon Pricing Impact Analysis:</p> <p>(a) Carbon Tax and Policy Implementation: Implementation of carbon pricing is delayed, starting low but rising sharply in subsequent years. It is projected that carbon prices may reach USD 40 per ton of CO₂ by 2025, USD 150 by 2030, and exceed USD 300 by 2050.</p> <p>(b) Operating Costs and Expenses:</p> <ul style="list-style-type: none"> • Data Centers & Manufacturing: Due to the delay in carbon pricing, carbon tax costs will rise significantly post-2030. The impact on data centers, manufacturing, logistics, and other businesses will gradually become apparent. To reduce these costs, Kwong Fong must increase investments in energy efficiency and optimize operations. • Construction Industry: Gradual carbon emissions regulation tightening will require accelerated adoption of green materials and low-carbon technologies. While near-term costs rise, this facilitates long-term sustainability transitions. <p>B. Anticipated Impact:</p> <p>(a) Short-term (2025–2030): The carbon tax burden is relatively light, but with policy promotion and the sharp increase in carbon tax, Kwong Fong’s carbon fee expenditure will increase significantly after 2030.</p> <p>(b) Long-term (2030–2050): Significant increase in carbon costs necessitates strong investments in low-carbon technologies and business transformation.</p> <p>(3) Uncontrolled Global Warming (NDCs)</p> <p>This scenario assumes that global climate efforts fail to meet emission targets, resulting in temperature rises exceeding 2°C, potentially surpassing 3°C. The intensifying climate crisis brings severe environmental, economic, and social impacts.</p> <p>A. Carbon Pricing Impact Analysis:</p> <p>(a) Carbon Tax and Regulations: Carbon Tax Projections: Accelerated increase as governments impose stricter regulations—USD \$100+/ton by 2030, and over USD \$500/ton by 2050.</p> <p>(b) Operating Costs and Expenses:</p>
--	---

	<ul style="list-style-type: none"> • Data Centers : A sharp increase in carbon fees will have a huge impact on Kwong Fong Data Center, especially when a large amount of energy is required to support its operation. Kwong Fong may need to pay extremely high carbon taxes in the future, and will need to increase energy efficiency and the use of clean energy in high-carbon emission areas (such as data storage and processing). • Construction Business : As global warming spirals out of control, extreme weather events will become more frequent, which could have a greater impact on construction projects and drive up construction costs. As carbon emission requirements increase, the cost of carbon quotas required for construction will increase significantly, and Kwong Fong must invest more resources in building projects to reduce its carbon footprint. <p>B. Anticipated Impact :</p> <p>(a) Short-term (2025–2030): The cost of carbon tax will increase significantly. Kwong Fong needs to prepare to deal with the rapidly rising carbon tax expenses and increase the adoption of green energy.</p> <p>(b) Long-term (2030–2050): The carbon prices potentially rising to over USD 500 per ton of CO₂, Kwong Fong will face sustained cost pressures, necessitating swift adoption of low-carbon technologies and a complete transition to sustainable operations.</p> <p>Summary of Scenario Impacts :</p> <p>(a) Orderly Transition (Net Zero 2050): Guang Fong should accelerate investment in green technologies and transform operations to reduce emissions. Long-term carbon cost burdens are relatively manageable under this scenario, supporting stable operational expenditures.</p> <p>(b) Disorderly Transition(Delayed 2°C): Steep increases in carbon pricing post-2030 will exert considerable financial pressure. Kwong Fong must proactively plan for carbon costs and mitigate impacts through innovation and energy-saving upgrades.</p> <p>(c) Hot House World(NDCs): This scenario poses the highest financial risk from carbon taxation, particularly affecting data centers and construction. Kwong Fong must expedite low-carbon transformation and prepare for significant future carbon costs. Kwong Fong should actively deploy a low-carbon transformation strategy, upgrade technology, optimize energy management and reduce carbon emissions, so as to reduce the negative impact of future carbon fees on its operations.</p>
--	---

Based on the scenario parameters released by NGFS, the following is an estimate of the financial impact on Kwong Fong's carbon emissions growth by selecting a high emission scenario (carbon pricing US\$268.13/ton), a medium emission scenario (carbon pricing US\$231.86/ton) and a low emission scenario (carbon pricing US\$2.63/ton).

C. Assumptions :

(a) Kwong Fong's carbon emissions will grow at an average annual rate of 3% over the next 5 years.

(b) Baseline emissions in 2025: 10,000 tons CO₂ (for illustrative purposes only).

D. Carbon Emissions Forecast for the Next Five Years: Based on an average annual growth rate of 3%, Kwong Fong's carbon emissions are projected to reach approximately 11,592 metric tons of CO₂ within five years:

- Projected Carbon Emissions by 2025: 10,000 tons CO₂
- Projected Carbon Emissions by 2030: $10,000 \text{ tons} * (1 + 0.03)^5 \approx 11,592 \text{ tons CO}_2$

E. Estimated Financial Impact of Carbon Pricing:

(a) Low Emissions Scenario (USD 2.63/ton) :

- $11,592 \text{ tons} * \$2.63 \approx \text{USD } \$30,510$

(b) Medium Emissions Scenario (USD 231.86/ton) :

- $11,592 \text{ tons} * \$231.86 \approx \text{USD } \$2,687,560$

(c) High Emissions Scenario (USD 268.13/ton) :

- $11,592 \text{ tons} * \$268.13 \approx \text{USD } \$3,114,100$

F. Conclusion:

(a) Under the low emissions scenario, carbon tax burdens remain minimal (USD 30,510 by 2030).

(b) In the medium emissions scenario, carbon costs rise significantly (USD 2,687,560).

(c) In the high emissions scenario, the financial burden becomes substantial (USD 3,114,100).

Therefore, as carbon pricing increases, the Company's carbon emission costs in the future will increase significantly, which will have a significant impact on the Company's finances.

<p>6. Should there be a transformation plan in response to managing climate-related risks, shall illustrate the plan content, and the indicators and targets used to identify and manage physical and transformation risks.</p>	<p>As global concern over environmental protection intensifies and extreme climate events pose potential threats to business operations, Kwong Fong is committed to promoting sustainable development. While ensuring operational stability, we actively respond to climate change challenges. We have established Occupational Health & Safety, Environmental, and Energy Policies and Declarations, and we continuously promote energy conservation, carbon reduction, and green procurement to achieve sustainable development goals. Environmental audits are conducted annually, with policies and targets being adjusted based on actual conditions to ensure meaningful progress in climate risk management and environmental protection.</p> <p>Sustainability Resources and Energy Conservation Targets:</p> <ol style="list-style-type: none"> (1) Carbon Emission Reduction Target <ul style="list-style-type: none"> • Target: Reduce carbon emissions by 10% by 2030 • Key Measures: Kwong Fong will strengthen energy management, enhance energy use efficiency, and prioritize the adoption of renewable energy to replace traditional fossil fuels. (2) Green Procurement and Green Supply Chain Management <ul style="list-style-type: none"> • Target: By 2030, 12% of procured materials will be sourced sustainably and will use green products that meet environmental standards. And 10% of net sales will come from environmentally sustainable products and services. • Key Measures: Kwong Fong will actively promote green procurement policies by prioritizing environmentally compliant suppliers and materials, while encouraging supply chain partners to increase the proportion of eco-friendly products. (3) Energy Efficiency Improvement <ul style="list-style-type: none"> • Target: Reduce electricity consumption per unit revenue by 1% annually. • Key Measures: Improve production facilities and operational processes by upgrading equipment, introducing automated control systems to raise the energy efficiency, and strengthening routine maintenance and monitoring to ensure optimal equipment performance. (4) Water Resource Management and Water Footprint Reduction <ul style="list-style-type: none"> • Target: Reduce water consumption per unit revenue by 1% annually and decrease total water usage. • Key Measures: Kwong Fong will strengthen water resources and the establishment of recycling systems to achieve water conservation goals. (5) Waste Reduction and Recycling Rate Improvement <ul style="list-style-type: none"> • Target: Reduce annual waste generation per unit by 1%; achieve a 10% reuse and recycling rate for hazardous waste by 2030.
---	---

	<ul style="list-style-type: none">• Key Measures: Kwong Fong will optimize waste classification and recycling processes. <p>(6) Environmental Education and Awareness for Employees and Communities</p> <ul style="list-style-type: none">• Target: Provide environmental protection and energy-saving training to employees at irregular intervals every year.• Key Measures: Internal environmental education and training will be held from time to time to enhance employees' environmental awareness and encourage them to participate in green actions.														
7. Should the internal carbon pricing be used as the planning tool, the pricing mechanism basis should be stated.	The company has no factories and construction operations, primarily focusing on software services currently, and operates in general offices. The total number of employees is 115, classified as low carbon emissions, so there is no pricing mechanism basis for the internal carbon price.														
8. Should climate-related goals are set, information on the scope of activities, GHG emissions, planned schedule, and yearly achieved progress should be stated; for goals achieved through carbon offset and renewable energy certificates (RECs), the source and the offset quantity from carbon reduction credits and the number of RECs should be stated.	<table><tr><th>Category</th><th>2024 Goal</th><th>2025 Goal</th><th>2027 Goal</th><th>2030 Goal</th></tr><tr><td>Carbon Reduction Management</td><td><ul style="list-style-type: none">• Conduct GHG inventory;• Develop energy-saving and carbon-reduction plan</td><td><ul style="list-style-type: none">• Reduce carbon emissions by 1%• Renewable energy share: 1%• Green procurement ratio: 8%• Net sales ratio of eco-friendly and sustainable products/service s: 5%</td><td><ul style="list-style-type: none">• Reduce carbon emissions by 1%• Renewable energy share: 1%• Green procurement ratio: 10%• Net sales ratio of eco-friendly and sustainable products/service s: 8%</td><td><ul style="list-style-type: none">• Reduce carbon emissions by 10%• Renewable energy share: 10%• Green procurement ratio: 12%• Net sales ratio of eco-friendly and sustainable products/service s: 10%</td></tr></table>					Category	2024 Goal	2025 Goal	2027 Goal	2030 Goal	Carbon Reduction Management	<ul style="list-style-type: none">• Conduct GHG inventory;• Develop energy-saving and carbon-reduction plan	<ul style="list-style-type: none">• Reduce carbon emissions by 1%• Renewable energy share: 1%• Green procurement ratio: 8%• Net sales ratio of eco-friendly and sustainable products/service s: 5%	<ul style="list-style-type: none">• Reduce carbon emissions by 1%• Renewable energy share: 1%• Green procurement ratio: 10%• Net sales ratio of eco-friendly and sustainable products/service s: 8%	<ul style="list-style-type: none">• Reduce carbon emissions by 10%• Renewable energy share: 10%• Green procurement ratio: 12%• Net sales ratio of eco-friendly and sustainable products/service s: 10%
Category	2024 Goal	2025 Goal	2027 Goal	2030 Goal											
Carbon Reduction Management	<ul style="list-style-type: none">• Conduct GHG inventory;• Develop energy-saving and carbon-reduction plan	<ul style="list-style-type: none">• Reduce carbon emissions by 1%• Renewable energy share: 1%• Green procurement ratio: 8%• Net sales ratio of eco-friendly and sustainable products/service s: 5%	<ul style="list-style-type: none">• Reduce carbon emissions by 1%• Renewable energy share: 1%• Green procurement ratio: 10%• Net sales ratio of eco-friendly and sustainable products/service s: 8%	<ul style="list-style-type: none">• Reduce carbon emissions by 10%• Renewable energy share: 10%• Green procurement ratio: 12%• Net sales ratio of eco-friendly and sustainable products/service s: 10%											

	Category	• 2024 Goal	• 2025 Goal	• 2027 Goal	• 2030 Goal
	Energy Management	<ul style="list-style-type: none"> • Conduct GHG inventory; • Develop energy-saving plan 	• Annual electricity consumption per unit revenue to decrease by 1%	• Annual electricity consumption per unit revenue to decrease by 1%	• Annual electricity consumption per unit revenue to decrease by 1%
	Water Resource Management	<ul style="list-style-type: none"> • Conduct GHG inventory; • Develop water-saving plan 	• Annual water consumption per unit revenue to decrease by 1%	• Annual water consumption per unit revenue to decrease by 1%	• Annual water consumption per unit revenue to decrease by 1%
	Environmental Management	–	<ul style="list-style-type: none"> • Annual waste per unit revenue to decrease by 1% • Hazardous waste reuse and recycling rate: 5% 	<ul style="list-style-type: none"> • Annual waste per unit revenue to decrease by 1% • Hazardous waste reuse and recycling rate: 8% 	<ul style="list-style-type: none"> • Annual waste per unit revenue to decrease by 1% • Hazardous waste reuse and recycling rate: 10%
9. Greenhouse gas inventory and the assurance status, reduction targets, strategies, and specific action plans. (Filled in 1-1 and 1-2)	Please refer to the following instructions.				

