

## **Concord Securities Co., Ltd.**

**Parent Company Only Financial Statements for the  
Years Ended December 31, 2024 and 2023 and  
Independent Auditors' Report**

### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Concord Securities Co., Ltd.

#### Opinion

We have audited the accompanying parent company only financial statements of Concord Securities Co., Ltd. (the "Corporation"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Corporation as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms and other regulations.

#### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only financial statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the reports of other auditors.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Corporation's financial statements for the year ended December 31, 2024 is as follows:

Accuracy of Brokerage Handling Fee Revenue

The calculation of discounts on brokerage handling fee revenue is complicated since it varies based on counterparties, ways of placing orders and transaction volume, and any calculation errors in the discounts will affect the accuracy of brokerage handling fee revenue. Therefore, the accuracy of brokerage handling fee revenue is identified as a key audit matter.

Refer to Notes 4, 22 and 27 to the parent company only financial statements for the accounting policies and disclosures related to brokerage handling fee revenue.

The control procedures for the input of discount rates have a significant impact on the calculation accuracy of brokerage handling fee revenue. We evaluated the design and implementation effectiveness of the recognition of discounts on brokerage handling fee revenue procedures and the related controls by performing tests of controls. Moreover, we verified the correctness of the recorded brokerage handling fee revenue by performing our own calculations on sampled transactions.

**Other Matter**

We did not audit the parent company only financial statements of some investments accounted for using equity method included in the parent company only financial statements for the years ended December 31, 2024 and 2023, but such financial statements were audited by other auditors. Therefore, our opinion, insofar as it relates to the amounts and other relevant information of the aforementioned investee companies as disclosed in the notes, is based solely on the reports of other auditors. As of December 31, 2024 and 2023, the total investments in subsidiaries amounted to \$580,674 thousand and \$573,072 thousand, accounting for 1.61% and 1.70% of total assets, respectively; for the years ended December 31, 2024 and 2023, the share of the comprehensive income of these subsidiaries amounted to \$7,602 thousand and \$25,575 thousand, which accounted for 0.60% and 2.48% of the total comprehensive income, respectively.

**Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

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

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

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

## **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Cheng-Hsiu Chang and Pi-Yu Chuang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 11, 2025

