

Stock Code: 1416

KWONG FONG INDUSTRIES CORPORATION

2025 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: April 30, 2026

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
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 - (2) Name of acting spokesperson: Lin Dai-Fan
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3. Stock transfer agency
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Address: B1, No.67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City, Taiwan
Tel.: (02)2586-5859
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4. CPAs certifying the latest financial statements
Name of CPAs: Lai Chung-Hsi, Chih Ping-Chiun
Name of CPA firm: PricewaterhouseCoopers, Taiwan
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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

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One. Letter to Shareholders

I. 2025 Business Report:

(I) Business Plan implementation achievements:

Unit: NT\$1,000

Items	2025	2024	Increase (decrease) Amount	Increase (decrease) Percentage %
Operating revenue	360,152	333,508	26,644	7.99
Gross profit (loss)	131,003	121,765	9,238	7.59
Net profits (loss) for the period	164,789	168,832	(4,043)	(2.39)
Net profit attributable to the parent company	150,600	146,930	3,670	2.50
Earnings (Loss) per share (NT\$)	0.81	0.79	0.02	2.53

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

(III) An analysis of income and expenses and profitability for 2025:

Item		2025	2024
Capital structure	Debt to assets ratio (%)	26.97	23.99
	Ratio of long-term capital to fixed assets (%)	28,978.14	33,673.49
Solvency	Current ratio (%)	224.00	223.58
	Quick ratio (%)	104.66	78.07
Profitability	Return on assets (%)	2.99	3.48
	Return on equity (%)	3.81	3.78
	Net profit margin (%)	45.75	50.62
	Basic earnings per share (NT\$)	0.81	0.79

(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 2026 Business Plan

The business plan and development strategies are outlined as follows:

(I) Investment Business: Prudent Deployment with Return Prioritization

Strategic Principles: With risk control as the primary premise, the Company seeks to balance returns and capital preservation while enhancing the flexibility of asset allocation.

1. Domestic Investments:

Focus on listed companies and preferred shares with stable dividend yields and growth potential, adopting a long-term holding strategy.

In alignment with government policies and industry trends, priority will be given to sectors with growth potential, such as AI and ESG-related investments.

2. Overseas Investments:

Select high-grade bonds and quality listed equities.

Adopt a diversified currency allocation strategy to reduce exposure to single currency fluctuations and enhance overall asset stability.

(II) Construction Business: Capturing Urban Renewal Opportunities and Enhancing Asset Value

1. Urban Renewal and Reconstruction Projects:

The Company has invested in an urban renewal project on Bade Road in Taipei City. In 2026, the project will proceed with demolition of existing structures and enter the substantive development phase.

The Company will continue to evaluate potential sites in Sanchong District (New Taipei City), Da'an District (Taipei City), and Xinzhuang District, with plans to progressively invest in development over the next five years.

2. Asset Revitalization Planning:

Land located in Bade District, Taoyuan City, has been incorporated into a ten-year long-term urban renewal master plan. Through participation in regional urban renewal projects, the Company aims to revitalize assets and enhance asset utilization efficiency and value.

(III) Green and Environmental Business: Promoting Circular Economy and Expanding into the North American Market

In 2025, the Company invested in a Texas-based enterprise specializing in recycled plastics recovery and high-value applications. Through innovative technologies, recycled plastics are transformed into high-quality raw materials and further processed through injection molding into environmentally friendly products. The focus of research and production is on highly automated manufacturing of transport containers, serving diversified customers across North America, including chain retailers and manufacturers.

In 2026, the business is expected to enter mass production and commercialization, with anticipated rapid expansion of market presence.

(IV) Digital Technology Business: Deepening Financial Applications and Expanding Platform Revenue

1. Deepening AI Applications in Finance:

The Company will continue to invest in the development of application systems for the securities, fund, and insurance industries, strengthening cross-platform integration and intelligent functionalities. AI-driven investment and wealth management platforms will be launched to enhance user experience and customer engagement, thereby expanding the financial customer base.

2. Digital Learning and Community Tools:

A financial professional learning platform will be established, incorporating courses on ESG, AI, and other topics to enhance content depth.

By integrating community interaction and subscription-based revenue models, the Company aims to build a sustainable digital service ecosystem.

3. Agency Sales and AI Integration:

The Company acts as an authorized distributor of internationally recognized computer hardware systems, offering high-performance computing capabilities and enterprise-grade solutions.

By integrating its in-house developed AI software applications, the Company delivers a one-stop integrated solution combining “hardware + software + services”, supported by comprehensive after-sales service and technical support systems to strengthen long-term customer relationships.

(V) Corporate Governance and Sustainable Development: Implementing ESG and Strengthening Competitiveness

The Company actively promotes ESG practices to enhance overall sustainable competitiveness and corporate value. It will continue to strengthen its corporate governance structure, ensure compliance with applicable laws and regulations, and reinforce internal control mechanisms to improve risk management capabilities.

In addition, the Company will establish effective stakeholder communication mechanisms, taking into account the interests of shareholders, employees, customers, and the broader community, thereby fulfilling its corporate social responsibility.

III. Impact of external competitive environment:

The information software business will face increasingly significant technological disruption in 2026. Generative AI, multimodal AI, and AI agents have been widely adopted in enterprise applications. The convergence of cloud computing and edge

computing, together with the maturation of blockchain and Web3 technologies, is rapidly transforming traditional software development models. AI tools have substantially lowered development barriers, while customer demands have become increasingly diverse and require greater customization. To remain competitive, the Company must continue to invest in upgrading its core technologies, strengthen the cultivation of AI talent, and accelerate the development of customized intelligent solutions that meet industry-specific needs, thereby maintaining a solid competitive position in a highly competitive market.

Taiwan's real estate market is highly influenced by macroeconomic conditions, government policies, and social factors. In 2026, the government continues to promote policies such as urban renewal and the reconstruction of unsafe and old buildings. Coupled with trends toward lower total price housing, green buildings, and smart buildings, the market is expected to remain focused on small- to medium-sized projects with social responsibility considerations. In light of rapidly changing interest rate environments and housing market regulations, it is essential to closely monitor policy developments and integrate sustainability concepts into product planning in order to capture future growth opportunities.

IV. Impact of regulatory environment and overall business environment:

To ensure full compliance with applicable laws and regulations relating to environmental protection, labor rights, corporate governance, information security, and personal data protection, the Company is required to allocate relevant resources and incur associated costs to establish a comprehensive risk management and internal control system. In recent years, regulatory authorities in Taiwan have imposed increasingly stringent requirements on ESG information disclosure for listed companies. The Company has therefore fully integrated environmental, social, and governance considerations into its business strategies, and is actively promoting carbon inventory, green supply chain management, and diversified talent development to enhance long-term competitiveness and corporate sustainability.

In response to uncertainties in the macroeconomic environment, including global interest rate trends, supply chain restructuring, as well as geopolitical and war-related risks, the Company will maintain a proactive approach by continuously strengthening technological research and development, talent cultivation, and financial investment deployment. At the same time, the Company will closely monitor policy developments and market changes, and flexibly adjust its operational strategies to reinforce its competitive advantages and create long-term value for shareholders.

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, 2026
Unit: shares; NT\$1,000

Title	Nationality/ Place of Incorporation	Name	Gender /Age	Date of Elected /Took office	Term (Years)	Date of First Elected	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	Name	Relation
Chairperson	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 Pao Fong Asset Management Co., Ltd. Kwong Fong Holdings Limited Hemisphere Industries Corp. De Fong Investment Co., Ltd. Zhee Fong Investments Co., Ltd. De Fong Investment Co., Ltd. Zhee Fong Investments Co., Ltd. Hann Fong Investments Co., Ltd. Haoh Fong Investments Co., Ltd.	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	Nationality/ Place of Incorporation	Name	Gender /Age	Date of Elected /Took office	Term (Years)	Date of First Elected	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	Name	Relation
Director	ROC	Luo Sheng Tai Co., Ltd. Representative: 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. Representative: 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	Nationality/ Place of Incorporation	Name	Gender /Age	Date of Elected /Took office	Term (Years)	Date of First Elected	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	Name	Relation
														MasterLink Venture Management Corp.					
Director	ROC	Hann Fong Investments Co., Ltd. Representative: 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 Investments Co., Ltd. Representative: Huang Szu-Ying	Female 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	Nationality/ Place of Incorporation	Name	Gender /Age	Date of Elected /Took office	Term (Years)	Date of First Elected	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	Name	Relation
Independent 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	-	-	-	
Independent 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	Nationality/ Place of Incorporation	Name	Gender /Age	Date of Elected /Took office	Term (Years)	Date of First Elected	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	Name	Relation
														Zhongxing Engineering Co., Ltd. Chief Engineering Consultant: Te Chang Construction Co., Ltd. Kang He Construction Co., Ltd.					
Independent 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. China Man-Made Fiber Corporation	-	-	-

Table 1: Major Shareholders of Corporate Shareholders

March 24, 2026

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, 2026

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	Concurrent Independent Directorships in other public companies
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 the duties and industry management	<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 	None

Criteria Name		Professional qualifications and experience	Status of independence	Concurrent Independent Directorships in other public companies
		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	Concurrent Independent Directorships in other public companies
		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 manager of Fubon Futures. He has the	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	None

Criteria Name		Professional qualifications and experience	Status of independence	Concurrent Independent Directorships in other public companies
		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.	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.		2

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	35-73 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 employ ee of the Compa ny	Age				Seniority of being an Independent Director		Finance and futures and securities	Real estate investment and development and construction	Professio nal service and marketin g	Law	Managem ent administra tion	Leadersh ip and decision making	Crisis manage ment	Internatio nal market perspecti ve	Risk manage ment
				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	V
Lee-Ming-Huei	ROC	Male				V				V		V	V	V	V	V	V	V
Liu Shiang	ROC	Male					V					V	V	V	V	V	V	V
Huang Szu-Ying	ROC	Female		V								V	V	V	V	V	V	V
Independent Director Ho Chin-Chih	ROC	Male				V			V	V			V	V	V	V	V	V
Independent Director Kuan Chi-Jui	ROC	Male				V			V		V		V	V	V	V	V	V
Independent Director Cheng Yu-Wei	ROC	Male			V			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, 2026

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	ROC	Liu Chia-Cheng	Male	2024.12.16.	353	0%	-	-	-	-	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.