1-1 Greenhouse gas inventory and the assurance of the company in the last two year

1-1-1 According to the sustainable development path map of listed companies:

- (1) Parent companies shall implement greenhouse gas inventory and assurance starting from 2028.
- (2) Consolidated financial reporting subsidiaries should start conducting greenhouse gas inventories and assurances starting in 2029.

1-1-2 Greenhouse gas inventory information

Year	Organizational boundaries	Direct emissions (Scope 1)	Density	Energy indirect emissions (Scope 2)	Density	Total emissions	Density
2024	Consolidated financial statements of subsidiaries	42.85	0.13	230.20	0.69	273.06	0.82

Note: 1. Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, i.e., emissions from input electricity Indirect greenhouse gas emissions caused by power, heat or steam) and other indirect emissions (Scope 3, i.e. emissions generated by company activities that are not energy indirect emissions, but rather emissions from sources owned or controlled by other companies).

2. Greenhouse gas inventory standard: ISO 14064-1.

3. The greenhouse gas emission density is calculated as emissions (metric tons CO₂e)/operating income (millions of NT dollars).

1-1-3 Greenhouse gas assurance information

(1) No greenhouse gas inventory was carried out in 2023.

(2) The 2024 greenhouse gas inventory is voluntary and not assured.

1-2 Greenhouse gas reduction targets, strategies, and specific action plans as global concern over environmental protection intensifies and extreme climate events pose potential threats to business operations, Kwong Fong is committed to promoting sustainable development. While ensuring operational stability, we actively respond to climate change challenges. We have established Occupational Health & Safety, Environmental, and Energy Policies and Declarations, and we continuously promote energy conservation, carbon reduction, and green procurement to achieve sustainable development goals. Environmental audits are conducted annually, with policies and targets being adjusted based on actual conditions to ensure meaningful progress in climate risk management and environmental protection.

(1) Carbon Emission Reduction Target

- Target: Reduce carbon emissions by 10% by 2030
- Key Measures: Kwong Fong will strengthen energy management, enhance energy Use efficiency, and prioritize the adoption of renewable energy to replace traditional fossil fuels.

(2) Green Procurement and Green Supply Chain Management

- Target: By 2030, 12% of procured materials will be sourced sustainably, and 10% of net sales will come from environmentally sustainable products and services.
- Key Measures: Kwong Fong will actively promote green procurement policies by prioritizing environmentally

compliant suppliers and materials, while encouraging supply chain partners to increase the proportion of eco-friendly products.

(3) Energy Efficiency Improvement

- Target: Reduce electricity consumption per unit revenue by 1% annually.
- Key Measures: Improve production facilities and operational processes by upgrading equipment, introducing automated control systems, and strengthening routine maintenance and monitoring to ensure optimal equipment performance.

(4) Water Resource Management and Water Footprint Reduction

- Target: Reduce water consumption per unit revenue by 1% annually and decrease total water usage.
- Key Measures: Kwong Fong will strengthen water resources and the establishment of recycling systems to achieve water conservation goals.

(5) Waste Reduction and Recycling Rate Improvement

- Target: Reduce annual waste generation per unit by 1%; achieve a 10% reuse and recycling rate for hazardous waste by 2030.
- Key Measures: Kwong Fong will optimize waste classification and recycling processes.

(6) Environmental Education and Awareness for Employees and Communities

- Target: Provide environmental protection and energy-saving training to employees at irregular intervals every year.
- Key Measures: Internal environmental education and training will be held from time to time to enhance employees' environmental awareness and encourage them to participate in green actions

(VIII) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX -Listed Companies and the Reasons:

Evaluation items	The State of Operation			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Company” and the Reasons.
	Yes	No	Summary description	
I. Formulate ethical corporate management policy and plan				
(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and by laws and publicly available documents addressing its corporate conduct and ethics policy and measures and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(I) The Company has set up its “Ethical Corporate Management Best Practice Principles” and uploaded it to TWSE’s Market Observation Post System and to the Company’s website, so as to provide a reference for implementing corporate ethical management.	No significant difference
(II) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	V		(II) Upon employment of employees, the Company requires that they abide by the “Ethical Corporate Management Best Practice Principles;” in addition, the Company irregularly holds internal awareness sessions to show employees its determination to fulfill ethical corporate management.	No significant difference
(III) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?	V		(III) To prevent unethical conduct, the Company has set up the “Regulations for Handling Reporting of Illegal or Unethical Conduct” to encourage exposure of any illegal conduct or any conduct that violates the code of ethics or Ethical Corporate Management Best Practice Principles. Each work item is routinely audited to reduce the various unethical risks.	No significant difference
II. The implementation of ethical corporate management				

Evaluation items	The State of Operation			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Company" and the Reasons.
	Yes	No	Summary description	
(I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?	V		(I) Before doing business with a supplier, customer, or other counterparties, the Company looks into their legality and whether they used to commit unethical conduct; if necessary, the Company also conducts a credit investigation on them.	No significant difference
(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy, plan to prevent unethical conduct, and the state of monitoring and implementation of such policy and plan?	V		(II) The Company has formed the Integrity Management Promoting Task Force, a dedicated unit, that is obliged to promote ethical corporate management, and the President is designated as the chairperson, who reports regularly (at least once a year) to the Board of Directors on its ethical management policy, plan to prevent unethical conduct and the state of monitoring and implementation of such policy and plan. The execution status for the current year was reported to the Board of Directors on November 8, 2024.	No significant difference
(III) Does the Company have the policy to prevent conflict of interest, provide appropriate channels for an explanation, and implement it?	V		(III) Employees may report any matters involving conflict of interest to their immediate supervisor. According to the Company's Regulations Governing Procedure for Board of Directors Meetings, if a motion involves a director's or supervisor's interest which conflict with that of the Company, they must recuse themselves from discussion, being present at the meeting, and voting.	No significant difference
(IV) Does Company establish an effective accounting system and internal control system for the implementation of ethical corporate management, and have the internal audit unit draw up relevant audit plans based on the evaluation results of risk of unethical conduct and audit the compliance with the plan to prevent unethical conduct, or entrust a CPA to perform the audit?	V		(IV) The Company has set up an effective accounting system and internal control process; personnel of the Company are also highly alert to unethical conduct and may whistle blow on any unethical conduct if they spot any. The Audit Department includes each work item in the Annual Audit Plan and carries out regular audits; the department also reports the audit result to the Board of Directors and has it reviewed by the Independent Directors.	No significant difference

Evaluation items	The State of Operation			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Company" and the Reasons.
	Yes	No	Summary description	
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?	V		(V) The Company's relevant personnel also participate in the education and training on ethical management organized by the competent authority or external professional institutions as required. Education and training are also given internally if the Company deems it necessary.	No significant difference
III. The operation of the Company's whistleblower reporting system				
(I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?	V		(I) The Company has set up the "Regulations for Handling Reporting of Illegal or Unethical Conduct," which sets out the responsible unit for handling the reporting, reporting channels, and handling process. Any violation of the Company's Ethical Corporate Management Best Practice Principles may be reported to a unit's supervisor or the Audit Department.	No significant difference
(II) Has the Company formulated standard operating procedures for the investigation of the reported matters and the relevant confidentiality mechanisms?	V		(II) The reported matter will be audited and kept confidential according to the Company's internal process.	No significant difference
(III) Does the Company take measures to protect whistleblowers from being improperly treated due to reporting?	V		(III) The whistleblower is protected and won't be improperly treated due to his/her reporting.	No significant difference
IV. Enhance Information Disclosure Does the Company disclose the content and implementation results of its Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System?	V		The Company's Ethical Corporate Management Best Practice Principles are disclosed on its website and the Market Observation Post System in a timely manner.	No significant difference
V. If the Company has established its own ethical corporate management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," please state the differences between its own principles and the state of implementation: None.				
VI. Other important information that is conducive to understanding the implementation of ethical corporate management (e.g., the Company's review or revision of its own ethical corporate management best practice principles): None.				

- (IX) If the Company has established Corporate Governance Best Practice Principles and related regulations, the method for accessing such information shall be disclosed: The Company has established the “Corporate Governance Best Practice Principles” and related internal regulations to protect shareholders’ rights and interests. Relevant information is available on the Company’s website:
<https://www.kfic.com.tw/en/corporateGovernance.html>
- (X) Other important information for understanding the operation of corporate governance may be disclosed:
1. Internal audits are operated as required, to enhance the audit of the Company and subsidiaries. The audit result is also reported to the Board of Directors for effective oversight.
 2. The spokesperson system is fully implemented; therefore, information is fully disclosed.
- (XI) State of implementation of the internal control system:
1. The statement of the internal control system is available on MOPS:
<https://emops.twse.com.tw/server-java/t58query>
 2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed: N/A.

(XII) Important resolutions of the shareholders' meeting and board meeting during the most recent year and during the current year up to the date of publication of the annual report:

Date	Meeting title	Important resolutions	Status of implementation
2024.01.24.	The 18 th Board of Directors The 17 th meeting	<ol style="list-style-type: none"> 1. Approved the amendment to the Company's "Articles of Incorporation" 2. Proposal for Election of the 19th Directors 3. Proposal for release of the prohibition on the 19th directors from participation in competitive business 4. Formulated the related matters of convening the 2024 Annual General Shareholders' meeting 5. Approved the matters related to accepting shareholders' proposals 6. To increase the endorsement guarantee quota for the merged subsidiary companies 7. Approved of the application for the financing quota of the financial institutions 	<ol style="list-style-type: none"> 1. The independent directors have not expressed their opinions. 2. It has been handled in accordance with the content of the resolution.
2024.03.15.	The 18 th Board of Directors The 18 th meeting	<ol style="list-style-type: none"> 1. Approved the Company's 2023 internal control statement and its related attachments 2. Approved the Company's 2023 directors' remuneration and employees' remuneration distribution proposal 3. Approved the Company's 2023 business report, financial statements, and consolidated financial statements 4. Approved the company's 2023 earnings distribution proposal 5. Approved the proposal to propose and review the list of director and independent director candidates 6. Established the implementation guidelines for the directors' training plan 	<ol style="list-style-type: none"> 1. The independent directors have not expressed their opinions. 2. It has been handled in accordance with the content of the resolution.