Notice to Readers

*The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.*

# CONCORD SECURITIES CO., LTD.

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024		2023	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4, 6 and 27)	\$ 1,417,390	4	\$ 1,603,026	5
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 27)	11,959,097	33	11,124,625	33
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	160,279	-	498,471	1
Margin loans receivable (Notes 4, 9 and 27)	8,069,999	22	6,533,218	19
Refinancing margin (Notes 4 and 9)	83	-	525	-
Refinancing collateral receivable (Notes 4 and 9)	69	-	437	-
Security borrowing collateral price (Notes 4 and 9)	117,763	-	78,997	-
Security borrowing margin (Notes 4 and 9)	336,720	1	71,860	-
Notes receivable (Notes 4 and 9)	207	-	70	-
Accounts receivable (Notes 4, 9 and 27)	4,984,296	14	6,148,628	18
Prepayments	10,179	-	7,364	-
Other receivables (Notes 4, 9 and 27)	8,586	-	9,695	-
Restricted assets - current (Note 28)	181,932	1	167,040	1
Amounts held for each customer in the account (Note 27)	539,176	2	187,534	1
Other current assets	252,497	1	204,865	1
Total current assets	28,038,273	78	26,636,355	79
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 7 and 28)	-	-	10,041	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 5 and 8)	3,858,566	11	2,972,337	9
Investments accounted for using the equity method (Notes 4 and 10)	2,094,627	6	1,995,314	6
Property and equipment (Notes 4, 11 and 28)	795,500	2	809,656	2
Right-of-use assets (Notes 4, 12 and 27)	74,335	-	93,806	-
Investment property (Notes 4, 13 and 28)	553,957	1	555,947	2
Intangible assets (Notes 4 and 14)	16,515	-	16,718	-
Deferred tax assets (Notes 4 and 23)	22,758	-	36,127	-
Other non-current assets (Note 15)	610,015	2	622,791	2
Total non-current assets	8,026,273	22	7,112,737	21
<b>TOTAL</b>	<b>\$ 36,064,546</b>	<b>100</b>	<b>\$ 33,749,092</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 16 and 28)	\$ 1,205,000	3	\$ 800,000	3
Commercial paper payable (Notes 16 and 28)	7,522,937	21	5,761,973	17
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 27)	2,482,618	7	1,984,310	6
Liabilities for bonds with attached repurchase agreements (Notes 4, 17 and 27)	5,320,733	15	5,166,781	15
Securities financing refundable deposits (Note 4)	329,420	1	272,431	1
Deposits payable for securities financing (Note 4)	356,103	1	302,479	1
Securities lending refundable deposits	37,435	-	70,168	-
Equity for each customer in the account (Note 27)	539,030	1	187,803	1
Accounts payable (Notes 18 and 27)	4,943,195	14	5,761,253	17
Other payables (Note 27)	616,078	2	460,580	1
Other financial liabilities - current (Notes 4 and 19)	1,415,192	4	2,525,707	8
Current tax liabilities (Notes 4 and 23)	141,059	-	120,453	-
Provisions - current (Note 4)	22,522	-	21,832	-
Lease liabilities - current (Notes 4, 12 and 27)	26,019	-	46,384	-
Other current liabilities	194,704	1	114,503	-
Total current liabilities	25,152,045	70	23,596,657	70
<b>NON-CURRENT LIABILITIES</b>				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	1,039,128	3	1,177,976	4
Provisions - non-current (Note 4)	14,509	-	15,083	-
Lease liabilities - non-current (Notes 4, 12 and 27)	46,148	-	44,843	-
Deferred tax liabilities (Notes 4 and 23)	59,767	-	20,912	-
Guarantee deposits received (Note 27)	3,822	-	3,812	-
Net defined benefit liabilities - non-current (Notes 4 and 20)	17,751	-	21,160	-
Total non-current liabilities	1,181,125	3	1,283,786	4
Total liabilities	26,333,170	73	24,880,443	74
<b>EQUITY (Notes 4, 8, 10, 20, 21, 23 and 26)</b>				
Share capital	6,241,777	17	5,944,550	18
Capital surplus	175,331	-	175,331	-
Retained earnings				
Legal reserve	337,355	1	239,393	1
Special reserve	1,283,817	4	1,087,890	3
Unappropriated retained earnings	1,096,136	3	979,629	3
Total retained earnings	2,717,308	8	2,306,912	7
Other equity	596,960	2	441,856	1
Total equity	9,731,376	27	8,868,649	26
<b>TOTAL</b>	<b>\$ 36,064,546</b>	<b>100</b>	<b>\$ 33,749,092</b>	<b>100</b>

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

(With Deloitte & Touche auditors' report dated March 11, 2025)

# CONCORD SECURITIES CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	2024		2023	
	Amount	%	Amount	%
REVENUE (Notes 4 and 22)				
Brokerage handling fee revenue (Note 27)	\$ 1,230,362	37	\$ 962,600	34
Income from securities lending	42,366	1	43,940	2
Revenue from underwriting commission	18,042	1	33,033	1
Gains on sale of operating securities, net	1,676,831	51	297,332	11
Revenue from providing agency service for stock affairs (Note 27)	30,699	1	28,565	1
Interest income (Note 27)	442,127	13	350,093	12
Dividend income	185,680	6	1,632,764	58
Valuation gains on operating securities at fair value through profit or loss, net	144,094	4	393,698	14
Losses on covering of borrowed securities and bonds with resale agreements - short sales, net	(7,266)	-	(61,058)	(2)
Valuation gains (losses) on borrowed securities and bonds with resale agreements - short sales at fair value through profit or loss, net	24,839	1	(70,314)	(3)
Realized losses on investments in debt instruments measured at fair value through other comprehensive income, net	(27,758)	(1)	(5,506)	-
Losses on issuance of call (put) warrants, net	(261,357)	(8)	(97,412)	(3)
Futures commission income (Note 27)	10,122	-	8,677	-
Losses on derivative instruments - futures, net	(229,953)	(7)	(156,293)	(6)
Losses on derivative instruments - OTC, net (Note 27)	(88,983)	(3)	(585,419)	(21)
Impairment gain and reversal of impairment loss (impairment loss) (Notes 8 and 9)	4,433	-	(615)	-
Other operating income (Note 27)	<u>115,559</u>	<u>4</u>	<u>49,244</u>	<u>2</u>
Total revenue	<u>3,309,837</u>	<u>100</u>	<u>2,823,329</u>	<u>100</u>
COSTS AND EXPENSES (Notes 4 and 22)				
Brokerage handling fee expenses	(118,640)	(4)	(90,492)	(3)
Proprietary handling fee expenses	(8,115)	-	(9,870)	-
Refinancing handling fee expenses	(197)	-	(350)	-
Finance costs (Note 27)	(249,283)	(8)	(207,589)	(8)
Loss from securities borrowing transactions	(40,140)	(1)	(7,415)	-
Securities commission expenses (Note 27)	(7,588)	-	(6,189)	-
Clearing and settlement expenses (Note 27)	(2,269)	-	(4,316)	-
Other operating costs (Note 27)	(31,081)	(1)	(29,859)	(1)
Employee benefits expenses (Notes 20 and 27)	(1,296,680)	(39)	(1,092,872)	(39)