II. Remuneration for Directors, Supervisors, the President, and Vice Presidents in the Most Recent Year

(I) Remuneration to Ordinary Directors and Independent Directors (2025)

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 remuneration was received from investee enterprises other than subsidiaries
		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	-	-	154	154	-	-	394 0.26%	394 0.26%	3,508	3,508	-	-	-	-	3,902 2.59%	3,902 2.59%	None
Director	Luo Sheng Tai Co., Ltd. Representative: Ho Ming-Hong	240	240	-	-	154	154	-	-	394 0.26%	394 0.26%	2,800	2,800	108	108	-	-	3,302 2.19%	3,302 2.19%	
Director	Luo Sheng Tai Co., Ltd. Representative: Lee Ming-Huei	240	240	-	-	154	154	-	-	394 0.26%	394 0.26%	-	-	-	-	-	-	394 0.26%	394 0.26%	
Director	Hann Fong Investments Co., Ltd. Representative: Liu Shiang	240	240	-	-	154	154	-	-	394 0.26%	394 0.26%	-	-	-	-	-	-	394 0.26%	394 0.26%	
Director	Hann Fong Investments Co., Ltd. Representative: Huang Szu-Ying	240	240	-	-	154	154	-	-	394 0.26%	394 0.26%	-	-	-	-	-	-	394 0.26%	394394 0.26%	

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 remuneration was received from investee enterprises other than subsidiaries
		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	
Independent Director	Ho Chin-Chih	360	360	-	-	-	-	-	-	360 0.24%	360 0.24%	-	-	-	-	-	-	360 0.24%	360 0.24%	None
Independent Director	Kuan Chi-Jui	360	360	-	-	-	-	-	-	360 0.24%	360 0.24%	-	-	-	-	-	-	360 0.24%	360 0.24%	
Independent Director	Cheng Yu-Wei	360	360	-	-	-	-	-	-	360 0.24%	360 0.24%	-	-	-	-	-	-	360 0.24%	360 0.24%	

Note: 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 (2025)

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 remuneration was received from investee enterprises other than subsidiaries
		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	1,500	1,500	91	91	312	312	155	-	155	-	2,058 1.37%	2,058 1.37%	60
Vice President	Tsai Chia-Jung	1,716	1,716	106	106	425	425	-	-	-	-	2,247 1.49%	2,247 1.49%	-

(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 remuneration was received from investee enterprises other than subsidiaries
		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	425	425	-	-	-	-	2,247 1.49%	2,247 1.49%	
President	Liu Chia-Cheng	1,500	1,500	91	91	312	312	155	-	155	-	2,058 1.37%	2,058 1.37%	60
Accounting Officer	Chen Su-Ching	1,020	1,020	63	63	212	212	106	-	106	-	1,401 0.93%	1,401 0.93%	60

Name of managers receiving employee remuneration and the distribution:

March 31, 2026

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	356	356	0.24%
	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	2024 Proportion of Total Remuneration Paid by the Company and All Consolidated Subsidiaries to the Company's Directors, President, and Vice Presidents as a Percentage of Net Profit (Loss) after Tax	2025 Proportion of Total Remuneration Paid by the Company and All Consolidated Subsidiaries to the Company's Directors, President, and Vice Presidents as a Percentage of Net Profit (Loss) after Tax
Director	6.53%	6.29%
President and Vice Presidents	2.94%	2.86%

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 2025, 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. Status of Corporate Governance Implementation

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

The latest (2025) Board of Directors held 6 meetings (A) and the attendance of Directors is as follows:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate % (B/A)	Remarks
Chairperson	Leo Ho	6	0	100	
Director	Luo Sheng Tai Co., Ltd. Representative: Ho Ming-Hong	6	0	100	
Director	Luo Sheng Tai Co., Ltd. Representative: Lee Ming-Huei	6	0	100	
Director	Hann Fong Investments Co., Ltd. Representative: Liu Shiang	6	0	100	
Director	Hann Fong Investments Co., Ltd. Representative: Huang Szu-Ying	6	0	100	
Independent Director	Ho Chin-Chih	5	1	83	
Independent Director	Kuan Chi-Jui	6	0	100	
Independent Director	Cheng Yu-Wei	3	3	50	

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' Dissenting or Reserved Opinions and the Company's Response
2025.03.14.	1. Approved the loan funds to subsidiaries.	None

The 7 th meeting of the 19 th session	2. Approved the independent assessment of the Company's CPA of the financial statement.	
2025.08.12. The 10 th meeting of the 19 th session	1. Establishment of the "Sustainable Development Committee Charter". 2. Formation of the Company's Sustainable Development Committee and appointment of its members. 3. Approved of the 2024 Sustainability Report	None
2025.11.11. The 11 th meeting of the 19 th session	1. Approval of Amendments to the Internal Control System.	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: None.

(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 2025

Nature	Evaluation cycles	Evaluation periods	Evaluation scope	Method of evaluation	Evaluation content
Board of Directors meeting	Once/year	2025.1.1.-2025.12.31.	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	2025.1.1.-2025.12.31.	Audit Committee	The internal evaluation of the Audit Committee	The criteria for evaluating the performance of the members of the Audit Committee: <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	2025.1.1.-2025.12.31.	Remuneration Committee	The internal evaluation of the Remuneration Committee	The criteria for evaluating the performance of the members of the Remuneration Committee: <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 • Makeup of the Remuneration Committee and election of its members • Internal control
Sustainable Development Committee	Once/ year	2025.1.1.-2025.12.31.	Sustainable Development Committee	The internal evaluation of the Sustainable Development Committee	The criteria for evaluating the performance of the members of the Sustainable Development Committee: <ul style="list-style-type: none"> • Participation in the operations of the Company • Awareness of the duties of the Sustainable Development Committee • Improvement of quality of decisions made by the Sustainable Development Committee • Makeup of the Sustainable Development 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 2025 in January 2026. The evaluation results were reviewed by the Nominating Committee on March 13, 2026, 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 2025, the total number of training hours for all Directors was 60 hours.
- (iv) Objectives for strengthening the functions of the Board of Directors in the current and most recent fiscal years (e.g., establishment of the Audit Committee, enhancement of information transparency) and the assessment of their implementation.
1. In 2025, the Company established the Sustainable Development Committee Charter and completed the formation of the Sustainable Development Committee, actively promoting and strengthening sustainability governance and implementing the principles of sustainable development.
 2. Enhancement of information transparency: The Company has disclosed its financial information, material resolutions, Directors' attendance at Board of Directors meetings, and Directors' participation in continuing education programs on the Market Observation Post System in accordance with relevant laws and regulations. The Company's financial and business information is also available on the Company's website, enabling investors to access information in a timely manner.
 3. Directors and Officers liability insurance: To ensure that risks undertaken by Directors and managerial officers in the course of performing their duties are adequately covered, the Company purchases Directors and Officers (D&O) liability insurance annually. The details of the insurance policy are reported to the Board of Directors to ensure that the coverage amount and scope of insurance meet the Company's needs.

(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

Title	Name	Professional qualifications and experience
		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 four meetings were held in 2025. 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 4 meetings (A) in the most recent year (2025), the attendance is as follows:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate % (B/A)	Remarks
Convener	Ho Chin-Chih	4	0	100	
Committee Member	Kuan Chi-Jui	4	0	100	
Committee Member	Cheng Yu-Wei	1	3	25	

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' dissenting or reserved opinions and the Company's response
2025.03.14. The 4th meeting of the 2nd session	<ol style="list-style-type: none"> 1. Approved the Company's 2024 business report, financial statements and consolidated financial statements 2. Approved the Company's 2024 earnings distribution proposal 3. Approved the independent assessment of the Company's CPA of the financial statement 	None
2025.11.11. The 7th meeting of the 2nd session	<ol style="list-style-type: none"> 1. Approval of the amendments to the Internal Control System provisions 2. Approved the 2026 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
2025.01.07.	1. 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.
2025.03.14.	1. The 2024 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.
2025.05.13.	1. The CPA's review of the financial report for the first quarter of 2025, including the type of audit opinion, materiality and subsequent events, internal control and other communications.	Independent Directors did not express their opinions.
2025.08.12.	1. The CPA's review of the financial report for the second quarter of 2025, including the type of	Independent Directors did not

	audit opinion, materiality and subsequent events, internal control and other communications.	express their opinions.
2025.11.11.	1. The CPA's review of the financial report for the third quarter of 2025, including the type of audit opinion, materiality and subsequent events, internal control and other communications.	Independent Directors did not express their opinions.

(2) Communication between Independent Directors and internal audit supervisors

Date	Communication key points	Notes
2025.03.14.	1. Implementation of the 2025 review items of the audit plan	Independent Directors did not express their opinions.
2025.05.13.	1. Implementation of the 2025 review items of the audit plan	Independent Directors did not express their opinions.
2025.08.12.	1. Implementation of the 2025 review items of the audit plan	Independent Directors did not express their opinions.
2025.11.11.	1. Self-prepared tracking report on the implementation of the 2025 review items of the audit plan 2. 2026 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			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	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 and disclosing the Company's material internal information; doing	No significant difference

Evaluation items	The State of Operation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
			so avoids improper information leak and ensures the consistency and accuracy of the information disclosed by the Company to outsiders.	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Has the Board of Directors formulated and implemented a diversity policy on membership?</p> <p>(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?</p> <p>(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?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(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.</p> <p>(II) The Company has set up the Remuneration Committee, Audit Committee, Nominating Committee, and Sustainable Development Committee.</p> <p>(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 Directors of the Company include the following five aspects: (1) Participation in the operation of the Company</p>	<p>No significant difference</p> <p>No significant difference</p> <p>No significant difference</p>

Evaluation items	The State of Operation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
			<p>(2) Improvement of the quality of the Board of Directors' decision making</p> <p>(3) Composition and structure of the Board of Directors</p> <p>(4) Election and continuing education of the Directors</p> <p>(5) Internal control</p> <p>The criteria for evaluating the performance of the board members include the following aspects:</p> <p>(1) Alignment of the goals and missions of the company</p> <p>(2) Awareness of the duties of a Director</p> <p>(3) Participation in the operation of the company</p> <p>(4) Management of internal relationships and communication</p> <p>(5) The Director's professionalism and continuing education</p> <p>(6) Internal control</p> <p>The criteria for evaluating the performance of functional committees include the following aspects:</p> <p>(1) Participation in the operation of the company</p> <p>(2) Improvement of quality of decisions made by the functional committee</p> <p>(3) Makeup of the functional committee</p> <p>(4) Election of its members</p> <p>(5) Internal control</p> <p>The Company completed the performance evaluations of the Board of Directors, individual Directors, Remuneration Committee, Nominating Committee, Audit Committee, and Sustainable Development Committee for the</p>	

Evaluation items	The State of Operation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
(IV) Does the company regularly evaluate the independence of attesting CPAs?	V		<p>fiscal year 2025 in January 2026. The evaluation results were reviewed by the Nominating Committee on March 13, 2026, 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 14, 2025 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. (5) Obtain the Independence Statement from the CPAs to be appointed. 	No significant difference
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	V		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:	No significant difference

Evaluation items	The State of Operation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
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.)?			<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 18-hour continuous development course in 2025 and declared on the MOPS.</p>	
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholder's section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Company's website has a stakeholders' zone; the Company has properly responded to important corporate social responsibility issues that concern stakeholders.	No significant difference
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, corporate governance, and sustainable development of enterprises is disclosed.	No significant difference

Evaluation items	The State of Operation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
(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 measurement standards, implementation of customer policies, the company's purchase of liability insurance for Directors and supervisors, and so on)?	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 profits if any, be provided as employee remuneration, among the employee remuneration amount referred to, no less than 3% shall be allocated to non-managerial employees, 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 employees, so the employee turnover rate is low. (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	No significant difference

Evaluation items	The State of Operation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
			<p>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 status of the Company's purchase of liability insurance for Directors and Supervisors: The Company has taken out a USD 5.5 million Directors and Officers (D&O) liability insurance from MSIG Mingtai Insurance Co., Ltd., and the insurance was renewed on April 24, 2026.</p>	
<p>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:</p> <p>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 2025 Corporate Governance Evaluation Guidelines to find out the items which can be improved.</p> <p>Improved items: Established the " Sustainable Development Committee Charter", formed the Sustainable Development Committee. 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".</p>				

Evaluation items	The State of Operation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
<p>Priority enhancement measures planned for items still awaiting improvement: A concrete plan to promote and implement corporate social responsibilities.</p> <p>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.</p>				

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

1. Remuneration Committee Members

Identity	Criteria Name	Professional qualifications and experience	Status of independence	Concurrent Remuneration Committee Member in other public companies Committee Member
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 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	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.		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.		2

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 2 meetings (A) in 2025

Members' qualifications and attendance are as follows:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate % (B/A)	Remarks
Convener	Ho Chin-Chih	1	1	50	-
Committee Member	Kuan Chi-Jui	2	0	100	-
Committee Member	Cheng Yu-Wei	2	0	100	-

Other matters to be recorded:

- (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.
- (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.