Date	Meeting title	Important resolutions	Status of implementation
		7. Approved the independent assessment of the Company's CPA of the financial statement 8. Approved the proposal to formulate the Company's non-assurance service pre-approval policy for the 2024 entrusted certified firm	
2024.05.10.	The 18 th Board of Directors The 19 th meeting	1. Approved of the Company's financial statements for the first quarter of 2024 2. Approval of the credit limit of the financial bank	1. The independent directors have not expressed their opinions. 2. It has been handled in accordance with the content of the resolution.
2024.05.30.	2024 General Shareholders' Meeting	1. Ratification of the Company's 2023 Financial Statements. 2. Ratification of the Company's 2023 earnings distribution 3. Approved the amendment to the Company's "Articles of Incorporation" 4. Election of the 19th Directors 5. Approved the proposal for the release of the prohibition on directors from participation in competitive business	1. Resolutions were adopted 2. It has been handled in accordance with the content of the resolution: Ex-dividend base date 2024.06.24. Distribution date 2024.07.05. 3. Resolution passed and has been handled in accordance with the content of the resolution of the Shareholders' meeting 4. 8 Directors were elected for the 19th term (including 3 independent directors) 5. The resolutions were adopted and

Date	Meeting title	Important resolutions	Status of implementation
			announced at MOPS on TWSE in accordance with regulations.
2024.05.30.	The 19 th Board of Directors The 1 st meeting	<ol style="list-style-type: none"> 1. Distribute relevant promotional materials prepared by the Taiwan Stock Exchange to all directors 2. Report on the 2024 Board Meeting Schedule 3. All attending directors elected Leo Ho as Chairperson and Ho Ming-Hong as Vice Chairperson 4. Approved sign Industry-Academia Collaboration MOU and Faculty Part-Time Cooperation Agreement with National Central University 5. Set the ex-dividend base date for the company's 2023 earnings distribution 6. Appoint members of the Company's 2nd Audit Committee 7. Appoint members of the Company's 6th Remuneration Committee 8. Appoint members of the Company's 2nd Nominating Committee 	<ol style="list-style-type: none"> 1. The independent directors have not expressed their opinions. 2. It has been handled in accordance with the content of the resolution.
2024.06.26.	The 19 th Board of Directors The 2 nd meeting	<ol style="list-style-type: none"> 1. Approved " Rules Governing Financial and Business Matters between Related Parties" 2. Approved the Establishment of the "Sustainable Development Best Practice Principles" 3. Approved the Formation of the "Sustainable Development Promotion Task Force" 4. Approved the Formation of the " Integrity Management Promoting Task Force " 5. Approved the List of Directors Appointed to Subsidiaries by the Company 6. Approval of the credit limit of the financial bank 	<ol style="list-style-type: none"> 1. The independent directors have not expressed their opinions. 2. It has been handled in accordance with the content of the resolution.

Date	Meeting title	Important resolutions	Status of implementation
2024.08.13.	The 19 th Board of Directors The 3 rd meeting	<ol style="list-style-type: none"> 1. Approved of the Company's financial statements for the second quarter of 2024 2. Approval of Amendments to the Internal Control System and "Rules of Procedure for Preparing and Assurance Sustainability Reports" 3. Approval of the 2023 Sustainability Report 4. Approval of the credit limit of the financial bank 	<ol style="list-style-type: none"> 1. The independent directors have not expressed their opinions. 2. It has been handled in accordance with the content of the resolution.
2024.11.08.	The 19 th Board of Directors The 4 th meeting	<ol style="list-style-type: none"> 1. Report on the 2025 Board Meeting Schedule 2. Approved of the Company's financial statements for the third quarter of 2024 3. Approved the 2025 review proposal of the internal audit plan 	<ol style="list-style-type: none"> 1. The independent directors have not expressed their opinions. 2. It has been handled in accordance with the content of the resolution.
2024.12.10.	The 19 th Board of Directors The 5 th meeting	<ol style="list-style-type: none"> 1. Approved filing a lawsuit to protect the company's interests 2. Approved the appointment of the President 3. Approved personnel reassignment 4. Approved and reviewed the list of Directors reassigned to Subsidiaries by the Company 	<ol style="list-style-type: none"> 1. The independent directors have not expressed their opinions. 2. It has been handled in accordance with the content of the resolution.
2025.01.14.	The 19 th Board of Directors The 6 th meeting	<ol style="list-style-type: none"> 1. Review the company's 2025 annual operational plan. 2. Approval of the credit limit of the financial bank 3. Formulated the related matters of convening the 2025 Annual General Shareholders' Meeting 4. Approved the matters related to accepting shareholders' proposals 	<ol style="list-style-type: none"> 1. The independent directors have not expressed their opinions. 2. It has been handled in accordance with the content of the resolution.

Date	Meeting title	Important resolutions	Status of implementation
2025.03.14.	The 19 th Board of Directors The 7 th meeting	<ol style="list-style-type: none"> 1. Approved the Company's 2024 internal control statement and its related attachments 2. Approved the Company's 2024 directors' remuneration and employees' remuneration distribution proposal 3. Approved the Company's 2024 business report, financial statements, and consolidated financial statements 4. Approved the company's 2024 earnings distribution proposal 5. Approved the amendment to the Company's "Articles of Incorporation" 6. Formulated the scope of the Company's grassroots employees 7. Approved the loan funds to subsidiaries 8. Approval of the credit limit of the financial bank 9. Approved the independent assessment of the Company's CPA of the financial statement 10. Approved the proposal to formulate the Company's non-assurance service pre-approval policy for the 2025 entrusted certified firm 	<ol style="list-style-type: none"> 1. The independent directors have not expressed their opinions. 2. It has been handled in accordance with the content of the resolution.

(XIII) During the most recent year or during the current year up to the date of publication of the annual report, if directors or supervisors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.

IV. Information on CPA professional fees:

CPA firm	CPA name		Audit period	Remarks
PricewaterhouseCoopers, Taiwan	Lai Chung-Hsi	Chih Ping-Chiun	January 2024 ~ December 2024	

Professional fee items Amount range		Audit fee	Non-audit fee	Total
1	Under NT\$2000 thousand			
2	NT\$2,000 thousand (inclusive) ~ NT\$4,000 thousand	2,220	350	2,570
3	NT\$4,000 thousand (inclusive) ~ NT\$6,000 thousand			
4	NT\$6,000 thousand (inclusive) ~ NT\$8,000 thousand			
5	NT\$8,000 thousand (inclusive) ~ NT\$10,000 thousand			
6	NT\$10,000 (inclusive) or more			

- (I) If the amount of non-audit fee paid to the attesting CPA, its firm, and affiliates is more than one-fourth of the audit fee, the amount of audit and non-audit fee and the content of non-audit service should be disclosed:

Unit: NT\$1,000

CPA firm	CPA name	Audit fee	Non-audit fee					CPA audit period	Remarks
			System design	Business registration	Human resources	Others (Remarks)	Subtotal		
PricewaterhouseCoopers, Taiwan	Lai Chung-Hsi	2,220	0	0	0	350	350	2024	Profit-seeking Enterprise Income Tax auditing and attestation
	Chih Ping-Chiun								

- (II) Where the audit fee paid in the year of the replacement of the CPA firm is less than the audit fee in the year before the change, the amount of audit fees before and after replacement and the reasons should be disclosed: None.

- (III) Where the audit fee is at least 10% less than the previous year: None.

V. Information on the replacement of CPAs: None.

VI. Circumstances in which the chairperson, president, or officers in charge of financial or accounting matters of the Company have worked in the firm of the CPA or its affiliated companies within the last year: None

VII. Any equity transfer or change in equity pledge by a director, supervisor, manager, or shareholder with 10% stake or more during the most recent year or during the current year up to the date of publication of the annual report:

(I) Changes in equity:

Unit: Share

Title	Name	2024		Year-to-date through March 31, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairperson	Leo Ho	-	-	(5,900,000)	-
Director	Luo Sheng Tai Co., Ltd.	-	-	-	-
Juridical representative of the director	Ho Ming-Hong	-	-	-	-
Juridical representative of the director	Lee Ming-Huei	-	-	-	-
Director	Hann Fong Investments Co., Ltd.	-	-	-	-
Juridical representative of the director	Liu Shiang	-	-	-	-
Juridical representative of the director	Huang Szu-Ying	-	-	-	-
Independent director	Ho Chin-Chih	-	-	-	-
Independent director	Kuan Chi-Jui	-	-	-	-
Independent director	Cheng Yu-Wei	-	-	-	-
Vice Chairperson	Ho Ming-Hong	-	-	-	-
President and Chief Financial Officer	Liu Chia-Cheng	-	-	-	-

Title	Name	2024		Year-to-date through March 31, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Vice President, Investment Department	Tsai Chia-Jung	-	-	-	-
Accounting Officer	Chen Su-Ching	-	-	-	-
Head of the Audit Department	Hsu Hui-Chen	-	-	-	-

(II) Equity transfer: None.

(III) Equity pledged: None.

VIII. Information on the top ten shareholders who are a related party, a spouse, or a relative within the second degree of kinship of one another

Relationship among the 10 largest shareholders in terms of the shareholding ratio

March 24, 2025

Name	Shareholdings of the Principal		Shareholding of spouse and underage children		Shares held in the name of others		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse, or a relative within second degree of kinship of another.		Remarks
	Shares	%	Shares	%	Shares	%	Title (or Name)	Relationship	
Luo Sheng Fong Co., Ltd. Responsible person: Chung Yi-Chen	16,695,400	9.01%					Luo Sheng Tai Co., Ltd.	Chairpersons are the same person	
Hemisphere Industries Corp. Responsible person: Leo Ho	16,296,746	8.79%					De Fong Investment Co., Ltd.	Chairpersons are the same person.	
De Fong Investment Co., Ltd. Responsible person: Leo Ho	12,066,004	6.51%					Hemisphere Industries Corp.	Chairpersons are the same person.	
Lin Kao-Huang	7,611,000	4.11%					None	None	
Leo Ho	6,872,701	3.71%					Hemisphere Industries Corp. De Fong Investment Co., Ltd.	Chairperson	
Wang Shi-Long	3,500,000	1.89%					None	None	
Luo Sheng Tai Co., Ltd. Responsible person: Chung Yi-Chen	3,009,180	1.62%					Luo Sheng Fong Co., Ltd.	Chairpersons are the same person	
He Feng United Co., Ltd.	3,000,000	1.62%					None	None	
Chu Feng	2,548,866	1.38%					None	None	
Lai Ying-Tong	2,324,000	1.25%					None	None	

IX. The total number of shares and the consolidated equity stake percentage held in any single investee enterprise by the Company, its directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company:

December 31, 2024 ; Unit: Share; %

Invested enterprises (Note 1)	The Company's investment		Investment of the directors, supervisors, managers and business under direct or indirect control		Total investments	
	Shares	%	Shares	%	Shares	%
Kwong Fong Holdings Limited	30,441,792	100.00	-	-	30,441,792	100.00
Grandcheer Construction Corporation (Note 2)	15,000,756	99.13	-	-	15,000,756	99.13
Pao Fong Asset Management Co., Ltd.	10,000,000	100.00	-	-	10,000,000	100.00
Cheng Feng Industrial Co., Ltd. (Note2)	1,861,200	9.40	1,964,220	9.92	3,825,420	19.32
MDBS Digital Technology Co., Ltd.	1,611,500	51.00	-	-	1,611,500	51.00
Galaxy Digital Co., Ltd.	3,386,800	51.00	-	-	3,386,800	51.00

Note 1: The Company's investments accounted for using equity method.