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# CONCORD SECURITIES CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	2024		2023	
	Amount	%	Amount	%
Depreciation and amortization expenses (Notes 11, 12, 13 and 14)	\$ (94,225)	(3)	\$ (92,648)	(3)
Other operating expenses (Note 27)	<u>(493,695)</u>	<u>(15)</u>	<u>(505,497)</u>	<u>(18)</u>
Total costs and expenses	<u>(2,341,913)</u>	<u>(71)</u>	<u>(2,047,097)</u>	<u>(72)</u>
OPERATING PROFIT	<u>967,924</u>	<u>29</u>	<u>776,232</u>	<u>28</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 22)				
Share of profit of subsidiaries accounted for using the equity method	122,537	4	114,660	4
Other gains and losses (Note 27)	<u>160,328</u>	<u>5</u>	<u>150,344</u>	<u>5</u>
Total non-operating income and expenses	<u>282,865</u>	<u>9</u>	<u>265,004</u>	<u>9</u>
PROFIT BEFORE INCOME TAX	1,250,789	38	1,041,236	37
INCOME TAX EXPENSE (Notes 4 and 23)	<u>(158,308)</u>	<u>(5)</u>	<u>(41,484)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>1,092,481</u>	<u>33</u>	<u>999,752</u>	<u>35</u>
OTHER COMPREHENSIVE INCOME (Notes 4, 20, 21 and 23)				
Items that will not be reclassified subsequently to profit or loss				
Gains (losses) on remeasurement of defined benefit plans	1,579	-	(24,158)	(1)
Unrealized gains on investments in equity instruments measured at fair value through other comprehensive income	119,578	4	19,485	1
Share of other comprehensive income or loss of subsidiaries accounted for using equity method	46,763	1	(16,386)	(1)
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(316)</u>	<u>-</u>	<u>4,832</u>	<u>-</u>
	<u>167,604</u>	<u>5</u>	<u>(16,227)</u>	<u>(1)</u>

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# CONCORD SECURITIES CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss				
Exchange differences on the translation of foreign operations	\$ 3,787	-	\$ (449)	-
Unrealized gains (losses) on investments in debt instruments measured at fair value through other comprehensive income	(14,749)	-	47,228	2
	(10,962)	-	46,779	2
Other comprehensive income for the year, net of income tax	156,642	5	30,552	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 1,249,123	38	\$ 1,030,304	36
EARNINGS PER SHARE (Note 24)				
Basic	\$ 1.75		\$ 1.60	
Diluted	\$ 1.74		\$ 1.60	

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

(With Deloitte & Touche auditors' report dated March 11, 2025)

(Concluded)