(4) The Remuneration Committee's discussions and resolutions in 2025, and the Company's response to the Committee Members' opinion:

Date/Session	Content of proposals	Resolution situation	The Company's response to Committee Members' opinions
2025.01.14. The 6th meeting of the 6th session	1. Review the 2024 year-end bonuses for managers 2. Review the 2024 Directors' and employees' remuneration proposal 3. Review performance bonuses of the Investment Department	Approved as proposed with no objections from the attending members upon inquiry by the Chair	Report the resolution to the Board of Directors
2025.08.12. The 7th meeting of the 6th session	1. Review the 2024 manager's remuneration proposal		

(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., 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 served 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

Title	Name	Professional qualifications and experience
		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 2 meetings in 2025

Members' qualifications and attendance are as follows:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate % (B/A)	Remarks
Convener	Cheng Yu-Wei	1	1	50	-
Committee Member	Ho Chin-Chih	2	0	100	-
Committee Member	Kuan Chi-Jui	2	0	100	-
Committee Member	Leo Ho	2	0	100	-
Committee Member	Ho Ming-Hong	2	0	100	-

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: None.

(4) The Nominating Committee's discussions and resolutions in 2025, and the Company's response to the committee members' opinion:

Date/Session	Content of proposals	Resolution situation	The Company's response to Committee Members' opinions
2025.03.14. The 3rd meeting of the 2nd session	1. 2024 Board of Directors and Functional Committees performance evaluation 2. Establish the 2025 Directors continuing education plan	Approved as proposed with no objections from the attending members upon inquiry by the Chair	-
2025.08.12. The 4th meeting of the 2nd session	1. Establish the "Sustainable Development Committee Charter" 2. Establish the Company's "Sustainable Development Committee" and appoint its members		

(VI) Composition, duties, and implementation status of the Sustainable Development Committee:

1. Qualifications and Experience of Sustainable Development Committee Members:

Title	Name	Professional qualifications and experience
Convener	Huang Szu-Ying	Director, Kwong Fong Industrial Co., Ltd. Chief Corporate Governance Officer, China Container Terminal Co., Ltd.
Committee Member	Liu Chia-Cheng	President & Chief Corporate Governance Officer, Kwong Fong Industrial Co., Ltd.
Committee Member	Chen Su-Ching	Chief Accounting Officer, Kwong Fong Industrial Co., Ltd.

Work Focus:

(1) Formulate, promote, and enhance the Company's sustainability

development policies, annual plans, and strategies.

- (2) Review, monitor, and update the implementation status and effectiveness of sustainable development initiatives.
- (3) Oversee sustainability disclosures and review the Sustainability Report.
- (4) Supervise the implementation of the Company's Sustainable Development Best Practice Principles and other sustainability-related matters as resolved by the Board of Directors.

2. Information on the operations of the Sustainable Development Committee

- (1) There are three members of the Sustainable Development Committee of the Company.
- (2) Tenure of the 1st Sustainable Development Committee: 2025.08.12. ~ 2027.05.29.
- (3) The Sustainable Development Committee held 2 meetings in 2025

Members' qualifications and attendance are as follows:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate % (B/A)	Remarks
Convener	Huang Szu-Ying	2	0	100	-
Committee Member	Liu Chia-Cheng	2	0	100	-
Committee Member	Chen Su-Ching	2	0	100	-

Other matters to be recorded:

- (i) If the Board of Directors does not adopt or amend the recommendations of the Sustainable Development Committee, it should state the date, session, proposal content, resolution of the board, and its handling of the Sustainable Development Committee's opinions: None.
- (ii) For the proposals by the Sustainable Development 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: None.

- (4) The Sustainable Development Committee's discussions and resolutions in 2025, and the Company's response to the Committee Members' opinion:

Date/Session	Content of proposals	Resolution situation	The Company's response to Committee Members' opinions
2025.08.12. The 1st meeting of the 1st session	1. Election of the Convener of the 1st Sustainable Development Committee	Committee Member Huang Szu-Ying was elected as the Convener for the current term	None
2025.11.07. The 2nd meeting of the 1st session	1. Review of the implementation status of Corporate Governance, Ethical Corporate Management, and Sustainable Development for 2025	Approved as proposed with no objections from the attending members upon inquiry by the Chair.	Report the resolution to the Board of Directors

(VII) 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			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and 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		<p>On August 12, 2025, in order to implement the Company's sustainable development objectives and strengthen sustainability governance, the Board of Directors approved the establishment of the Company's "Sustainable Development Committee Charter" and the formation of a Board-level Sustainable Development Committee, in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."</p> <p>The Sustainable Development Committee has appointed the Chief Sustainability Officer (CSO) to serve as the leader of the sustainability task force, overseeing four working groups: The Corporate Governance Team, Environmental Sustainability Team, Social Contribution Team, and Sustainability Information Disclosure Team. These groups are responsible for monitoring the effectiveness of project implementation and facilitating coordination and collaboration among various departments in advancing sustainability initiatives.</p> <p>Each working group reports its implementation progress to the CSO on a regular or ad hoc basis. The Sustainable Development Committee, in turn, reports annually to the Board of Directors on the Company's sustainability performance and implementation status.</p>	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		<ol style="list-style-type: none"> 1. The Company follows the GRI Standards to conduct its materiality analysis through four key steps: identification of sustainability topics, stakeholder concern surveys, analysis of material topics, and review and discussion. This process serves as the basis for the preparation and disclosure of the sustainability report, and enables the Company to assess its current sustainability performance. 2. The disclosed information covers the Company's sustainability performance at its major operating locations during 2025. The scope of risk assessment primarily focuses on the Company, and—based on relevance to core operations and the degree of impact on material topics—also includes the following subsidiaries: Pao Fong Asset Management Co., Ltd., Kwong Fong Holdings Ltd., MDBS Digital Technology Co., Ltd., Galaxy Digital Co., Ltd., and Digital Securities Investment Consulting Co., Ltd. 3. Based on the identified risks, the Company has 	No significant difference

Implementation Items	The State of Implementation		Summary description	Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons																		
	Yes	No																				
			<p>established the following risk management policies and strategies:</p> <table border="1"> <thead> <tr> <th>Material Topic importa</th> <th>Risk Assessment</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Environ ment</td> <td>Environ mental Impact & Manage ment</td> <td> (1) The Company effectively reduces pollutant emissions and mitigates environmental impacts through a systematic management cycle. (2) Climate risks and opportunities are identified using the TCFD framework. Through cross-departmental discussions, a total of 2 opportunities and 16 risks have been identified. (3) In accordance with ISO 14064-1, the Company conducts regular greenhouse gas (GHG) inventories to assess operational impacts. Based on the inventory results, the Company continuously implements carbon reduction measures to reduce Scope 1 and Scope 2 emissions. </td> </tr> <tr> <td>Social</td> <td>Occupat ional Safety & Health</td> <td>The Company conducts annual fire drills and occupational safety training to enhance employees' emergency response capabilities and self-protection awareness.</td> </tr> <tr> <td>Corpora te Governan ce</td> <td>Corpora te governan ce and legal complia nce</td> <td> (1) The Company establishes governance structures and implements internal control mechanisms to ensure compliance with laws and regulations. (2) The Company applies for patents for its R&D outputs to safeguard its rights. </td> </tr> <tr> <td></td> <td>Strengt hen Director ship skills</td> <td> (1) Continuing education programs are arranged for Directors annually. (2) D&O liability insurance is procured. </td> </tr> <tr> <td></td> <td>Stakehol der Engage ment</td> <td> (1) Annual stakeholder analysis is conducted. (2) Communication channels including investor mailbox are maintained. </td> </tr> </tbody> </table>	Material Topic importa	Risk Assessment	Description	Environ ment	Environ mental Impact & Manage ment	(1) The Company effectively reduces pollutant emissions and mitigates environmental impacts through a systematic management cycle. (2) Climate risks and opportunities are identified using the TCFD framework. Through cross-departmental discussions, a total of 2 opportunities and 16 risks have been identified. (3) In accordance with ISO 14064-1, the Company conducts regular greenhouse gas (GHG) inventories to assess operational impacts. Based on the inventory results, the Company continuously implements carbon reduction measures to reduce Scope 1 and Scope 2 emissions.	Social	Occupat ional Safety & Health	The Company conducts annual fire drills and occupational safety training to enhance employees' emergency response capabilities and self-protection awareness.	Corpora te Governan ce	Corpora te governan ce and legal complia nce	(1) The Company establishes governance structures and implements internal control mechanisms to ensure compliance with laws and regulations. (2) The Company applies for patents for its R&D outputs to safeguard its rights.		Strengt hen Director ship skills	(1) Continuing education programs are arranged for Directors annually. (2) D&O liability insurance is procured.		Stakehol der Engage ment	(1) Annual stakeholder analysis is conducted. (2) Communication channels including investor mailbox are maintained.	
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Implementation Items	The State of Implementation			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
III. Environmental Issues				
(I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		(I) Implementation of public office energy saving activities: key lighting, paper reduction, independent area air conditioning management, etc., enhanced water resource management and systematic construction of recycling.	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 has ensured the implementation of resource recovery classification, capacity reduction, and the use of recycled sanitary paper. We actively promote green purchasing policy, preferential selection is combined with environmental protection requirements and supply of commercial materials, and the same requirements are provided with high proportion of environment-friendly products.	No significant difference
(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 has changed its business model, asset security, etc., as well as suitable distributed customer and transparent asset protection methods. The electric power system has not been constructed, the grid has been maintained, the power level has been renewed, and the power distribution system has been distributed.	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	V		(IV) The Company has completed greenhouse gas (GHG) inventories for the past two years. GHG Emissions (Scope 1, 2, and 3) 2024: 328.858 tCO ₂ e 2025: 310.803 tCO ₂ e Energy Consumption (Purchased Electricity) 2024: 1,260.34 GJ 2025: 1,161.25 GJ Water Withdrawal 2024: 3,363.81 metric tons 2025: 3,523.68 metric tons,	No significant difference

Implementation Items	The State of Implementation			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
reduction or other waste management?			<p>Tap water serves as the primary source of operational water. The third-party water supplier is the Taipei Water Department.</p> <p>Energy Conservation Measures:</p> <ol style="list-style-type: none"> 1. Energy Monitoring and Management The Company conducts regular energy audits to evaluate office energy consumption and develop corresponding improvement measures. Traditional lighting systems have been replaced with high-efficiency LED lighting to reduce energy usage. 2. Adoption of Energy-Efficient Equipment Office equipment is regularly maintained and inspected to ensure efficient operation and to minimize unnecessary energy consumption. 3. Employee Awareness and Training The Company regularly conducts energy-saving training and awareness campaigns to enhance employees' consciousness and proactive participation in energy conservation. Guidelines are established, such as turning off computers and lighting when leaving the office. 4. Promotion of Green Office Practices Paperless operations are encouraged to reduce paper usage and waste. Electronic signatures and digital document management systems are adopted to improve efficiency and reduce environmental impact. 5. Policy and Target Setting The Company establishes clear energy-saving policies and targets, incorporating them into management systems. The effectiveness of energy-saving measures is regularly evaluated and reported to ensure continuous improvement. 	
<p>IV. Social Issues</p> <p>(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the</p>	V		<p>(I) International human rights commitments such as the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labor Conventions, which protect and guarantee basic human rights, recognition and support. The basic principles of Declaration of the basic principles of harmony and profit during construction work, the revised personnel policy and the law on enforcement and disciplinary measures against mobilization due to the work site, irregular personnel interrelated education and training, the power to create equality, peace and fairness, and exemption. In</p>	No significant difference

Implementation Items	The State of Implementation			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
International Bill of Human Rights?			view of the working environment, race, nationality, age, gender, marital status, political position, religious beliefs, etc., there is a discriminatory treatment based on talent, employment, and employment at the same time.	
(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 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, among the employee remuneration amount referred to, no less than 3% shall be allocated to non-managerial employees, 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 controlled or affiliated company who meet certain criteria. Considering operational performance, reflect timely adjustments to employee compensation in accordance with the company's "Business Bonus Regulations" and "Year-end Bonus Distribution Regulations."	No significant difference
(III) Did the Company provide employees with a safe and healthy working environment, and conduct regular safety and health education for employees?	V		(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.	No significant difference
(IV) Has the Company established an effective career development training program for employees?	V		(IV) Training and promotion activities related to the training and training of the main machinery and external industry organizations for safety and labor recruitment, as well as non-regular safety and labor and training. 2025 Course: Accounting Personnel Progression Course, Training Personnel Progression Course and Internal Training Course: Introducing company governance reviews, review guidelines and reference examples, amendments to and omissions from law enforcement regulations, and revisions to company governance regulations. , management of sexual harassment cases, management of sexual affairs, education and training of public servants, internal trade laws and regulations, standards of practice, and	No significant difference