Note 2: Company under the liquidation process.

Three. Fund Raising Status

I. Capital and shares

(I) Capital source

Unit: NT\$ /Share

Date	Issue price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Use of assets other than cash for the share amount	Others
June 1968	100	200,000	20,000,000	200,000	20,000,000	Cash on hand 20,000,000	None	
October 1969	100	400,000	40,000,000	400,000	40,000,000	Issuance of new shares 20,000,000	None	
July 1972	100	670,000	67,000,000	670,000	67,000,000	Issuance of new shares 27,000,000	None	
November 1972	100	1,205,900	120,590,000	1,205,900	120,590,000	Issuance of new shares 53,590,000	None	
June 1974	10	20,000,000	200,000,000	20,000,000	200,000,000	Issuance of new shares 79,410,000	None	
October 1975	10	30,000,000	300,000,000	30,000,000	300,000,000	Recapitalization of capital surplus 100,000,000	None	
June 1976	10	31,500,000	315,000,000	31,500,000	315,000,000	Recapitalization of accumulated earnings 15,000,000	None	
July 1977	10	36,225,000	362,250,000	36,225,000	362,250,000	Recapitalization of accumulated earnings 47,250,000	None	
June 1978	10	43,470,000	434,700,000	43,470,000	434,700,000	Recapitalization of accumulated earnings 72,450,000	None	
December 1978	10	55,545,000	555,450,000	55,545,000	555,450,000	Recapitalization of capital surplus 120,750,000	None	
August 1979	10	59,892,000	598,920,000	59,457,300	594,573,000	Recapitalization of accumulated earnings 39,123,000	None	
December 1979	10	61,656,960	616,569,600	61,584,888	615,848,880	Recapitalization of capital surplus 21,275,880	None	
August 1980	10	67,743,377	677,433,770	67,743,377	677,433,770	Recapitalization of accumulated earnings 61,584,890	None	
December 1981	10	91,077,207	910,772,070	74,517,715	745,177,150	Recapitalization of accumulated earnings 20,323,014 Recapitalization of capital surplus 47,420,366	None	
February 1984	10	91,077,207	910,772,070	91,077,207	910,772,070	Issuance of new shares 165,594,920	None	
November 1986	10	131,555,966	1,315,559,660	131,555,966	1,315,559,660	Issuance of new shares 404,787,590	None	
November 1987	10	147,342,682	1,473,426,820	147,342,682	1,473,426,820	Issuance of new shares 157,867,160	None	
November 1988	10	206,279,758	2,062,797,580	206,279,758	2,062,797,580	Recapitalization of accumulated earnings 294,685,380 Issuance of new shares 294,685,380	None	
April 1990	10	360,000,000	3,600,000,000	272,477,680	2,724,776,800	Recapitalization of capital surplus 206,279,760 Issuance of new shares 455,699,520	None	

Date	Issue price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Use of assets other than cash for the share amount	Others
August 1995	10	360,000,000	3,600,000,000	313,349,338	3,133,493,380	Recapitalization of capital surplus 408,716,520	None	
February 1998	10	500,000,000	5,000,000,000	442,605,940	4,426,059,400	Recapitalization of capital surplus 313,349,340 Issuance of new shares 979,216,680	None	
September 1998	10	600,000,000	6,000,000,000	553,257,426	5,532,574,260	Recapitalization of accumulated earnings 840,951,290 Recapitalization of capital surplus 265,563,570	None	
December 2000	10	600,000,000	6,000,000,000	549,783,426	5,497,834,260	Retirement of treasury shares 34,740,000	None	
August 2010	10	600,000,000	6,000,000,000	384,848,398	3,848,483,980	Capital reduction for making up for losses 1,649,350,280	None	
August 2013	10	600,000,000	6,000,000,000	307,878,718	3,078,787,180	Capital reduction by refunding share subscription proceeds 769,696,800	None	
October 2014	10	600,000,000	6,000,000,000	293,355,757	2,933,557,570	Retirement of treasury shares 145,229,610	None	
September 2015	10	600,000,000	6,000,000,000	264,020,182	2,640,201,820	Capital reduction by refunding share subscription proceeds 293,355,750	None	
August 2016	10	600,000,000	6,000,000,000	205,935,742	2,059,357,420	Capital reduction by refunding share subscription proceeds 580,844,400	None	
August 2017	10	600,000,000	6,000,000,000	185,342,168	1,853,421,680	Capital reduction by refunding share subscription proceeds 205,935,740	None	

Unit: Share

Type of equity	Authorized capital			Remarks
	Outstanding shares of TWSE-listed shares	Unissued shares	Total	
Common stock	185,342,168	414,657,832	600,000,000	-

(II) Name of major shareholder

March 31, 2025

Name of major shareholder	Shares	Number of shares held	Shareholding percentage (%)
Luo Sheng Fong Co., Ltd.		16,695,400	9.01%
Hemisphere Industries Corp.		16,296,746	8.79%
De Fong Investment Co., Ltd.		12,066,004	6.51%
Lin Kao-Huang		7,611,000	4.11%
Leo Ho		6,872,701	3.71%
Wang Shi-Long		3,500,000	1.89%
Luo Sheng Tai Co., Ltd		3,009,180	1.62%
He Feng United Co., Ltd.		3,000,000	1.62%
Chu Feng		2,548,866	1.38%
Lai Ying-Tong		2,324,000	1.25%

(III) Dividends policy and implementation status

1. Dividend policy:

According to the dividend policy specified in Article 19 of the Company's Articles of Incorporation, the dividend policy to maintain stability based on the earnings. When the Board of Directors formulates a profit distribution plan, the amount distributed shall be at least 30% of the after-tax profit for the current year as a principle. However, if the distributable profit is less than the after-tax profit of the current year, the distributable profit shall be used as the basis for calculation. Among the dividends distributed, cash dividends shall be no less than 10% as a principle.

2. Proposed dividend distribution by the shareholders' meeting:

The Company's Earning Distribution Proposal for 2024 was passed at the Board of Directors meeting dated March 14, 2025; cash dividends to be distributed were NT\$0.56 per share.

(IV) The effect of the proposed stock dividends of shares at the shareholders' meeting on the Company's operating results and earnings per share: None.

(V) Employee compensation and director remuneration

1. Percentage or scope of remuneration paid to employees and directors that are stipulated in the Articles of Incorporation:

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. However, if the Company has an accumulated loss, an amount equal to such loss shall 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.

2. The basis for estimating the amount of remuneration to employees, directors, and supervisors, the basis for calculating the number of shares for employee remuneration distributed in stock and the accounting treatment if the actual amount distributed differs from the estimated amount:

If the amount of employee remuneration or director remuneration in the Earning Distribution Proposal is changed via a resolution of the Shareholders' Meeting, such change shall be accounted for as changes in accounting estimates, and shall be recognized in the profit or loss in the following year and therefore bears no impact on the financial statements already adopted.

3. Distribution of remuneration approved by the Board of Directors:

- (1) The Company's board of directors approved the distribution of remuneration on March 14, 2025 as follows: the Company's distribution for the directors in 2024 would be NT\$900,000 and for the employees would be NT\$600,000. All will be distributed in cash. The aforementioned remuneration for directors and remuneration for the employees has been reviewed and approved by the Remuneration Committee.

- (2) The amount of any employee remuneration distributed in stocks and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee remuneration: N/A.

4. The actual distribution of employee, director, and supervisor remuneration for the previous fiscal year: The Company distributed employee remuneration in the amount of NT\$900,000 and director remuneration in the amount of NT\$600,000 in cash for 2023. The said employee remuneration and director remuneration were all approved by the Remuneration Committee through deliberation.

(VI) Repurchase of the Company's shares: None.

II. Corporate bonds: None.

III. Preferred shares: None.

IV. Global depository receipt (GDR): None.

V. Employee stock options: None.

VI. New employee restricted stock: None.

VII. Issuance of new shares in connection with mergers or acquisitions: None.

VIII. Implementation of fund utilization plan:

- (I) Each uncompleted public issue or private placement of securities, and such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefit:

All of the Company's securities are fully issued and none of them fails to yield the planned benefit.

- (II) Implementation status: N/A.

Four. Operational Highlights

I. Business activities

(I) Business scope:

1. Content of operations and sales:

- (1) Retail Sale of Others.
- (2) International Trade.
- (3) Housing and Building Development and Rental.
- (4) Specific Area Development
- (5) Investment, Development, and Construction in Public Construction.
- (6) Tourist Hotel.
- (7) Information Software Services.
- (8) All businesses that are not prohibited or restricted by law, except those that are subject to special approval.

2. 2024 revenue weight

Unit: NT\$1,000

Product name	Sales amount	Percentage (%)
Revenue from Information Subscription Services	176,475	52.91
Revenue from Information System Development	153,766	46.11
Consulting Service Income	2,384	0.71
Rental Income	883	0.27
Total	333,508	100.00

3. The Company's major product:

(1) Construction business:

By merging its subsidiary Pao Feng, Kwong Fong participated in the construction and sale of new housing units in Tamsui, New Taipei City.

(2) Digital technology business:

The Company engages in the B2B market in Taiwan, mainly providing customers in the financial industry or big business customers with the Speedy family, real-time financial transaction products in Taiwan; large systems integration; real-time big data analysis; innovative platform deploying financial AIs; website design; website construction; and app development. In recent years, the Company even expanded the market for applications with its cutting-edge technologies; it also constructed a to-customer product ecological system in its two major markets, namely, financial e-commerce business and retail e-commerce businesses. In doing so, the Company actively penetrates the B2C market to create new

business and thus revenue growth.

4. New products under development: See (III).Technology and R&D Overview

(II) An overview of the industry:

The current status and development of the industry, the links between the upstream, midstream, and downstream segments of the industry supply chain, and development trends and competition for the company's products.

1. Construction business

(1) Current status and development of the industry:

According to the monthly statistics report from the Ministry of the Interior, the number of building transactions in Taiwan in 2024 totaled 350,525, an increase of approximately 43,000 units or 14.19% from the previous year. Experts point out that the real estate transaction volume increased massively in 2024 and was mainly affected by the New Preferential Housing Loans for the Youth, which drove the overall housing market transaction volume. In September of the same year, the Central Bank implemented the seventh wave of credit control measures, effectively curbing the strong buying momentum seen in the first three quarters. In 2025, the housing market is still expected to be driven primarily by self-occupancy demand, but with tighter monetary conditions, the market's growth potential will be limited.

(2) Links between the upstream, midstream, and downstream segments of the industry supply chain:

Upstream raw materials of the real estate industry include mainly land and construction materials. However, possession of land itself won't suffice. The industry also needs midstream suppliers, e.g., experience architects who plan the product and quality construction companies which carry out the construction work and downstream suppliers, e.g., experience brokers or real estate agents which sell the product.

(3) Development trends and competition for the Company's products:

Downtown land becomes even hard to get and consumers began attaching more importance to the layout of a housing unit. Therefore, product planning in the future requires more mental effort. Aside from meeting customers' requirements, a product must be unique, thus competitive, thereby forging a brand image.

2. Digital technology business

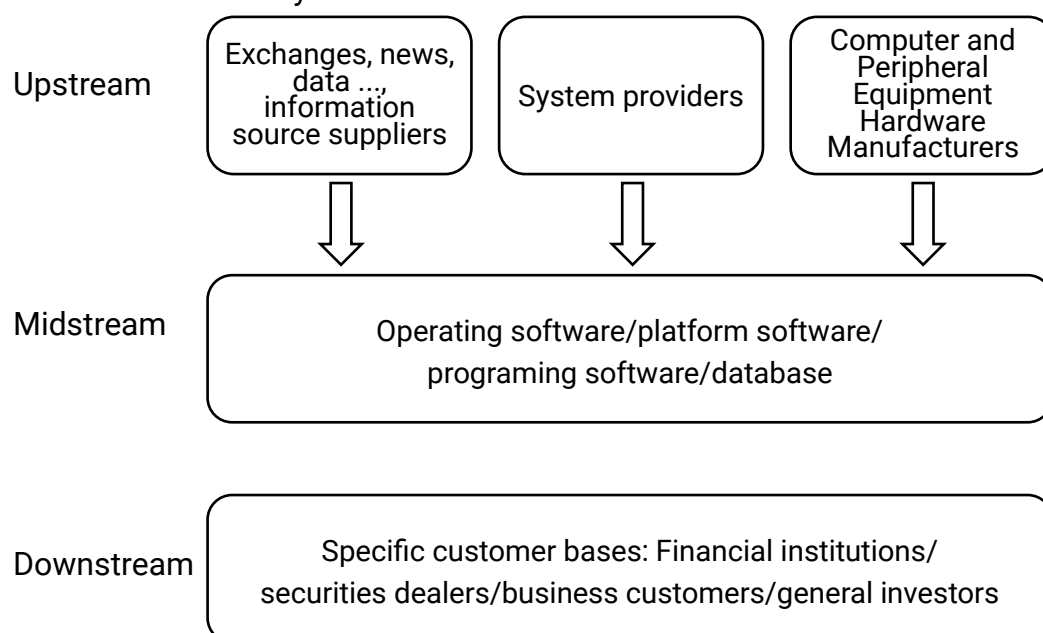
(1) Current status and development of the industry:

The digital technology industry is in a period of rapid development and change. Technologies such as artificial intelligence (AI), the Internet of

Things (IoT), blockchain, cloud computing and 5G are developing rapidly and are widely used in various industries. All industries are accelerating digital transformation to improve efficiency, reduce costs, optimize customer experience and create new value. AI technology will become more popular and applied to more fields. The development of generative AI will further change areas such as content creation, customer service and product design. As of the fourth quarter of 2024, the revenue of the Computer and Information Service Industry amounted to NT\$174.5 billion, a record high in the same period over the past years, with an increase of 5.3% YOY. of all the revenue, the revenue of the Computer Program Design Service industry amounted to NT\$125.8 billion, increased by 4.0% and the main reason is the increase in demand for system integration, hardware and software equipment services. This indicates a strong market demand, thus a prosperous prospect for the Computer and Information Service industry in the future.

- (2) Links between the upstream, midstream, and downstream segments of the industry supply chain:

Information Service industry means the businesses that provide professional knowledge and information technologies. They compile, manage, and access various raw information and turn it into an information system that features integrity, internet connection, and optimization, and which is used by themselves or by other users. The Company's digital technology business has a wide range of customer base and has focused on the financial industry in recent years. Below is a description of the information service market whose customers are the financial industry:



Upstream suppliers are mainly information providers (quotations, post-session information), operating system providers, and hardware manufacturers. The Company's digital technology business mainly provides a single product or total solutions regarding information integration, application design, and interface optimization to downstream customers like securities dealers, futures dealers, banks, the insurance industry, financial holdings, institutional investors, and general investors for them to re-develop or use.

(3) Development trends and competition for the Company's products:

A. Development trends

(a) Software customization

Market competition and the digital transformation pressure facing each industry have caused public-domain software and standardized software to fall behind customers' requirements and thus lose competitiveness. That's when the information service industry comes in. By integrating users' requirements and realizing innovative topics, the information service industry helps improve the service of businesses by offering them various services, e.g., frontend planning, design, implementation, overall project management, consulting services, and system integration service.

(b) Atomic software

Software functions development is trending towards modularization, which reduces programming cost and development time and is a step towards the development of "atomic software." Setting standards helps have a say in collaboration and application; moreover, "atomic software" is more likely to be reused, assembled, and innovated. In general, the software industry is trending towards specialization as well as integration.

(c) Online merge Offline (OMO)

The pandemic and popularization of the 5G network have changed customers' behavior. The Online To Offline (O2O) model, which emphasizes "Experience offline and shop online," has rapidly evolved into the "Online merge Offline" (OMO) model, which drives consumption with data. In this respect, the ability to manage data is a business's key to successful operations.

(d) Transition to online learning

Benefiting from the pandemic, online learning has developed rapidly, extending beyond schools and corporate training to various commercial fields. This has stimulated knowledge monetization for creators, with content becoming more diverse, entertaining, and lifestyle-oriented. The focus has shifted from professional skills and languages to financial investment and mental relaxation. The market for learning about financial investment and algorithmic trading is particularly vibrant, offering limitless business opportunities.

(e) Social commerce application

As network speed and distant social activities boom, the various social networking websites with a high penetration rate have gradually evolved into a business platform, whose growth in recent years is admirable; they operate among line groups and group-based ecosystems, and provide a wide range of applications from consumption, investment, to online learning, successfully turning the data flow on social networking websites into a source of new customers.

B. Competition

The continuous growth in the “0-touch economy” economy has triggered digital transformation and interdisciplinary innovation, posing a test for businesses in the information industry in terms of whether or not they are able to grasp the change in business models and integrate and leverage these models. The information industry is a technology-intensive industry. However, in the internet era, developing basic software has a low entry barrier, so some new competitors attempted to gain market share by waging a price war. On the other hand, large software developers have transitioned to the role as a digital advisor while positioning themselves in the software-hardware integration market to stand firm in the marketplace. As each industry diversifies its business in the post-pandemic era, software that integrates the online world with the physical world, that is designed for daily application, and that conforms to a business model will become the trend. In addition, companies capable of innovation and swift action will possess a competitive advantage.

(III) Technology and R&D Overview:

1. Aside from striving for digital innovation, development, and application, the digital technology business also continues to improve its core technological capability; it also leverages AI tools and its development experience to integrate platform information in order to hold customers' transition to digital. Meanwhile, it deeply engages in developing and optimizing its own investment platform; it also offers more instruction courses and after-sale services to assist general investors in making a transaction decision, thereby creating the most optimal experience of using an investment tool.
 2. Future R&D trend:
We will continue to deeply engage with customers of the financial industry; provide more digital transformation solutions for businesses; enhance the accounting management for financial products; optimize service process; provide customers with the best solution to diversified development; and use core competencies to enhance the stickiness of major customer bases and increase profits. As for informational applications and AI development, we will continue to optimize our own investment platform. Aside from developing strategic applications and widening digital learning applications and social media tools to enhance user experience and build the Company's image as a leading professional finance learning platform, we also expand the user base, thereby expanding customer bases, increasing overall operating synergy, and thus increasing operating revenue.
- (IV) Long- and short-term business development plans:
- Short-term Business Development
Investment business: Strengthen risk management, seek stable returns, and increase financial returns.
Construction business: Sell the housing units in stock to recover funds, prudently evaluate real estate investment opportunities, and align with government initiatives on urban renewal and reconstruction of unsafe and old buildings by engaging in joint construction or joint venture developments to explore business opportunities and enhance profitability.
Digital technology business: Strengthen core technical capabilities; increase the stickiness of important customer bases; expand the number of end users in the financial industry; and lay a foundation for development.
 - Long-term Business Development
Investment business: Continue to remove the Group's business and investments that are poorly performed to improve operational efficiency;

find business opportunities to obtain growth in revenue and profits via re-investment and business development.

Construction business: Be keen to grasp the trend in the development area and develop the land assets on hand at the right time and under advantageous conditions.

Digital technology business: Continue to advance core technologies, implement construction standardization, make programs atomic, and streamline work process to increase competitive advantages; establish learning teams to maximize talent cultivation synergy. Use AI and high-performance computing to develop our own investment platform, and to construct and develop an innovative ecosystem across the upstream and downstream that corresponds to different customer application scenarios, so as to create new value for information and enhance competitiveness.

II. Market and Sales Overview

- Construction business

(I) Market Analysis

1. Geographic areas where the main products are provided.

Most of the Company's construction projects are in Xiaopingding, Tamsui Dist., New Taipei City in recent years.

2. Competitive niche

The brand image and word-of-mouth that are forged as a result of the Company's long-term operations will help with the development and sale of land in the future.

3. Positive and negative factors for future development, and the Company's response to such factors.

(1) Favorable factors:

A. Major developments planned for MRT Transit Oriented Development (TOD) will still bring business opportunities.

B. Urban renewal and rebuilding of old buildings will continue to be the main policy promoted by the government.

(2) Negative factors:

A. Government ministries and committees have only a little room to loosen the anti-speculation policies in the real estate market, and the basis will be precise and strategic adjustment.

B. The industry will face high costs of building materials, land,

shortage of workers, and green building materials, which will reduce the profit margin.

(3) Response measures:

- A. Profit control: Prudently assess development projects, proposes a Return on Investment Analysis Report and a reasonable price, and enhance management efficiency and construction progress control, so as to avoid the scenario in which profit is eroded by an increase in both the labor cost and materials expenses.
- B. Policy for housing units in stock: Adopt a flexible selling strategy to sell off all housing units, thereby obtaining the goal of “zero unsold housing units” and increasing fund liquidity.

(II) Usage and manufacturing processes for the company’s main products

- 1. Main products: Most are residential housing units, built on our own or jointly with others.
- 2. Production process:
Market research → seeking partners → product planning and design → land development → marketing → sales and outsourcing → construction → handover after completion → management and after-sales service.

(III) Supply situation for the company’s major raw materials.

- 1. Land: The Company will continue to carry out an assessment to seek new projects whose development will yield benefits.
- 2. Construction Projects: The Company’s projects are completed via its own construction or joint construction. “Own construction” means that the project is preferentially outsourced to a domestic construction company of a certain scale; “joint construction” means working with experienced construction companies to ensure that the products planned can meet the target buyers’ requirements and to ensure construction quality.