Implementation Items	The State of Implementation			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and 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		<p>personal data safety protection management.</p> <p>(V) Our company maintains good relationships with customers and manufacturers and has established a stakeholder complaint channel. The marketing and labeling of our products and services comply with relevant laws and regulations and international standards.</p> <p>Multiple complaint channels are available: Complaint Hotline: 02-27061858 Complaint Email: kfic@kfic.com.tw Written Complaints: Mail to: Management Department, 28th Floor, No. 97, Section 2, Dunhua South Road, Da'an District, Taipei City</p> <p>We regularly summarize the complaint handling process, prepare complaint handling reports, and report to senior management and the Board of Directors. Based on the complaint handling situation, we continuously improve and optimize the complaint handling process to enhance the company's ability to handle complaints from stakeholders and improve their satisfaction.</p>	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		<p>(VI) The company has established a Supplier Management Policy and Implementation Status emphasizing that suppliers should protect the environment, prioritize safety and health, and respect labor rights, in order to jointly achieve environmental sustainability. By 2025, suppliers are required to jointly promote environmental sustainability, and these guidelines serve as fundamental qualifications and requirements for supplier selection. The company signs "Supplier Commitment Letters" with its suppliers and regularly assesses the ratings of its trading partners, using this assessment as a basis for supplier delivery, guidance, improvement, and follow-up. Before engaging with any supplier, the company considers their past reputation and constantly monitors their current records for any environmental impact, violations of occupational safety and health regulations, or labor rights violations. By 2025, the Group will have 32 suppliers cooperating with it. Suppliers with annual purchases exceeding NT\$1 million will be evaluated, and all will be deemed qualified, with 100% achieving an A rating and no B or C rating suppliers.</p>	No significant difference
V. Does the Company make reference to		V	On June 26, 2024, the Company's Board of Directors approved the "Procedures for the Preparation and	In accordance

Implementation Items	The State of Implementation			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
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?			<p>Assurance of Sustainability Reports." The Company prepared its annual sustainability report for the previous year with reference to the General Standards, Industry Standards, and Significant Theme Standards issued by the Global Sustainability Reporting Institute (GRI). This report disclosed the significant economic, environmental, and human (including human rights) themes and impacts identified by the Company, the disclosure items and their reporting requirements, and may refer to the disclosure industry indicators and corresponding report content indexes of the Sustainability Accounting Standards Board (SASB). The sustainability report should include relevant environmental, social, and corporate governance risk assessments and establish relevant performance indicators to manage the identified significant themes.</p> <p>The 2024 sustainability report was completed and approved by the Board of Directors on August 12, 2025.</p> <p>No assurance or guarantee opinions from third-party verification entities were obtained.</p>	with the Sustainable Development Roadmap for TWSE/TPEX Listed Companies.
<p>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.</p>				
<p>VII. Other key information for understanding our corporate social responsibility efforts:</p> <p>In 2025, our company will join hands with several non-profit organizations to promote social care initiatives and put corporate social responsibility into practice.</p> <ol style="list-style-type: none"> 1. Regarding support for vulnerable groups, our company supports the "The Garden of Mercy Foundation," assisting economically disadvantaged families and those in urgent need of assistance through resource donations and care activities, strengthening the social safety net, and improving their basic quality of life and stability. 2. In the areas of child development and educational equity, our company participates in related projects of the "Children's Hearing Foundation," focusing on early intervention and language development for hearing-impaired children through resource donations and care activities, helping them improve their communication skills, promoting their integration into school and social life, and realizing equal educational opportunities. 3. In response to the aging society trend, our company supports the Huashan Social Welfare Foundation's care services for elderly people living alone. Through the provision of supplies and assistance with daily life, we alleviate the loneliness and inconvenience faced by the elderly, creating a more inclusive and dignified age-friendly environment. 4. In addition, our company also collaborates with the Eden Social Welfare Foundation to focus on life support and employment promotion for people with disabilities. Through resource donations and care initiatives, we promote the social value of diversity and inclusion. 				

(VIII) Climate-related Information of Listed Companies

Implementation of climate-related information

Item	Execution Status
<p>1. Describe the Board of Directors and management's oversight and governance of climate-related risks and opportunities.</p>	<p>To achieve the Company's sustainable development objectives and strengthen sustainability governance, the Company has, in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," established the "Sustainable Development Committee Charter" and set up a board-level Sustainable Development Committee upon approval by the Board of Directors.</p> <p>The Sustainable Development Committee appoints the Chief Sustainability Officer (CSO) to serve as the leader of the primary sustainability task force. The CSO oversees and coordinates four working groups—Corporate Governance Team, Environmental Sustainability Team, Social Responsibility Team, and Sustainability Information Disclosure Team. These groups are responsible for supervising project implementation performance and promoting cross-departmental coordination and collaboration in advancing sustainability initiatives. Each working group reports its progress to the CSO on a regular basis, and the Sustainability Development Committee reports the overall implementation status of sustainability initiatives to the Board of Directors annually.</p> <p>In alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and in conjunction with relevant policies and regulations, the Company conducts annual identification and assessment of climate-related risks and opportunities. These are analyzed across different time horizons—short-term, medium-term, and long-term—to evaluate their potential impacts on operations, strategy, products, and financial planning. The scope of analysis covers all areas recommended by TCFD, including products and services, supply chain and value chain, adaptation and mitigation activities, research and development investment, business operations, operating costs and revenues, capital expenditures and allocation, mergers and acquisitions, asset divestment, and capital access.</p> <p>Regarding the time horizons of climate-related risks, the Company classifies them based on its operational characteristics and industry context, in line with TCFD recommendations: short-term (impacts occurring by 2028), medium-term (2028–2036), and long-term (2037–2050). Given the specific characteristics of the software industry, particular focus is placed on digital transformation, cloud services, and energy consumption of data centers.</p> <p>Corresponding adaptation strategies and mitigation measures are developed to address climate change challenges. Based on the assessment results, the Company formulates specific climate strategies and targets across several key areas, including R&D investment, product and service innovation, operational energy efficiency, green cloud infrastructure development, and carbon emission management. These strategies and targets are reviewed annually, and their implementation progress is tracked and disclosed through climate-related key performance indicators to ensure timely adjustments in response to evolving global environmental policies and market demands.</p> <p>To ensure effective execution of climate strategies, climate-related considerations are incorporated into the Company's annual operational and strategic planning processes, along with the allocation of appropriate budgets and resources.</p>

Item	Execution Status		
	The CSO reports the annual climate strategy execution plan to the Chairman on a regular basis, and adjustments are made based on the Chairman's guidance. The Chairman is responsible for overseeing the Company's progress in climate risk management and providing strategic direction to ensure that climate strategies are effectively implemented and that the Company achieves its established goals.		
2. Describe how identified climate risks and opportunities affect the enterprise's business, strategy, and finance (short, medium, and long term).	Description of short, medium, and long-term climate risks and opportunities		
	Timeframe	Climate Risks and Opportunities	Related Description
	Short-term	Physical Immediate Risk	1. Natural disasters affecting bank-side financial operations 2. increased risk of power outages
	Short-term	Product and Service Opportunity	Enabling online payment and collection functions, allowing financial services to remain unaffected by extreme weather.
	Medium-term	Transition Risk - "Technology"	1. Information security risk: New systems or cloud platforms may have vulnerabilities and are prone to hacking. 2. System integration failure: Old systems are incompatible with new technologies, leading to data loss or process interruption.
	Medium-term	Transition Risk - "Policy and Regulation"	1. Increased operating costs due to higher consultant and assurance fees for regulatory compliance. 2. Increased operating costs due to higher greenhouse gas emission pricing. 3. Increased operating costs due to low-carbon product and service requirements, supervision, and relevant ISO certifications.
	Medium-term	Opportunity - "Products/Services"	Providing software and financial AI innovation platform services brings paperless, low-carbon services to customers, which helps increase business opportunities. In addition, emerging energy-saving technologies and eco-friendly digital solutions, such as 5G technology, cloud computing infrastructure energy optimization, smart energy management systems, and green data centers, will help improve energy efficiency and strengthen competitiveness.
Medium-term	Transition Risk - "Reputation"	With the enhancement of environmental awareness, failure to actively address climate change will lead to reputation risk. Society is increasingly sensitive to corporate performance on climate issues. If an enterprise fails to demonstrate its emphasis on environmental	

Item	Execution Status				
			responsibility, it may trigger negative public opinion, affecting the trust of investors, consumers, and partners.		
	Long-term	Physical Long-term Risk	Rising temperatures increase electricity consumption and raise operating costs. Rising sea levels, extreme heatwaves, and strong winds will increase the risks of building design and construction, and bring losses to corporate assets.		
3. Describe the financial impact of extreme weather events and transition actions.	Risk Type		Risk-related Factors	Financial Impact	Company-Specific Description
	Physical	Immediate	Typhoons causing power outages	Increased operating costs	Liability issues arising from interrupted transactions, requiring system restarts and configuration.
	Physical	Long-term	Global warming	Increased operating costs	1. Continuous R&D of energy-saving and carbon-reduction technologies increases operating costs 2. Increased air conditioning electricity bills
	Transition Risk	Policy and Regulation	Renewable energy regulations and procurement	Increased operating costs	Increased expenditure due to mandatory external procurement of renewable energy required by regulations. Continuous price increases due to insufficient supply of renewable energy.
			Regulations require 1% power savings	Increased operating costs	The industry has no heavy pollution or energy-intensive equipment, increasing operating costs.
		Poor reputation	Inability to reduce carbon emissions or failure to comply with policies and regulations	Revenue operating costs	Negative impact on product sales, increased employee recruitment costs, increased borrowing costs, and decreased brand value.
		Market	Changes in customer behavior	Increased operating	Decreased revenue from non-low-carbon products. Increased R&D costs for products and services

Item	Execution Status				
				costs Decreased revenue	required by customers.
		Technology	Investment in new low-carbon technologies	Increased operating costs	Increased R&D investment expenses
	Opportunity	Products and Services	Extreme weather reduces outings	Increased revenue	Increase financial services unaffected by extreme weather.
	Opportunity	Products and Services	Greenhouse gas mitigation catalyzes low-carbon demand	Increased revenue	Providing software and financial AI innovation platform services brings paperless, low-carbon services to customers, which helps increase business opportunities. In addition, emerging energy-saving technologies and eco-friendly digital solutions, such as 5G technology, cloud computing infrastructure energy optimization, smart energy management systems, and green data centers, will help improve energy efficiency and strengthen competitiveness.
	Opportunity	Resilience	Increase power sources to combat operational interruptions caused by power outages	Reduce operational losses Reduce carbon emissions	Participate in renewable energy projects and adopt energy-saving measures to enhance operational capacity Dynamic energy storage to enhance operational capacity Build Uninterruptible Power Supply (UPS) systems
4. Describe how climate risk identification, assessment, and management	To achieve the company's sustainable development goals and protect the long-term value of the company and its stakeholders, a strategy balancing risk and commercial return is adopted to identify and effectively manage various climate-related risks and opportunities encountered during the execution of the company's business strategies. The Board of Directors authorizes the Chairperson, as well as the Corporate Governance Team and the Environmental Sustainability Team under the sustainability promotion department, to conduct a comprehensive review of the company's Enterprise Risk Management (ERM) framework and its risk profile. This ensures that the climate risks				

Item	Execution Status
<p>processes are integrated into the overall risk management system.</p>	<p>identified during operations can be effectively controlled and maintained within an acceptable risk range, ensuring that all climate-related risks are thoroughly assessed and controlled. These risks include, but are not limited to, net-zero emission targets, reputation risks, energy shortages or interruptions, extreme weather impacts on data center operations, and cybersecurity threats, all of which may pose potential threats to the company's operations and supply chain.</p> <div data-bbox="405 363 1137 959" data-label="Diagram"> <pre> graph TD ERA[Risk Identification and Assessment] --> RC[Risk Control] RC --> RR[Risk Response] RR --> RMR[Risk Monitoring and Reporting] RMR --> ERA subgraph ERMF [Enterprise Risk Management Framework] ERA RC RR RMR end </pre> </div> <p>The Chief Sustainability Officer reports to the Chairperson on an irregular basis each year regarding the assessment results of climate-related risks and opportunities, and conducts climate scenario simulation analyses to provide financial impact assessments and response measures. Based on these assessment results, the Chairperson ensures that the relevant risk control plans and response strategies are appropriately reviewed and adjusted. After all data compilation and assessments are completed, the Sustainability Promotion Task Force ranks the results and selects the issues that have the greatest impact on the company and its environmental responsibilities. These issues are then discussed internally within the task force, and specific response strategies and action plans are formulated. The Chief Sustainability Officer subsequently reports to the Board of Directors on a regular annual basis to ensure that all strategies and action plans receive adequate support and resources.</p>
<p>5. If scenario analysis is used to assess resilience in response to climate change risks, the scenarios, parameters, assumptions, analytical</p>	<p>In the area of climate-related scenario analysis, the Company refers to the scenario parameters published by the Network for Greening the Financial System (NGFS) and conducts climate risk scenario analysis under three scenarios: Orderly Transition (Net Zero 2050), Disorderly Transition (Delayed 2°C), and Global Warming Out of Control (NDCs). The Company evaluates the potential increase in operating costs or operating expenses caused by carbon fees under different scenarios, analyzes the financial impact of electricity consumption, and forecasts carbon tax costs and operating costs from 2025 to 2050.</p> <ol style="list-style-type: none"> Orderly Transition (Net Zero 2050) Under the orderly transition scenario, the world achieves net zero emissions by 2050 and effectively controls greenhouse gas emissions through policies, technological innovation, and global cooperation. Countries gradually implement carbon pricing mechanisms (such as carbon taxes and carbon allowance trading) and increase investment in renewable energy and low-carbon technologies.

Item	Execution Status
<p>factors, and major financial impacts adopted should be explained.</p>	<p>(1) Carbon Fee Impact Analysis</p> <p>A. Carbon tax: It is assumed that global carbon pricing will gradually rise to approximately US\$100 per ton of CO₂ by 2030 and eventually reach US\$200–250 per ton of CO₂ by 2050. The Company’s carbon emissions will be directly affected, particularly in carbon-intensive operations such as data center operations, manufacturing, and logistics, where these divisions will need to pay additional carbon taxes.</p> <p>B. Operating costs and operating expenses: Data center operating costs: Data centers will need to further invest in green energy and energy-efficient technologies, such as high-efficiency cooling systems and low-carbon energy use, in order to reduce the burden of carbon taxes. This will require greater upfront capital expenditure; however, as carbon taxes increase, long-term energy saving and carbon reduction efforts will effectively lower energy costs. Impact of carbon fees on construction operations: During the construction process, the Company will need to purchase carbon allowances or pay carbon taxes, and adopt more low-carbon building materials and sustainable design practices to reduce carbon emissions. This may increase construction costs, but green buildings are also expected to improve market competitiveness.</p> <p>(2) Expected Impacts</p> <p>A. Initial stage: Rising carbon fees will increase the Company’s operating costs, especially in high-emission areas such as data centers and energy-intensive factories.</p> <p>B. Long term: By improving energy efficiency, using renewable energy, and upgrading green technologies, the Company can reduce carbon emissions and lower the additional expenses arising from carbon fees, ultimately achieving lower energy operating costs.</p> <p>2. Disorderly Transition (Delayed 2°C) Under the disorderly transition scenario, the world fails to take effective climate action in the short term, and carbon emissions continue to rise until governments and companies begin implementing large-scale carbon reduction policies between 2025 and 2030. The global goal ultimately limits warming to 2°C.</p> <p>(1) Carbon Fee Impact Analysis</p> <p>A. Carbon tax and policy implementation: Under this scenario, the implementation of carbon fees is relatively delayed. Initial carbon costs may be lower, but they will rise sharply in the coming years. Carbon taxes may be around US\$40 per ton of CO₂ initially, rise to US\$150 per ton by 2030, and eventually exceed US\$300 per ton of CO₂ by 2050.</p> <p>B. Operating costs and operating expenses: Data centers and manufacturing: Due to the delayed imposition of carbon fees, the Company may face substantial carbon tax expenses after 2030. The impact on data centers, manufacturing, logistics, and other operations will gradually become apparent. To reduce these expenses, the Company will need to invest</p>

Item	Execution Status
	<p>more in energy efficiency measures and optimize business operations.</p> <p>Construction sector: As carbon emission standards in the construction process become increasingly stringent, the Company will need to accelerate the adoption of green building materials and low-carbon construction technologies in the future. Although rising carbon fees will increase short-term costs, they will also promote the long-term low-carbon transformation of construction operations.</p> <p>(2) Expected Impacts</p> <p>A. Short term (2025–2030): The burden of carbon taxes will be relatively light, but as policy measures advance and carbon taxes rise sharply, the Company’s carbon fee expenditures will increase significantly after 2030.</p> <p>B. Long term (2030–2050): As carbon fees rise substantially, the Company will need to increase investment in low-carbon technologies and actively promote the transition of its business toward greater sustainability.</p> <p>3. Global Warming Out of Control (NDCs)</p> <p>Under the global warming out-of-control scenario, governments and companies fail to take effective carbon reduction action, global warming exceeds 2°C and may even reach above 3°C, and climate change intensifies, posing major challenges to the environment, economy, and society.</p> <p>(1) Carbon Fee Impact Analysis</p> <p>A. Carbon tax and regulations: Under this scenario, carbon pricing will rise sharply, especially as countries and regions strengthen controls on carbon emissions. Carbon taxes may increase rapidly. It is estimated that by 2030, carbon taxes will exceed US\$100 per ton of CO₂, and by 2050, they will rise to more than US\$500 per ton of CO₂.</p> <p>B. Operating costs and operating expenses:</p> <p>Data centers: A substantial increase in carbon fees will have a significant impact on the Company’s data centers, especially given their high energy requirements. The Company may need to pay very high carbon taxes in the future, and in high-emission areas such as data storage and processing, it will need to intensify energy-efficiency improvements and the use of clean energy.</p> <p>Construction business: As global warming worsens, increasingly frequent extreme weather events may have a greater impact on construction projects, driving up construction costs. As carbon emission requirements become stricter, the cost of carbon allowances required for construction will increase significantly. The Company must invest more resources in construction projects to reduce its carbon footprint.</p> <p>(2) Expected Impacts</p> <p>A. Short term (2025–2028): Carbon tax costs will increase substantially, and the Company must prepare to address rapidly rising carbon tax expenses while increasing the adoption of green energy.</p> <p>B. Long term (2036–2050): As carbon taxes continue to rise to US\$500 per ton of CO₂, the Company will face</p>

Item	Execution Status
	<p>ongoing pressure from high carbon costs. This will significantly increase operating expenses and force the Company to accelerate the adoption of low-carbon technologies and sustainable transformation throughout its operations.</p> <p>Summary:</p> <p>A. Orderly Transition Scenario (Net Zero 2050): The Company needs to accelerate investment in green technologies in the coming years and transform its operations to reduce carbon emissions and gradually adapt to increasingly stringent carbon fee policies. Under this scenario, the long-term carbon fee burden is relatively lower, which will help the Company achieve more stable operating costs.</p> <p>B. Disorderly Transition Scenario (Delayed 2°C): Under this scenario, the sharp rise in carbon taxes will create greater short-term financial pressure on the Company, especially after 2030. The Company needs to begin planning for the impact of carbon fees as early as possible and respond through technological innovation and energy-saving upgrades.</p> <p>C. Global Warming Out of Control Scenario (NDCs): Under this scenario, carbon taxes may place enormous pressure on the Company's operating costs, particularly from data centers and construction operations. The Company needs to accelerate its transition toward low-carbon business operations and plan in advance for future increases in carbon costs. It should actively deploy low-carbon transition strategies, upgrade technologies, optimize energy management, and reduce carbon emissions in order to mitigate the negative impact of future carbon fees on its operations.</p> <p>According to the scenario parameters published by NGFS, the following is an estimate of the financial impact of carbon emission growth on the Company under the high-emission scenario (carbon price: US\$268.13/ton), medium-emission scenario (carbon price: US\$231.86/ton), and low-emission scenario (carbon price: US\$2.63/ton).</p> <p>(3) Assumptions and Forecast Conditions</p> <ol style="list-style-type: none"> 1. It is assumed that the Company's carbon emissions will grow at an average annual rate of 3% over the next five years, and its future total carbon emissions are calculated accordingly. 2. It is assumed that the Company's carbon emissions in 2025 are 10,000 tons of CO2 (for illustrative purposes only; actual figures may be adjusted according to the Company's circumstances). <p>(4) Carbon Emission Forecast for the Next Five Years</p> <p>Based on an average annual growth rate of 3%, the Company's carbon emissions are projected to reach the following within five years:</p> <ul style="list-style-type: none"> • 2025: 10,000 tons of CO2 • 2030: $10,000 \times (1 + 0.03)^5 \approx 11,592$ tons of CO2 <p>(5) Estimated Financial Impact of Carbon Pricing</p>

Item	Execution Status
	<ol style="list-style-type: none"> 1. Low-emission scenario (carbon price: US\$2.63/ton): <ol style="list-style-type: none"> A. Carbon emissions in 2030: 11,592 tons of CO₂ B. Carbon pricing impact: $11,592 \times 2.63 \approx \text{US}\\$30,510$ 2. Medium-emission scenario (carbon price: US\$231.86/ton): <ol style="list-style-type: none"> A. Carbon emissions in 2030: 11,592 tons of CO₂ B. Carbon pricing impact: $11,592 \times 231.86 \approx \text{US}\\$2,687,560$ 3. High-emission scenario (carbon price: US\$268.13/ton): <ol style="list-style-type: none"> A. Carbon emissions in 2030: 11,592 tons of CO₂ B. Carbon pricing impact: $11,592 \times 268.13 \approx \text{US}\\$3,114,100$ <p>(6) Conclusion</p> <ol style="list-style-type: none"> A. Under the low-emission scenario, the burden of carbon fees is relatively light, and is estimated to be US\$30,510 by 2030. B. Under the medium-emission scenario, the burden of carbon fees increases significantly, and is estimated to be US\$2,687,560 by 2030. C. Under the high-emission scenario, the burden of carbon fees is the heaviest, and is estimated to be US\$3,114,100 by 2030. <p>Therefore, as carbon pricing increases, the Company's future carbon emission costs will rise substantially, which will have a significant impact on the Company's financial position.</p>
<p>6. If a transition plan has been established to address and manage climate-related risks, the content of the plan, as well as the metrics and targets used to identify and manage physical risks and transition</p>	<p>As global attention to environmental protection continues to grow, and in response to the potential impact of extreme climate events on operations, the Company is committed to promoting sustainable development while ensuring operational stability and proactively addressing the challenges of climate change. We have established Occupational Safety and Health, Environmental and Energy Policies and Declarations, and will continue to promote environmental protection measures such as energy saving, carbon reduction, and green procurement in order to achieve sustainable development goals. Every year, we will conduct environment-related inspections and adjust and improve relevant policies and targets based on actual conditions to ensure substantive results in climate risk management and environmental protection.</p> <p>Sustainability Resources and Energy Saving / Carbon Reduction Targets:</p> <ol style="list-style-type: none"> 1. Carbon Emission Reduction Target <p>Target: Achieve a 10% reduction in carbon emissions by 2030.</p> <p>Specific measures: Strengthen energy management, optimize energy use efficiency, and prioritize the use of renewable energy to replace traditional fossil fuel-based energy sources.</p> 2. Green Procurement and Green Supply Chain Management <p>Target: By 2030, 12% of procured materials will come from sustainable sources and green products that meet</p>