• Digital technology business

(I) Market Analysis

- 1. Geographic areas where the main products are provided
Products of the Company’s digital technology business are mainly sold in Taiwan.
- 2. Competitive niche
Since the Company’s digital technology business heavily engages in the application system of the financial industry, e.g., securities, funds, and insurance, it is more advantageous in terms of system performance and information streaming capability; with rich experience in multiple industries and its emphasis on knowledge application and innovation, it is capable of

providing customers with the best solution and creating added-value for information and services. Upholding the ideal to be an information innovator in the financial industry, we have a good grasp of the requirements of the market and customers. We insist on quality and attend to every trace of detail. With innovative thinking and ever-evolving technologies, we fulfill each of our customer's requirements. Our rich project experience and strong cross-industry integration capability serve as customers' strongest backup. In this respect, on the trail of innovation and excellence, we participate aggressively.

3. Positive and negative factors for future development, and the Company's response to such factors

(1) Positive factors

- A. According to IDC's latest forecast of global spending on digital transformation, during 2022 and 2026, the investment in digital transformation technologies made by the financial service industry will grow at the fastest pace; the five-year compound annual growth rate (CAGR) of industries including securities, investment service, insurance industry, and banking service will reach 19% or more.
- B. According to survey data from the Market Intelligence & Consulting Institute (MIC), the penetration rate of the online learning market in Taiwan has reached 53%, with the majority of users being office workers and students aged 20 to 29. Additionally, around 30% of respondents expressed a willingness to use online learning platforms.
- C. According to the "Smart Learning Industry Output Survey Report" by the Industrial Development Bureau, Ministry of Economic Affairs, Taiwan's smart learning industry reached a total output value of NT\$576.29 billion in 2022. Driven by the surge in remote learning opportunities during the pandemic, the industry once again achieved a record-high annual growth rate of 25.9%. Among the segments, educational hardware accounted for over 80% of the total output; educational content made up 10% and saw the highest annual growth rate of 51.4%, mainly due to the urgent shift to remote teaching and changing product demands in the education sector. Software systems accounted for 6.6% of the market, with an annual growth rate of 19.7%, highlighting Taiwan's continued key role in the global ICT supply chain during the pandemic.
- D. The Executive Yuan established the "Ministry of Digital Affairs (MODA)," which declared digital transformation and set out

technological development goals at the country level. The MODA will accelerate overall digital transformation by developing and guiding industries in areas of information security, AI, software, digital content, e-commerce, and system integration using open data.

- E. Data application becomes more mature. The open of opening banking services will encourage more banks and third-party companies to obtain customers' data and provide them with financial services. In this respect, the demand for diverse and innovative financial services in areas like banking, insurance, investment, and loaning will increase, which will open up business opportunities for app providers.

(2) Negative factors

- A. Technology is ever-evolving and it is not easy to cultivate and retain technological talent.
- B. Taiwan's domestic industry is limited in size; therefore, information service providers are homogeneous and competition is intense.
- C. Similar products are offered at an unfairly low price, driving down the gross profits.

(3) Response measures

- A. Continue to innovate to enhance core products' competitiveness; develop quality, high-end customer bases; achieve a win-win situation for the three parties in the B2B model and the B2C model; and widen the advantageous gap between peers.
- B. Recruit professionals and campus talent; expand the R&D and service team; establish an innovative and mutually-beneficial culture; and gain employee's recognition and improve their cohesion.
- C. Expand information service for industry customers while enhancing core software technologies; increase and enhance IT products and service content; develop and maintain contract customers to improve the contract-signing rate.
- D. Increase the proportion of sales of own products and services; expand social media management applications and content differences; and increase end-user stickiness with digital learning.
- E. Support the government's policy in assisting enterprises in digital transformation; leverage experience to develop hardware-software integration products; and provide digital transformation consulting

service.

(II) Usage and manufacturing processes for the company's main products

1. Major usage of the company's products

Enterprise information service, end-user app development, financial information platform, Fin Tech innovative business, and video platform.

2. Production process:

Customer requirements → Product planning → Product design → Product development → System test → System acceptance → After-sale service

(III) Status of supply of major raw materials: The Company is not a manufacturing company and does not have major raw materials.

(IV) List of major suppliers and customers

1. Names of suppliers whose purchases accounted for more than 10% of total purchases in either of the most recent two fiscal years, along with the corresponding purchase amounts and percentages, and an explanation of the reasons for any increase or decrease.

Unit: NT\$1,000

Item	2023				2024			
	Name	Amount	Ratio to annual net purchases (%)	Relationship with the Issuer	Name	Amount	Ratio to annual net purchases (%)	Relationship with the Issuer
1	Company A	24,659	26.09	None	Company A	20,735	15.27	None
2	Company B	10,679	11.30	None	Company B	19,017	14.00	None
3	Others	59,162	62.61	None	Company C	14,477	10.66	None
4					Others	81,573	60.07	None
	Net purchase	94,500	100.00		Net purchase	135,802	100.00	
Reason for change: The major business is software services revenue, and the leading suppliers are data providers and information service stores. Since the contract prohibits disclosure of customers' names or the counterparty, and the party involved is not a related party, they are addressed in the code.								

2. Names of customers whose sales accounted for more than 10% of total sales in either of the most recent two fiscal years, along with the corresponding sales amounts and percentages, and an explanation of the reasons for any increase or decrease: The Group had no single customer whose sales accounted for more than 10% of the net operating revenue as presented in the income statement in fiscal years 2024 and 2023.

III. Information on employees for the last 2 years up to the date this annual report was published

Year		2023	2024	Year-to-date through March 31, 2025
Number of employees	Salespersons and managerial officers	42	50	49

Year		2023	2024	Year-to-date through March 31, 2025
	Program development and design	77	81	83
	Total	119	131	132
Average age		40.09	40.16	40.27
Average service years		6.43	6.34	6.34
Education distribution percentage	PhD	0%	0.77%	0.76%
	Master degree	15.97%	12.21%	12.12%
	College diploma	79.83%	84.73%	84.85%
	Senior high school	4.20%	2.29%	2.27%
	Below senior high school	0%	0%	0%

IV. Environmental Expenditure: None.

V. Labor Relations:

- (I) The Company's employee welfare programs, continuing education, training, retirement systems, and their implementation, as well as labor-management agreements and various employee rights protection measures:

1. Employee welfare measures:

- Leave: Marriage leave, maternity leave, funeral leave, paternity leave, sick leave, and annual leave.
- Insurance: Employees are offered health insurance and labor insurance.
- Bonus: Earnings distribution and year-end bonus.
- Staff travel: Arrange domestic and international staff travel every year.
- Employee discount: Employees may purchase products or services at a preferential price.
- Gatherings: Spring feast and Christmas gathering
- Various subsidies and welfare options from which an employee may choose the most suitable one based on their hobbies and preferences.

2. Education and training:

The Company provides employees with education and training courses in a timely manner. The courses fall into two categories, namely, orientation training for new hires and professional training for in-service employees. Where appropriate, trainings on professional knowledge or skills will be provided to employees of different attributes.

3. Retirement system:

As required by the law of the competent authority, the Company carries out matters relating to employees' retirement. The "Labor Pension Act" was effective on July 1, 2005. The employees are free to choose the old or new

systems. The Company contributes 6% of the employee's wages every month to the individual pension account of the Bureau of Labor Insurance in accordance with the relevant regulations.

4. Labor-management agreements and various employee rights protection measures:

The Company carries out employee management policy based on the Labor Standards Act and other labor-related laws and regulations, and updates internal regulations accordingly, so as to preserve employees' rights.

Therefore, in the current year and over the past years, labor-management relations have been harmonious and stable, and managers at each level have been able to value and help solve the problems reflected by employees.

5. Work environment and employee personal safety protection measures

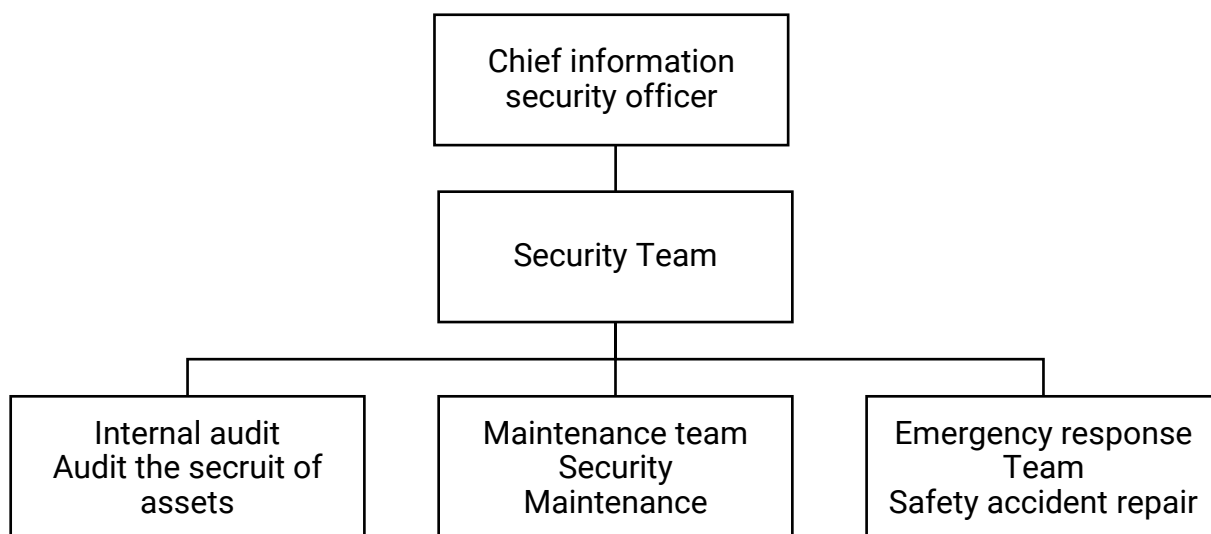
Type	Item	Description	Frequency of Implementation
Employee insurance system	Labor insurance	• Handled in accordance with the Labor Insurance Act, covering childbirth, sickness, disability, incapacity, old age, and death.	
	National Health Insurance	• In accordance with the National Health Insurance Act, providing medical services for insured persons and their dependents during childbirth, illness, or injury.	
	Employer's Accident Liability Insurance	• Covers legal compensations (excluding those under the Labor Standards Act) for accidents occurring during employment that result in death, disability, or injury. The insurance company shall be liable to the company for compensation by responsibility accordingly.	Renewal once a year
	Directors, Supervisors and Officers Liability Insurance	• Protects directors, supervisors, and key officers from personal liability and the risk of financial loss arising from negligence or fault in performing their duties.	Renewal once a year
Building a safe work environment	Personal Safety and Facility Equipment Security	• Enhancing safety awareness among employees, coordinating with building management for fire safety drills, taking preventive measures in advance, and taking correct safety protection measures immediately when an incident occurs. The building	Annual fire and disaster prevention drill

Type	Item	Description	Frequency of Implementation
		<p>held one fire safety drill in 2024, with company employees participating in the drill.</p> <ul style="list-style-type: none"> • Emergency buttons are installed in the restrooms of the building to ensure the personal safety of employees and prevent accidents. • Automatic external defibrillators (AEDs) are installed in the building. • The building has 24-hour security personnel and the security system controls entry and exit, and night patrols are included. • To ensure the safety of employees in the workplace, the entrance and exit points of the company are equipped with access control systems and security surveillance to ensure employee personal safety. • Implementation of electrical safety and tobacco hazards prevention in work environments. 	
	Creating a Green and Healthy Workplace	<ul style="list-style-type: none"> • Regular replacement of water dispenser filters to ensure the hygiene and health of employees at the workplace. • Prohibit smoking in the office areas according to law, enhancing energy-saving and carbon reduction programs to raise environmental health awareness. • Continuously create a healthy workplace environment, such as non-toxic decoration and regular disinfection. Four disinfections were conducted in 2024. 	<ul style="list-style-type: none"> • Replace the water dispenser filters 4 times a year • Environmental disinfection 4 times a year

- (II) The losses suffered by the Company due to labor disputes in the most recent year and the current year up to the date of publication of the annual report, and the estimated amount of current and potential future losses and countermeasures: None.