Item	Execution Status
risks, should be described.	<p>environmental standards will be adopted. By 2030, the proportion of net sales generated from the Company's environmentally sustainable products and services will reach 10%. Specific measures: The Company will actively promote green procurement policies, give priority to suppliers and materials that meet environmental requirements, and require supply chain partners to increase the proportion of environmentally friendly products.</p> <p>3. Improving Energy Efficiency Target: Reduce electricity consumption per unit of revenue by 1% annually. Specific measures: Improve energy efficiency by optimizing production facilities and operating processes, promoting equipment upgrades and replacements, and introducing automated control systems. The Company will also strengthen regular maintenance and monitoring of equipment to ensure that all equipment operates under optimal conditions.</p> <p>4. Water Resource Management and Reduction of Water Footprint Target: Reduce water consumption per unit of revenue by 1% annually and decrease total water consumption. Specific measures: Strengthen water resource management and establish water recycling systems in order to achieve water-saving targets.</p> <p>5. Waste Reduction and Improvement of Resource Recycling Rate Target: Reduce annual waste generation by 1% each year. By 2030, the reuse and recycling rate of hazardous waste will reach 10%. Specific measures: Further optimize waste classification and recycling processes.</p> <p>6. Environmental Education and Awareness Enhancement for Employees and Communities Target: Provide employees with environmental protection and energy-saving training every year. Specific measures: Organize internal environmental education and training sessions from time to time to enhance employees' environmental awareness and encourage their participation in green actions.</p>
7. If internal carbon pricing is used as a planning tool, the basis for determining the price should be explained.	<p>The Company currently has no factories or construction operations. Its primary business is software services, with employees mainly working in a general office environment. The total number of employees is 146, and the Company falls within a low-carbon-emission category. Therefore, no basis for internal carbon pricing has been established.</p>

Item	Execution Status			
<p>8. If climate-related targets have been established, information such as the activities covered, the scope of greenhouse gas emissions included, the planning timeline, and the annual progress toward achievement should be described. If carbon offsets or renewable energy certificates are used, relevant information should also be disclosed.</p>	<p>Category</p>	<p>2025 Target</p>	<p>2027 Target</p>	<p>2030 Target</p>
	<p>Carbon Reduction Management</p>	<ul style="list-style-type: none"> • Reduce carbon emissions by 1% • Renewable energy to account for 1% • Green procurement ratio to reach 8% • Net sales from environmentally sustainable products and services to account for 5% 	<ul style="list-style-type: none"> • Reduce carbon emissions by 5% • Renewable energy to account for 5% • Green procurement ratio to reach 10% • Net sales from environmentally sustainable products and services to account for 8% 	<ul style="list-style-type: none"> • Reduce carbon emissions by 10% • Renewable energy to account for 10% • Green procurement ratio to reach 12% • Net sales from environmentally sustainable products and services to account for 10%
	<p>Energy Management</p>	<ul style="list-style-type: none"> • Reduce electricity consumption per unit of revenue by 1% annually 	<ul style="list-style-type: none"> • Reduce electricity consumption per unit of revenue by 1% annually 	<ul style="list-style-type: none"> • Reduce electricity consumption per unit of revenue by 1% annually
	<p>Water Resource Management</p>	<ul style="list-style-type: none"> • Reduce water consumption per unit of revenue by 1% annually 	<ul style="list-style-type: none"> • Reduce water consumption per unit of revenue by 1% annually 	<ul style="list-style-type: none"> • Reduce water consumption per unit of revenue by 1% annually
	<p>Environmental Management</p>	<ul style="list-style-type: none"> • Reduce waste generation per unit of revenue by 1% annually/hazardous waste reuse and recycling rate to reach 5% 	<ul style="list-style-type: none"> • Reduce waste generation per unit of revenue by 1% annually / hazardous waste reuse and recycling rate to reach 8% 	<ul style="list-style-type: none"> • Reduce waste generation per unit of revenue by 1% annually / hazardous waste reuse and recycling rate to reach 10%
<p>9. Greenhouse Gas Inventory and Assurance Status, as well as Reduction</p>	<p>Please refer to the explanation below.</p>			

Item	Execution Status
Targets, Strategies, and Specific Action Plans (also to be completed in Sections 1-1 and 1-2)	

1-1 : Greenhouse Gas Inventory and Assurance Status of the Company for the Most Recent Two Fiscal Years

1-1-1 In accordance with the Sustainable Development Roadmap for TWSE/TPEX Listed Companies:

1. The parent company only shall begin conducting greenhouse gas inventory and assurance starting in 2028.
2. Subsidiaries included in the consolidated financial statements shall begin conducting greenhouse gas inventory and assurance starting in 2029.

1-1-2 Greenhouse Gas Inventory Information

Year	Organizational Boundary	Direct Emissions (Scope 1)	Intensity	Energy Indirect Emissions (Scope 2)	Intensity	Other indirect Emissions (Scope 3)	Intensity	Total Emissions	Intensity
2024	Subsidiaries Included in the Consolidated Financial Statements	43.5236	0.1208	165.9454	0.4608	119.3889	0.3315	328.858	0.9131

Due to a misstatement in the 2024 electricity consumption data, the Company has revised its Scope 2 and Scope 3 emissions accordingly.

Year	Organizational Boundary	Direct Emissions (Scope 1)	Intensity	Energy Indirect Emissions (Scope 2)	Intensity	Other indirect Emissions (Scope 3)	Intensity	Total Emissions	Intensity
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2025	Subsidiaries Included in the Consolidated Financial Statements	45.6587	0.1268	152.8975	0.4245	112.2471	0.3117	310.803	0.8630
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Notes:

1. Direct emissions (Scope 1, i.e., direct greenhouse gas emissions from sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions resulting from imported electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions generated by the Company's activities that are not energy indirect emissions, but arise from sources owned or controlled by other entities).
2. Greenhouse gas inventory standard: ISO 14064-1.
3. The intensity of greenhouse gas emissions is calculated as emissions (metric tons of CO₂e) divided by operating revenue (NT\$ million).

1-1-3 Greenhouse Gas Assurance Information

No greenhouse gas (GHG) inventory was performed in 2023.

The 2024 GHG inventory was conducted on a voluntary basis and is not subject to third-party assurance.

The 2025 GHG inventory was conducted on a voluntary basis and is not subject to third-party assurance.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

As global attention to environmental protection continues to grow, and in response to the potential impact of extreme climate events on operations, the Company is committed to promoting sustainable development while ensuring operational stability and proactively addressing the challenges of climate change. We have established Occupational Safety and Health, Environmental and Energy Policies and Declarations, and will continue to promote environmental measures such as energy conservation, carbon reduction, and green procurement in order to achieve sustainable development goals. Each year, we will conduct environment-related reviews and, based on actual conditions, adjust and improve relevant policies and targets to ensure substantive results in climate risk management and environmental protection.

1. Carbon Emission Reduction Target

Target: Achieve a 10% reduction in carbon emissions by 2030.

Specific measures: Strengthen energy management, optimize energy use efficiency, and prioritize the adoption of

renewable energy to replace traditional fossil fuel-based energy sources.

2. Green Procurement and Green Supply Chain Management

Target: By 2030, 12% of procured materials will come from sustainable sources, and green products that meet environmental standards will be adopted. By 2030, the proportion of the Company's net sales generated from environmentally sustainable products and services will reach 10%.

Specific measures: Actively promote green procurement policies, prioritize suppliers and materials that meet environmental requirements, and require supply chain partners to increase the proportion of environmentally friendly products.

3. Improving Energy Efficiency

Target: Reduce electricity consumption per unit of revenue by 1% annually.

Specific measures: Improve energy efficiency by optimizing production facilities and operational processes, promoting equipment upgrades and replacement, and introducing automated control systems. The Company will also strengthen regular maintenance and monitoring of equipment to ensure that it operates in optimal condition.

4. Water Resource Management and Reduction of Water Footprint

Target: Reduce water consumption per unit of revenue by 1% annually and reduce total water consumption.

Specific measures: Strengthen water resource management and establish water recycling systems in order to achieve water-saving targets.

5. Waste Reduction and Improvement of Resource Recycling Rate

Target: Reduce annual waste generation by 1% each year. By 2030, the reuse and recycling rate of hazardous waste will reach 10%.

Specific measures: Further optimize waste classification and recycling processes.

6. Environmental Education and Awareness Enhancement for Employees and Communities

Target: Provide employees with environmental protection and energy-saving training every year.

Specific measures: Organize internal environmental education and training sessions on an irregular basis to enhance employees' environmental awareness and encourage their participation in green actions.

(IX) 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			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and 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

Evaluation items	The State of Operation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
II. The implementation of ethical corporate management				
(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 11, 2025.	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 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,	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			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
<p>or entrust a CPA to perform the audit?</p> <p>(V) Does the Company regularly organize internal and external education and training on ethical corporate management?</p>	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
<p>III. The operation of the Company's whistleblower reporting system</p> <p>(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?</p> <p>(II) Has the Company formulated standard operating procedures for the investigation of the reported matters and the relevant confidentiality mechanisms?</p> <p>(III) Does the Company take measures to protect whistleblowers from being improperly treated due to reporting?</p>	V		<p>(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.</p> <p>(II) The reported matter will be audited and kept confidential according to the Company's internal process.</p> <p>(III) The whistleblower is protected and won't be improperly treated due to his/her reporting.</p>	<p>No significant difference</p> <p>No significant difference</p> <p>No significant difference</p>
<p>IV. Enhance Information Disclosure</p> <p>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?</p>	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
<p>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.</p>				
<p>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.</p>				

- (X) 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>
- (XI) 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.
- (XII) 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.
- (XIII) The Company’s annual report is available at:
<https://www.kfic.com.tw/en/shareholderInformation.html>

(XIV) 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
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.
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 non-managerial 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.

Date	Meeting title	Important resolutions	Status of implementation
2025.05.13.	The 19th Board of Directors The 8th meeting	<ol style="list-style-type: none"> 1. Approved of the Company's financial statements for the first quarter of 2025. 2. 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.
2025.05.22.	2025 General Shareholders' Meeting	<ol style="list-style-type: none"> 1. Ratification of the Company's 2024 Financial Statements. 2. Ratification of the Company's 2024 earnings distribution. 3. Approved the amendment to the Company's "Articles of Incorporation". 	<ol style="list-style-type: none"> 1. Resolutions were adopted 2. It has been handled in accordance with the content of the resolution: Ex-dividend base date 2025.06.16. Distribution date 2025.06.27. 3. Resolution passed and has been handled in accordance with the content of the resolution of the Shareholders' Meeting 4. The resolutions were adopted and announced at MOPS on TWSE in accordance with regulations.
2025.05.22.	The 19th Board of Directors The 9th meeting	<ol style="list-style-type: none"> 1. Set the ex-dividend record date (June 16, 2025) for the Company's 2024 earnings distribution. 	<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
2025.08.12.	The 19th Board of Directors The 10th meeting	<ol style="list-style-type: none"> 1. Approved of the Company's financial statements for the second quarter of 2025. 2. Establishment of the "Sustainable Development Committee Charter". 3. Formation of the Company's Sustainable Development Committee and appointment of its members. 4. Approved of the 2024 Sustainability Report. 5. 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.
2025.11.11.	The 19th Board of Directors The 11th meeting	<ol style="list-style-type: none"> 1. Report Items <ol style="list-style-type: none"> (1) Implementation of the Intellectual Property Management Plan. (2) Implementation of Ethical Corporate Management Practices. (3) Risk Management Policies, Scope, Organizational Structure, and Operations. (4) Stakeholder Communication. (5) Implementation of Information Security Management. (6) Implementation of Sustainable Development. (7) Report on the proposed meeting schedule of the Board of Directors for 2026, and explanation of the blackout periods prior to the release of each quarterly financial report, during which Directors are prohibited from trading the Company's shares. 2. Approved of the Company's financial statements for the third quarter of 2025. 3. Approval of Amendments to the Internal Control System. 4. Approved the 2026 review proposal of the internal audit plan. 5. 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
2026.01.30.	The 19th Board of Directors The 12th meeting	<ol style="list-style-type: none"> 1. Review the Company's 2026 annual operational plan. 2. Approved the revision of the scope of non-managerial employees. 3. Approval of the credit limit of the financial bank. 4. Formulated the related matters of convening the 2026 Annual General Shareholders' Meeting. 5. 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.
2026.03.13.	The 19th Board of Directors The 13th meeting	<ol style="list-style-type: none"> 1. Approved the Company's 2025 internal control statement and its related attachments. 2. Approved the Company's 2025 Directors' remuneration and employees' remuneration distribution proposal. 3. Approved the Company's 2025 business report, financial statements, and consolidated financial statements. 4. Approved the Company's 2025 earnings distribution proposal. 5. Approved the Company's provision of an endorsement and guarantee for its subsidiary. 6. Approved the extension of loans to subsidiaries. 7. Approval of the credit limit of the financial bank. 8. Approved the independent assessment of the Company's CPA of the financial statement. 9. Approved the proposal to formulate the Company's non-assurance service pre-approval policy for the 2026 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.

Date	Meeting title	Important resolutions	Status of implementation
2026.04.09.	The 19th Board of Directors The 14th meeting	<ol style="list-style-type: none"> 1. Reviewed the status of Shareholder proposal submissions for the 2026 Annual General Meeting. 2. Approved the amendment to matters related to the convening of the Company's 2026 Annual General Meeting (addition of agenda item). 3. Noted the internal change of certifying CPAs of the accounting firm and the assessment of their independence. 	<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.

(XV) 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 Fees:

CPA firm	CPA name		Audit period	Remarks
PricewaterhouseCoopers, Taiwan	Lai Chung-Hsi	Chih Ping-Chiun	January 2025 ~ December 2025	

Professional fee items		Audit fee	Non-audit fee	Total
Amount range				
1	Under NT\$2000 thousand			
2	NT\$2,000 thousand (inclusive) ~ NT\$4,000 thousand	2,300	350	2,650
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	2,300	0	0	0	350	350	2025	CPA-certified Profit-seeking Enterprise Income Tax Return
	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 Change of CPAs: None.

VI. Information on Whether the Chairperson, President, or Officers in Charge of Financial or Accounting Matters of the Company Have, Within the Past Year, Been Employed by the Accounting Firm of the Certifying CPAs or Its Affiliated Enterprises: None.

VII. Any Equity Transfer or Change in Equity Pledge by Directors, Managers, or Shareholders with a Shareholding Ratio of More Than 10% During the Most Recent Year and up to the Date of Publication of the Annual Report:

(I) Changes in equity:

Unit: Share

Title	Name	2025		Year-to-date through March 31, 2026	
		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	-	-	-	-
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	2025		Year-to-date through March 31, 2026	
		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 Where Any Among Them Are Related Parties, Spouses, or Relatives Within the Second Degree of Kinship

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

March 24, 2026

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	8,012,000	4.32%					None	None	
Leo Ho	6,872,701	3.71%					Hemisphere Industries Corp. De Fong Investment Co., Ltd.	Chairperson	
He Feng United Co., Ltd. Responsible person: Su Hui-Chen	5,150,000	2.78%					None	None	
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	
Chu Feng	2,548,866	1.38%					None	None	
Zhong Zhi Capital Co., Ltd. Responsible person: Hsieh Ming-Hong	2,400,000	1.29%					None	None	

IX. The Number of Shares Held in the Same Investee Enterprise by the Company, Its Directors, Supervisors, Managers, and Companies Directly or Indirectly Controlled by the Company, and the Combined Shareholding Ratio:

December 31, 2025 : 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.	2,169,400	51.00	-	-	2,169,400	51.00

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

Note 2: Company under the liquidation process.

Three. Capital 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 24, 2026

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		8,012,000	4.32%
Leo Ho		6,872,701	3.71%
He Feng United Co., Ltd.		5,150,000	2.78%
Wang Shi-Long		3,500,000	1.89%
Luo Sheng Tai Co., Ltd		3,009,180	1.62%
Chu Feng		2,548,866	1.38%
Zhong Zhi Capital Co., Ltd.		2,400,000	1.29%

(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 2025 was passed at the Board of Directors meeting dated March 13, 2026; cash dividends to be distributed were NT\$0.57 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, among the employee remuneration amount referred to, no less than 3% shall be allocated to non-managerial employees. 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 13, 2026 as follows: The Company's distribution for the Directors in 2025 would be NT\$770,000 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 Director remuneration in the amount of NT\$900,000 and employee remuneration in the amount of NT\$600,000 in cash for 2024. 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 Receipts (GDRs): None.

V. Employee Stock Options: None.

VI. New Restricted Employee Shares: None.

VII. Issuance of New Shares in Connection with Mergers or Acquisitions: None.

VIII. Status of Implementation of the 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 Overview

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. Annual Revenue Proportion for 2025

Unit: NT\$1,000

Product name	Sales amount	Percentage (%)
Revenue from Information Subscription Services	164,851	45.77
Revenue from Information System Development	131,183	36.42
Revenue from Information System Maintenance and Operations	56,204	15.61
Consulting Service Income	6,420	1.78
Rental Income	1,494	0.42
Total	360,152	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. 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) Industry overview and development:

In 2025, the total number of property ownership transfers in Taiwan amounted to only approximately 261,300 units, representing a year-on-year decline of 25.5% and reaching a nine-year low. Transactions in the secondary housing market contracted significantly. Although the completion and handover of newly built housing units continued to contribute to transfer volumes, overall market demand softened notably. Urban renewal and the reconstruction of unsafe and aged buildings have emerged as key transformation opportunities. The government has continued to promote policies related to urban renewal and reconstruction, supported by floor area ratio (FAR) incentives, tax benefits, and the growing trend toward lower total price housing and green buildings. Small- and medium-sized urban renewal and reconstruction projects with a focus on social responsibility have become relatively stable sources of business.

Many developers have shifted resources from traditional new project launches to the urban renewal and reconstruction segment in order to sustain operational momentum.

(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 competitive landscape:

The residential market in 2026 is expected to remain in an adjustment phase, with new project launches and sales volumes likely to stay conservative. However, continued policy support for urban renewal and the reconstruction of unsafe and aged buildings is expected to serve as a key growth driver for the residential construction sector.

The Company will continue to focus on small- and medium-sized urban

renewal and reconstruction projects, strengthen product planning and cost control, and respond proactively to market changes in order to maintain stable and sustainable development.

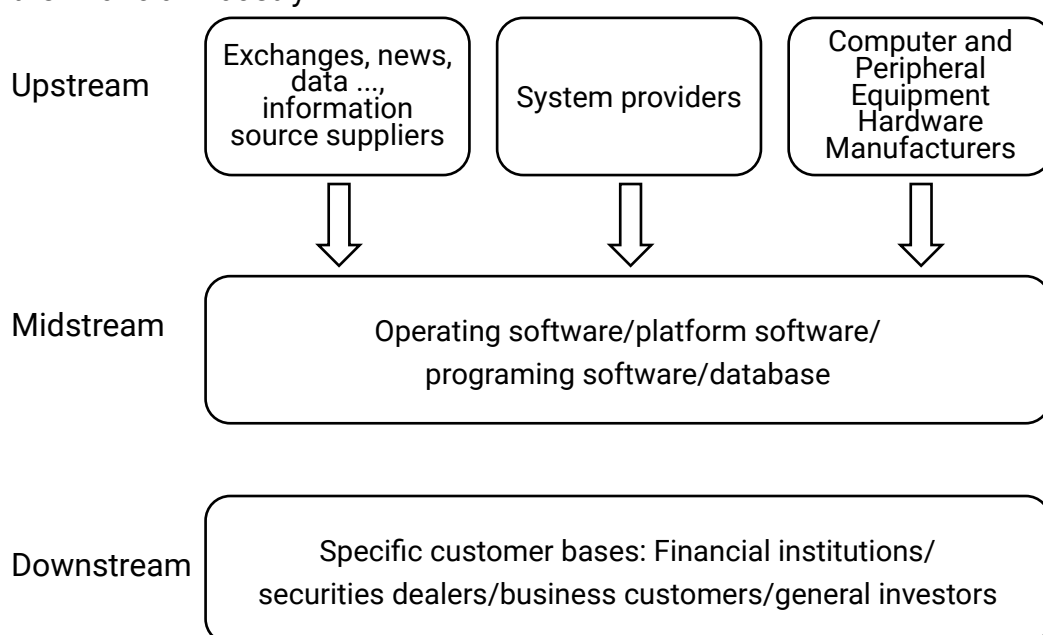
2. Digital technology business

(1) Industry overview and development:

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.

(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 competitive landscape:

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 Production 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	2024				2025			
	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	20,735	15.27	None	Company A	18,175	12.59	None
2	Company B	19,017	14.00	None	Others	126,167	87.41	None
3	Company C	14,477	10.66	None				
4	Others	81,573	60.07	None				
	Net purchase	135,802	100.00		Net purchase	144,342	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 2025 and 2024.

III. Information on Employees for the Last Two Years and up to the Date of Publication of the Annual Report

Year		2024	2025	Year-to-date through March 31, 2026
Number of employees	Salespersons and managerial officers	50	52	52
	Program development and design	81	94	96
	Total	131	146	148
Average age		40.16	40.10	40.30
Average service years		6.34	6.43	6.68
Education distribution percentage	PhD	0.77%	0.68%	0.67%
	Master degree	12.21%	16.44%	16.22%
	College diploma	84.73%	80.83%	81.08%
	Senior high school	2.29%	2.05%	2.03%
	Below senior high school	0%	0%	0%