VI. Information security management:

(I) Information security risk management structure



The company and its merged subsidiaries have jointly organized an information security team (as shown in the organizational chart above). The Chief information security officer is responsible for integrating and implementing information security policies, promoting information security awareness, enhancing employee information security awareness, and gathering and improving the performance and effectiveness of the organization's information security management systems through technology, products, or projects. Auditors conduct annual information security audits on internal control systems to assess the effectiveness of the company's information operations and internal controls.

The internal audit unit regularly conducts information security management audits every year and issues audit reports. The audit results are reported regularly to the audit committee and the board of directors.

(II) Information security policy

1. Purpose

In order to enhance the security and stability of the Group's information operations, provide reliable information and communications services, ensure the confidentiality, integrity, and availability of information assets, and smoothly promote various businesses in accordance with information and communications security management operations, the Company has formulated the Information and Communications Security Policy (hereinafter referred to as this Policy) as the highest guideline for information and communications security management.

2. Scope

This policy applies to colleagues of the company and affiliated companies,

vendors ,and third-party personnel who have access to the company's business information or provide services.

3. Goals

Ensure the confidentiality of the company's business-related information and protect the company's business confidentiality and personal information.

- (1) Ensure the integrity and availability of the company's business-related information and improve work efficiency and quality.
- (2) Improve the company's information security protection capabilities.
- (3) Achieve the goal of continuous operation of the company's business.

4. Strategy

- (1) Relevant legal regulations and corporate operational requirements should be considered, the security needs of information communication operations should be assessed, and relevant procedures should be established to ensure the confidentiality, integrity, and availability of information assets.
- (2) Establish the company's information security organization and define the division of labor and responsibilities to facilitate the implementation of information security operations.
- (3) Carry out various matters that need to be done in accordance with the regulations on the classification of information security responsibility levels.
- (4) Establish an information security incident reporting and response mechanism to ensure proper response, control, and handling of information security incidents.
- (5) Regularly perform information security audit operations to ensure the implementation of information security management.

5. Review

This policy is approved by the Chairperson and will be evaluated by the Information Office at least once a year, or when there are major changes in the organization (such as organizational adjustments, major business changes, etc.). Appropriate revisions will be made based on the assessment results, relevant laws, and the latest developments in technology and business.

(III) Specific information security management plan

Item	Project specific management measures
Firewall protection	<ul style="list-style-type: none">• Firewall settings of connection rules.• Application of additional permission for Special connection requirements.
User internet access	<ul style="list-style-type: none">• Use automatic website protection systems to control users' online behavior.

Item	Project specific management measures
control mechanism	<ul style="list-style-type: none"> • Filter sites linking to Trojan viruses, ransomware viruses, or malicious programs automatically from users.
Anti-virus software	<ul style="list-style-type: none"> • Use anti-virus software and automatically update virus codes to reduce the chance of virus infection.
Operating system update	<ul style="list-style-type: none"> • The operating system is automatically updated. If it is not updated for some reason, the Information Department will assist in updating it.
Email security control	<ul style="list-style-type: none"> • Automatic email scanning threat protection to prevent unsafe attachment files, Phishing emails, spam, and expanded protection against malicious links before emails are received. • When a PC receives an email, the anti-virus software will also scan it for unsafe attachments.
Data backup mechanism	<ul style="list-style-type: none"> • The daily backup setting for important information system databases.
Upload important files to the server	<ul style="list-style-type: none"> • All departments in the company store the important files on the server, which is backed up and managed by the Information Department.

(IV) Information security management operations

1. Purpose

In order to maintain the security of the company's information system and strengthen the information security protection mechanism, relevant regulations are formulated as the basis for the company's implementation.

2. Scope of control

Computer host systems, computer equipment, computer programs, database files, computer output screens, reports, and media.

3. Management procedures

(1) Computer room norms

- (a) Non-information processing personnel are not allowed to enter the computer room without approval. The entry and exit register must be completed.
- (b) No flammable objects are allowed in the computer room, and the manufacturers should be asked to check fire prevention facilities regularly.

(2) Purchasing and installing computer equipment according to norms

- (a) All updates and purchases of equipment must be filled in a purchase requisition form, and approved by the competent authority. The Information Department is responsible for procuring and installing approved items.

- (b) The installation of computer equipment must be carried out jointly by information personnel. Illegal software must not be installed. Anti-virus software must be installed and virus scans and virus codes must be updated regularly.
- (c) Portable computer equipment must be handed over when personnel leave the job.
- (d) The host SERVER is set up with a firewall. Access from outside the company must be done through the firewall.
- (3) Operation control
 - (a) Users must go offline after using the computer and shut down the computer when not in use.
 - (b) Unauthorized use for unrelated businesses of the information center system equipment is prohibited.
 - (c) Non-office hours or holidays to use the host, the purpose and schedule of use should be approved by the responsible person in charge, and the information department should be notified to take corresponding measures.
 - (d) The information department should check the system abnormality JOBLOG at all times and make necessary processing.
 - (e) The information department needs to regularly back up data, store it off-site, and conduct regular response tests.
- (4) Password control

Each user has a unique usage code and usage password.

 - (a) Password authorizers should be registered and managed in the list, and personal passwords may not lend to others.
 - (b) Usage code should be canceled or updated immediately on employee leaves or changes.
 - (c) All online files should be maintained by the application, and the application should be included in the scope of usage rights control.
 - (d) The password must be changed every 3 months. The password must be at least 6 characters in length, and the first digit must be in English.
 - (e) The account and permissions of the first-time user should be applied for through the information sheet, approved by the department head, and then implemented by the information department system security administrator.
- (5) Permission control
 - (a) Users should have relevant usage functions based on approved permissions.

- (b) There should be a hierarchical authorization system for data use rights, and audit and management personnel do not have the authority to update the database.
- (c) Non-designated financial personnel are not authorized to use the financial statement system.
- (d) Users of general applications should not have access to host system utilities, tools, and commands except for executing the application system.
- (e) System development/programming personnel should not have access rights to the programs and data files of the online system.
- (f) The setting of manufacturers' user code on software and hardware maintenance, should be restricted (disabled) for unauthorized access at ordinary times.
- (g) Set up computer work logs for system operators to record system conditions and for supervisors to approve.
- (h) The system should log user activity, and the system administrator should routinely monitor and follow up on users who have not logged in for an extended period.
- (i) Information personnel should not have access rights to officially launched applications.
- (j) Passwords should not be displayed on the computer screens, nor should they be printed on any reports without being garbled.
- (k) When information personnel resign, they must first fill out a resignation application form. After approval by the department supervisor, the resignation handover process can be completed. The handover procedure form must be signed by the handover person before the process is officially completed.

(V) Invest resources in information security management

1. Network hardware equipment

Item	Number
Firewall	1
Computer anti-virus host	1
Spam filter	1

2. Software system

Item	Number
Computer antivirus software	1
Backup Management Software	1

3. Investing manpower in information security

Maintenance project	Manpower
Daily system status check	1
Weekly regular backup	1
Off-site storage of backup media	1
Annual information security promotion	1
Annual system disaster recovery simulation exercise	2
Annual internal audit of the information cycle	2

4. Information security promotion and conference projects

Item	Times/Year	Number of Participants
2024 Annual employee information security promotion education and training	2	40
2024 Annual information security conference	4	80
2024 Annual Information security incident case sharing	2	40

(VI) Information Security Incident:

1. The company currently has no major information security incidents that have caused business damage.
2. Continue to implement information security management policy objectives and conduct regular recovery plan drills to ensure the security of the company's important systems and data.

VII. Important contracts:

Supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the annual report, or expired in the most recent fiscal year: None.

Five. Review and analysis of the financial status and financial performance and risks

I. Financial position

(I) Financial status comparison and analysis table

Unit: NT\$1,000

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	984,470	1,069,836	(85,366)	(7.98)
Property, plant and equipment	14,889	16,180	(1,291)	(7.98)
Non-current assets	4,750,231	3,523,606	1,226,625	34.81
Total Assets	5,734,701	4,593,442	1,141,259	24.85
Current liabilities	440,312	307,558	132,754	43.16
Non-current liabilities	935,821	722,530	213,291	29.52
Total Liabilities	1,376,133	1,030,088	346,045	33.59
Capital stock	1,853,422	1,853,422	-	-
Capital surplus	50,069	50,079	(10)	(0.02)
Earnings per share (Note 1)	1,484,621	1,425,378	59,243	4.16
Other equity interests (Note 2)	893,038	165,475	727,563	439.68
Non-controlling interests	77,418	69,000	8,418	12.20
Total equity	4,358,568	3,563,354	795,214	22.32

Note 1: Retained earnings including legal reserves and undistributed earnings.

Note 2: Other equity includes the differences arising from the translation of the financial statements of foreign operations and the unrealized gain (loss) arising from financial assets measured at fair value through other comprehensive income

Note 3: The financial information of the years stated above has been audited and attested by CPAs.

(II) Assets, liabilities, and equity of the past two years that vary from the previous/next period by 20% or more, or by NT\$10 million or more, and the reasons therefor, are stated below:

- A. Non-current assets and total assets increased: due to the increase in non-current financial assets measured at fair value through profit or loss and non-current financial assets measured at fair value through other comprehensive income.
- B. Current liabilities, non-current liabilities, and total liabilities increased: due to the increase in short-term and long-term borrowings.
- C. Other equity and total equity increased: attributed to the increase in unrealized gains on equity instruments measured at fair value through other comprehensive income.

II. Financial performance

(I) Financial performance comparison and analysis table

Unit: NT\$1,000

Item \ Year	2024	2023	Increase (decrease) amount	Change (%)
Net operating revenues	333,508	295,859	37,649	12.73
Operating costs	211,743	188,215	23,528	12.50
Operating gross profit	121,765	107,644	14,121	13.12
Operating expenses	117,891	119,649	(1,758)	(1.47)
Operating profit (loss)	3,874	(12,005)	15,879	132.27
Non-operating income and expenses	219,865	160,647	59,218	36.86
Net profits before tax	223,739	148,642	75,097	50.52
Income tax benefits (expenses)	(54,907)	(38,642)	16,265	42.09
Net profits (losses) for the period	168,832	110,000	58,832	53.48
Net income attributable to shareholders of the parent company	146,930	95,103	51,827	54.50
Other comprehensive income	732,547	(125,060)	857,607	685.76
Total comprehensive income for the period	901,379	(15,060)	916,439	6085.25
Total comprehensive income attributable to shareholders of parent company	879,477	(29,957)	909,434	3035.80

Analysis of changes in the percentage:

- A. Operating profit, non-operating income and expenses, income before tax, net income for the period, and net income attributable to owners of the parent increased: due to higher revenue, strengthened expense control, and an increase in non-operating income.
- B. Income tax expenses increased: adjusted according to the accounting income and income tax expenses recognized in profits and losses of the current year.
- C. Other comprehensive income, total comprehensive income for the period,

and total comprehensive income attributable to owners of the parent increased: due to an increase in unrealized gains on equity instrument investments measured at fair value through other comprehensive income.