IV. Environmental Protection Expenditure Information: 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

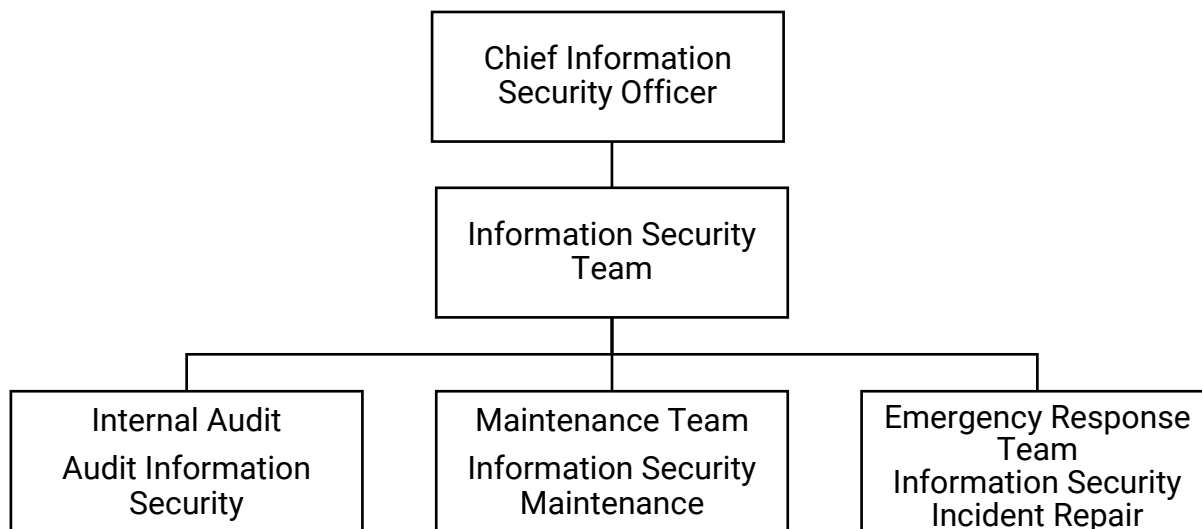
Type	Item	Description	Frequency of Implementation
Employee insurance system	Labor Insurance	<ul style="list-style-type: none"> Handled in accordance with the Labor Insurance Act, covering maternity, sickness, disability, impairment, old-age, and survivor benefits. 	
	National Health Insurance	<ul style="list-style-type: none"> In accordance with the National Health Insurance Act, health-care services are provided to insured employees and their dependents in the event of maternity, illness, or injury. 	
	Employer's Accident Liability Insurance	<ul style="list-style-type: none"> During the insurance period, the insurance company shall be liable to the Company for compensation in the event that employees suffer death, disability, or injury caused by accidents while performing their duties, for which the Company would be legally responsible (excluding obligations under the Labor Standards Act). 	Renewal once a year
	Directors, Supervisors and Officers Liability Insurance	<ul style="list-style-type: none"> Protects Directors, supervisors, and key staff from personal liability and the risk of financial loss arising from negligence or fault in performing their duties. 	Renewal once a year

Type	Item	Description	Frequency of Implementation
Building a safe work environment	Personal Safety and Facility Equipment Security	<ul style="list-style-type: none"> • In order to enhance employees' safety awareness, the Company coordinates with building management for fire safety drills, takes preventive measures in advance, and takes correct safety protection measures immediately when an incident occurs. A total of 1 fire safety drill was held in the building in 2025, with company employees participating in the drill. • 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 conducts night patrols. • 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. 	Annual fire and disaster prevention drill
	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. A total of 4 disinfections were conducted in 2025.. 	<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



In 2025, the Company implemented the ISO 27001 Information Security Management System and obtained certification, established an information security risk management framework, and formulated information security policies to ensure the protection of customer privacy and prevent the leakage of internal information. The Company and its consolidated 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 messages, enhancing employee information security awareness, and gathering and improving the performance and effectiveness of the organization's information security management systems of technology, products, or projects. The Internal Audit Unit conducts information security management audits annually 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 employees of the Company and its affiliates, as well as to vendors and third parties who have access to the Company's business information or provide services to the Company.

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 President and will be evaluated by the Information Office at least once a year, or re-evaluated 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 control mechanism	<ul style="list-style-type: none"> • Use automatic website protection systems to control users' online behavior. • 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 are 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 agenda in 2025

Item	Times /Year	Number of Participants
ISO 27001 clause interpretation	1	9
Information security internal audit practice	1	9
Information security risk assessment training	1	20
Information asset inventory	1	20
Personal data protection training	1	27
Employee information security promotion training	2	40
Information and communication security meeting	4	80
Information security incident case sharing	2	40

(VI) Information Security Incident:

1. No major information security incidents resulting in business damage occurred in 2025.
2. No complaints related to the violation of customer privacy were received in 2025, and no personal data breaches resulting in damages occurred.
3. Continue to implement information security management policy objectives and conduct regular recovery plan drills to ensure the security of the Company's critical systems and data.

VII. Material Contracts:

As of the date of publication of this annual report, the supply and sales contracts, technical cooperation agreements, construction contracts, long-term loan agreements, and other material contracts that remain effective or expired in the most recent fiscal year and are deemed to have a significant impact on shareholders' equity: None.

Five. Review and Analysis of Financial Status, Financial Performance, and Risks

I. Financial Status

(I) Financial status comparison and analysis table

Unit: NT\$1,000

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	1,210,158	984,470	225,688	22.92
Property, plant and equipment	18,100	14,889	3,211	21.57
Non-current assets	4,886,731	4,750,231	136,500	2.87
Total Assets	6,096,889	5,734,701	362,188	6.32
Current liabilities	540,240	440,312	99,928	22.69
Non-current liabilities	1,104,103	935,821	168,282	17.98
Total Liabilities	1,644,343	1,376,133	268,210	19.49
Capital stock	1,853,422	1,853,422	-	-
Capital surplus	50,060	50,069	(9)	(0.02)
Earnings per share (Note 1)	1,791,790	1,484,621	307,169	20.69
Other equity interests (Note 2)	685,188	893,038	(207,850)	(23.27)
Non-controlling interests	72,086	77,418	(5,332)	(6.89)
Total equity	4,452,546	4,358,568	93,978	2.16

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. Increase in current assets: Increase in financial assets at fair value through profit or loss – current.
- B. Property, plant and equipment: Additions of office equipment and leasehold improvements.
- C. Increase in current liabilities: Increase in short-term borrowings.
- D. Increase in retained earnings and decrease in other equity: Disposal of financial assets at fair value through other comprehensive income, with realized gains reclassified to retained earnings.

II. Financial Performance

(I) Financial performance comparison and analysis table

Unit: NT\$1,000

Item \ Year	2025	2024	Increase (decrease) amount	Change (%)
Net operating revenues	360,152	333,508	26,644	7.99
Operating costs	229,149	211,743	17,406	8.22
Operating gross profit	131,003	121,765	9,238	7.59
Operating expenses	133,624	117,891	15,733	13.35
Operating profit (loss)	(2,621)	3,874	(6,495)	(167.66)
Non-operating income and expenses	175,114	219,865	(44,751)	(20.35)
Net profits before tax	172,493	223,739	(51,246)	(22.90)
Income tax benefits (expenses)	(7,704)	(54,907)	47,203	85.97
Net profits (losses) for the period	164,789	168,832	(4,043)	(2.39)
Net income attributable to shareholders of the parent company	150,600	146,930	3,670	2.50
Other comprehensive income	52,511	732,547	(680,036)	(92.83)
Total comprehensive income for the period	217,300	901,379	(684,079)	(75.89)
Total comprehensive income attributable to shareholders of the Parent Company	203,111	879,477	(676,366)	(76.91)

Analysis of changes in the percentage:

- A. Decrease in operating profit, non-operating income and expenses, net profits before tax, and total comprehensive income attributable to shareholders of the parent company: Due to an increase in operating expenses and non-operating foreign exchange losses during the current period.
- B. Decrease in income tax expenses: Due to the reconciliation between accounting income for the year and the recognized income tax expenses.
- C. Decrease in other comprehensive income and total comprehensive income for the period: Due to the disposal of financial assets at fair value through

other comprehensive income, with realized gains reclassified to retained earnings.

III. Cash Flow

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

Unit: NT\$1,000

Item \ Year	2025	2024	Difference	
			Amount	Description
Operating activities	179,034	212,764	(33,730)	Net profits before tax decreased in 2025
Investing activities	(226,146)	(588,795)	362,649	Financial asset acquisitions increased in 2025
Financing activities	73,660	190,143	(116,483)	Long-term and short-term loans decreased in 2025
Net cash balance	173,778	145,856	27,922	

Remedies for cash shortfall and liquidity analysis: None.

(II) Liquidity analysis for the most recent two years

Item \ Year	December 31, 2025	December 31, 2024	Increase (decrease) ratio %
Cash flow ratio	33.13	48.32	(31.44)
Cash flow adequacy ratio	166.54	195.31	(14.73)
Cash reinvestment ratio	1.02	2.33	(56.22)

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.

(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
173,778	155,129	(135,638)	193,269	-	-

IV. Impact of Major Capital Expenditures in the Most Recent Year on Financial and Business Operations: None.

V. Investment Policy in the Most Recent Year, 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 to 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 2025 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.

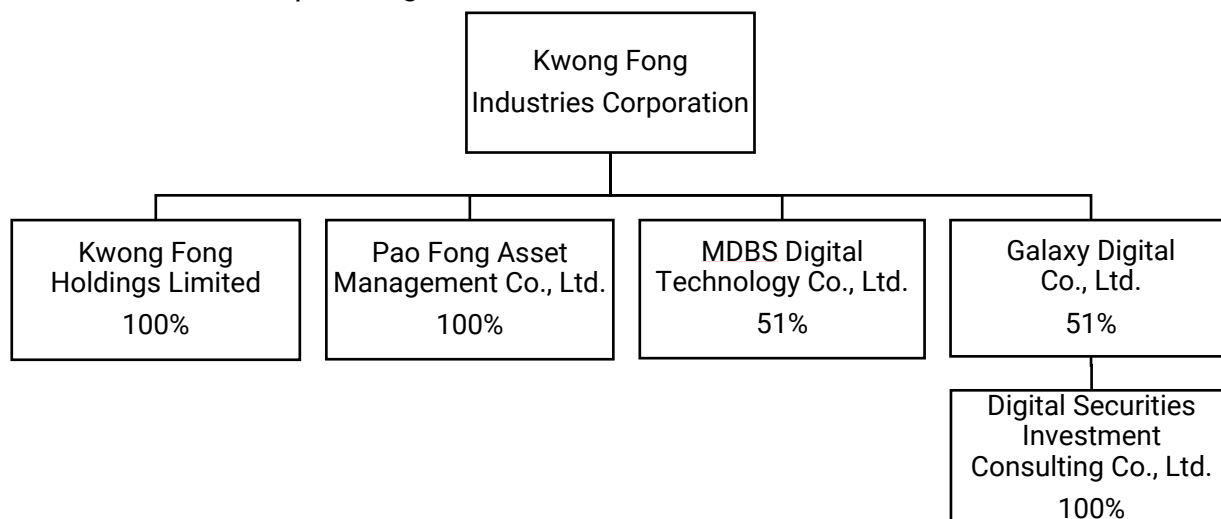
VII. Other Material Matters: None

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	General 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	Real Estate Trading, Leasing, and Development
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	Information Software Services
Galaxy Digital Co., Ltd.	March 30, 2020	18F, No. 105, Section 2, Dunhua South Road, Da'an District, Taipei City	NT\$ 42,537	Information Software Services
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, 2025

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 Su Yu-Ying Kwong Fong Industries Corporation (Representative: Liu Chia-Cheng) (Representative: Lin Dai-Fan) (Representative: Chen Su-Ching)	105,150 - 1,611,500	3% - 51%
	Supervisor	Weng Chih-Wei Fu Chiung-Fang	- -	- -
Galaxy Digital Co., Ltd.	Chairperson Director	Lin Chia-Leng Chang Li-Yuan Kwong Fong Industries Corporation (Representative: Liu Chia-Cheng) (Representative: Lin Dai-Fan) (Representative: Chen Su-Ching)	256,219 256,219 2,169,400	6% 6% 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, 2025 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	956,786	2,471,753	357,523	2,114,230	-	(781)	57,860	1.90
Pao Fong Asset Management Co., Ltd.	100,000	789,104	76,816	712,288	419	4,694	(55,522)	(5.55)
MDBS Digital Technology Co., Ltd.	31,595	133,006	79,607	53,399	201,700	20,325	15,988	5.06
Galaxy Digital Co., Ltd.	42,537	177,230	114,647	62,583	164,851	13,984	14,558	3.42
Digital Securities Investment Consulting Co., Ltd.	20,000	29,050	6,217	22,833	10,764	2,726	2,726	1.36

(III) Affiliation Report: None.

II. Status of Private Placement of Marketable Securities in the Most Recent Year and up to the Date of Publication of the Annual Report: None.

III. Other Matters Requiring Additional Disclosure: None.

Seven. Any Events in the Most Recent Year and up to the Date of Publication of the Annual Report That Have a Material Effect on Shareholders' Equity or the Price of Securities as Defined in Paragraph 3, Subparagraph 2, Article 36 of the Securities and Exchange Act: None.