III. Cash flow

(I) Analysis of changes in cash flows for the most recent year

Unit: NT\$1,000

Year Item	2024	2023	Difference	
			Amount	Description
Operating activities	147,876	254,857	(106,981)	Other payables increased in 2024
Investing activities	(523,907)	(245,764)	(278,143)	Financial asset acquisitions increased in 2024
Financing activities	190,143	(38,190)	228,333	Long-term and short-term loans increased in 2024
Net cash balance	145,856	226,370	(80,514)	

Remedies for cash shortfall and liquidity analysis: None.

(II) Liquidity analysis for the most recent two years

Year Item	December 31, 2024	December 31, 2023	Increase (decrease) ratio %
Cash flow ratio	33.58	83.03	(59.56)
Cash flow adequacy ratio	207.33	113.29	83.01
Cash reinvestment ratio	0.78	3.9	(80.00)

Analysis of changes in ratio variations:

- A. Cash flow ratio and cash reinvestment ratio decreased: net cash flow from operating activities decreased, current liabilities increased, and long-term investments increased.
- B. Cash flow adequacy ratio increased: net cash flow from operating activities increased in the last five years.

(III) Cash flow analysis for the coming year

Unit: NT\$1,000

Estimated cash balance at the beginning of the period	Estimated net cash inflow from operating activities during the year	Expected annual net cash inflows (outflows) from others	Estimated cash balance (shortfall)	Remedies for cash shortfall	
				Investment plan	Financing plan
145,856	161,448	(144,153)	163,151	-	-

IV. Significant capital expenditures in the most recent year and the impact on finance and business matters: None

V. Investment policy for the most recent years, the main reasons for profit or loss, improvement plan, and investment plan for the coming year:

The Company's investment policy is based on the operational and strategic development requirements, and allows the Company to arrange and manage the various investees under acceptable risks. Aside from abiding by government laws and regulations, the implementation of each management regulation and detail is based on the Company's "Regulations Governing the Acquisition and Disposal of Assets" and other internal regulations; doing so enables the Company to manage, supervise, and get a good grasp of the financial status of investees.

Investment in the digital technology business at the end of 2020 helped grow the Group's operating revenue; the Company will continue to seek good targets and industries to implement its reinvestment plan.

VI. Analysis and assessment of risks

(I) Impact of changes in the interest rates, exchange rates, and inflation on the Company's profit and loss in the most recent year, and future countermeasures

1. Changes in interest rates: The overall economy still features a loose monetary policy; therefore, the Company's short-term and medium-term capital costs are expected to be low.
2. Exchange rate changes: Fluctuations in exchange rates have no relative impact on the company's business operations. The Company always attends to the exchange market and, if necessary, hedges the risks facing the Company's assets and liabilities denominated in foreign currency.
3. Inflation: Given the Company's industry characteristics, inflation has limited impact on the Company. In 2024 and up to the publication date of this annual report, the Group did not face any immediate and significant impact from inflation.

(II) Policies on high-risk, highly-leverage investments, lending funds to others, endorsement and guarantee, and derivatives transactions for the most recent year, main reasons for gain or loss, and future countermeasures.

1. The Company does not make high-risk and highly-leverage investments.
2. Derivatives are traded via the process and requirements specified in the Company's "Guidelines for Derivatives Trading." Proper hedging strategies are planned, risks are managed and monitored, and trade may be carried out only within the authorized amount. In addition, derivatives trading is announced and filed monthly as required, so it shouldn't have a significant impact on the

Company's financial status.

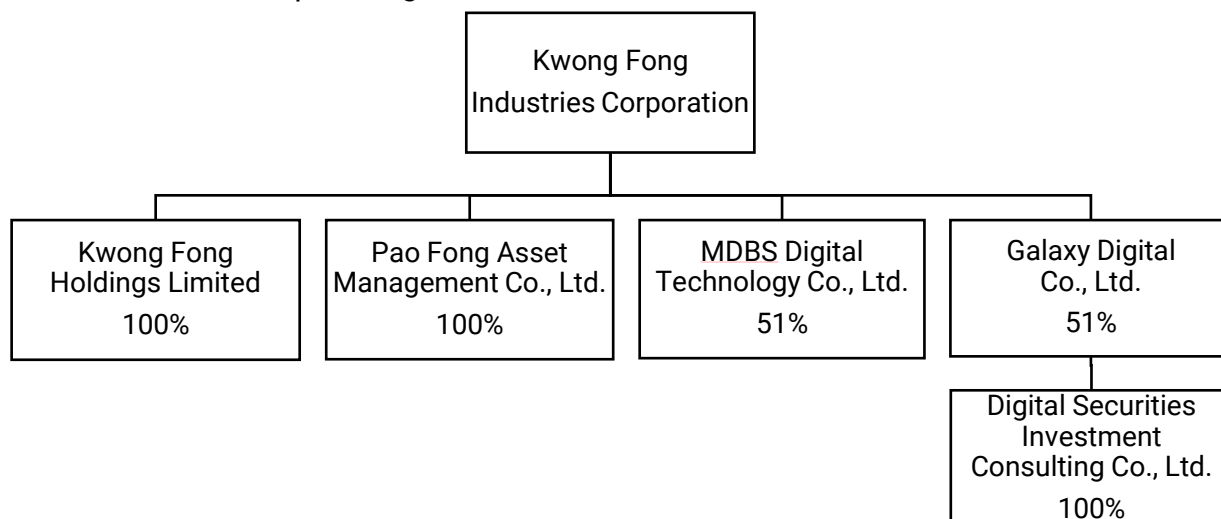
- (III) Future R&D plans and estimated expenses: None.
- (IV) The impact of important domestic and foreign policy and legal changes on the Company's finance and business and countermeasures in the most recent year: None.
- (V) The impact of important changes in technology or industry on the Company's finance and business and countermeasures in the most recent year: None.
- (VI) The impact of change in the corporate image on corporate crisis management and countermeasures: None.
- (VII) Expected benefits and possible risks of mergers and acquisitions and countermeasures: None.
- (VIII) Expected benefits and possible risks of plant expansion and countermeasures: None.
- (IX) Risks of concentration of purchases or sales and countermeasures: None.
- (X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and countermeasures: None.
- (XI) The impact on the Company and risks of change in management rights and countermeasures: None.
- (XII) Litigious and non-litigious matters. List major litigious, non-litigious, or administrative disputes that: involve the company and/or any company director, supervisor, President, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, the amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.
- (XIII) Other critical risks and countermeasures: None.

VII. Other important matters: None.

Six. Special Items

I. Information on affiliates

- (I) Consolidated Financial Statements of Affiliated Enterprises: Please refer to the MOPS, <https://emops.twse.com.tw/server-java/t58query>
- (II) Consolidated business report of affiliates:
 1. Affiliated enterprise organizational chart



2. Basic information on affiliates

Unit: NT\$1,000

Company name	Establishment Date	Address	Paid-in Capital	Principal business or production items
Kwong Fong Holdings Limited	June 3, 1992	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.	US\$ 30,442	Investment business
Pao Fong Asset Management Co., Ltd.	February 4, 1998	28F, No. 97, Section 2, Dunhua South Road, Da'an District, Taipei City	NT\$ 100,000	Asset management business
MDBS Digital Technology Co., Ltd. (Note 1)	March 4, 2002	18F, No. 105, Section 2, Dunhua South Road, Da'an District, Taipei City	NT\$ 31,595	Digital technology; information software
Galaxy Digital Co., Ltd.	March 30, 2020	18F, No. 105, Section 2, Dunhua South Road, Da'an District, Taipei City	NT\$ 42,537	Digital technology; information software
Digital Securities Investment Consulting Co., Ltd.	May 16, 2022	18F, No. 105, Section 2, Dunhua South Road, Da'an District, Taipei City	NT\$ 20,000	Securities investment consulting

3. Information on the same shareholder of affiliates presumed to have a relationship of control or subordination: None.
4. Industries covered by the business activities of all affiliates as a whole:

- (1) Investment industry
- (2) Construction industry
- (3) Real estate property management industry
- (4) Trade industry
- (5) Digital technology industry

5. Information on directors, supervisors, and presidents of affiliate companies

December 31, 2024

Company name	Title	Name or Representative	Shareholding	
			Shares	%
Kwong Fong Holdings Limited	Chairperson Director	Kwong Fong Industries Corporation (Representative: Leo Ho) (Representative: Ho Ming-Hong) (Representative: Liu Chia-Cheng)	30,441,792	100%
Pao Fong Asset Management Co., Ltd.	Chairperson Director	Kwong Fong Industries Corporation (Representative: Leo Ho) (Representative: Ho Ming-Hong) (Representative: Liu Chia-Cheng)	10,000,000	100%
MDBS Digital Technology Co., Ltd.	Chairperson Director	Chang Li-Yuan	105,150	3%
		Su Yu-Ying	-	-
		Kwong Fong Industries Corporation (Representative: Liu Chia-Cheng) (Representative: Lin Dai-Fan) (Representative: Chen Su-Ching)	1,611,500	51%
	Supervisor	Weng Chih-Wei Fu Chiung-Fang	- -	- -
Galaxy Digital Co., Ltd.	Chairperson Director	Lin Chia-Leng	256,219	6%
		Chang Li-Yuan	256,219	6%
		Kwong Fong Industries Corporation (Representative: Liu Chia-Cheng) (Representative: Lin Dai-Fan) (Representative: Chen Su-Ching)	2,169,400	51%
	Supervisor	Weng Chih-Wei Fu Chiung-Fang	- -	- -
Digital Securities Investment Consulting Co., Ltd.	Chairperson Director Supervisor	Galaxy Digital Co., Ltd. Chang Li-Yuan Lin Chia-Leng Hsu Pei-Yi Fu Chiung-Fang	2,000,000	100%

6. Operating profile of affiliates

December 31, 2024

Unit: NT\$1,000

Company name	Capital	Total Value of Assets	Total Liabilities	Net worth	Operating revenue	Operating profit	Profits or losses for the period (After tax)	Earnings per share (NT\$) (After tax)
Kwong Fong Holdings Limited	998,186	2,408,262	284,569	2,123,693	-	(1,448)	79,867	2.62
Pao Fong Asset Management Co., Ltd.	100,000	852,422	84,515	767,907	409	(1,457)	(26,530)	(2.65)
MDBS Digital Technology Co., Ltd.	31,595	106,371	57,258	49,113	167,028	14,104	12,910	4.09
Galaxy Digital Co., Ltd.	42,537	110,242	33,328	76,914	176,475	33,008	32,071	7.54
Digital Securities Investment Consulting Co., Ltd.	20,000	24,525	3,457	21,068	6,246	829	1,069	0.53

(III) Affiliation Report: None.

II. Private placement of marketable securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

III. Other matters that require additional explanation: None.

Seven. Any events in the most recent year and the current year up to the publication date of this annual report that materially affects shareholders' equity or the price of securities as defined in Paragraph 3, Sub-paragraph 2, Article 36 of the Securities and Exchange Act: None.