# CONCORD SECURITIES CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

			Retained Earnings (Notes 20, 21 and 23)			Other Equity (Notes 4, 8, 10, 21, 23 and 26)		
	Share Capital (Note 21)	Capital Surplus (Note 21)	Legal Reserve	Special Reserve	Unappropriated Retained Earnings (Accumulated Deficits)	Exchange Differences on the Translation of Foreign Operations	Unrealized Gains on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2023	\$ 5,944,550	\$ 175,320	\$ 265,503	\$ 1,087,890	\$ (26,110)	\$ 1,614	\$ 389,567	\$ 7,838,334
Compensation for 2022 deficits								
Legal reserve used to offset accumulated deficits	-	-	(26,110)	-	26,110	-	-	-
Other changes in capital surplus								
Unpaid dividends	-	11	-	-	-	-	-	11
Net profit for the year ended December 31, 2023	-	-	-	-	999,752	-	-	999,752
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(20,123)	(449)	51,124	30,552
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	979,629	(449)	51,124	1,030,304
BALANCE AT DECEMBER 31, 2023	5,944,550	175,331	239,393	1,087,890	979,629	1,165	440,691	8,868,649
Appropriation for 2023 earnings								
Legal reserve	-	-	97,962	-	(97,962)	-	-	-
Special reserve	-	-	-	195,927	(195,927)	-	-	-
Cash dividends - ordinary shares	-	-	-	-	(386,396)	-	-	(386,396)
Share dividends - ordinary shares	297,227	-	-	-	(297,227)	-	-	-
Net profit for the year ended December 31, 2024	-	-	-	-	1,092,481	-	-	1,092,481
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	1,538	3,787	151,317	156,642
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	1,094,019	3,787	151,317	1,249,123
BALANCE AT DECEMBER 31, 2024	<u>\$ 6,241,777</u>	<u>\$ 175,331</u>	<u>\$ 337,355</u>	<u>\$ 1,283,817</u>	<u>\$ 1,096,136</u>	<u>\$ 4,952</u>	<u>\$ 592,008</u>	<u>\$ 9,731,376</u>

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

(With Deloitte & Touche auditors' report dated March 11, 2025)

# CONCORD SECURITIES CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,250,789	\$ 1,041,236
Adjustments for:		
Depreciation expense	83,786	82,935
Amortization expense	10,439	9,713
Expected credit loss (gain)	(4,433)	615
Net gain on financial assets and liabilities at fair value through profit or loss	(168,941)	(326,451)
Finance costs	249,283	207,589
Interest income (including financial income)	(461,410)	(374,716)
Dividend income	(204,659)	(1,648,691)
Share of profit of subsidiaries accounted for using equity method	(122,537)	(114,660)
Gain on disposal of property, plant and equipment	(83)	-
Gain on disposal of investments	(3,542)	(95)
Gain on lease modification	(160)	-
Changes in operating assets and liabilities		
Increase in financial assets at fair value through profit or loss	(676,748)	(2,852,262)
Increase in margin loans receivable	(1,537,048)	(2,303,647)
Decrease in refinancing margin	442	39,936
Decrease in refinancing collateral receivable	368	30,687
Decrease (increase) in security borrowing collateral price	(38,766)	881,907
Decrease (increase) in security borrowing margin	(264,860)	974,787
Decrease (increase) in notes receivable	(137)	25
Decrease (increase) in accounts receivable	1,177,035	(1,718,281)
Decrease (increase) in prepayments	(2,815)	667
Decrease in net defined benefit assets	-	3,854
Decrease (increase) in other receivables	5,307	(3,549)
Increase in amounts held for each customer in the account	(351,642)	(187,534)
Increase in other current assets	(62,524)	(45,755)
Increase in liabilities for bonds with attached repurchase agreements	153,952	668,685
Increase (decrease) in financial liabilities at fair value through profit or loss	384,299	(344,199)
Increase (decrease) in securities financing refundable deposits	56,989	(403,164)
Increase (decrease) in deposits payable for securities financing	53,624	(317,767)
Decrease in refinancing borrowings	-	(100,240)
Increase (decrease) in securities lending refundable deposits	(32,733)	53,983
Increase (decrease) in accounts payable	(819,412)	2,199,049
Increase in other payables	155,160	260,834
Decrease in net defined benefit liabilities	(1,830)	(2,998)
Increase (decrease) in provisions	(383)	224
Decrease in other financial liabilities	(1,110,515)	(1,096,626)
Increase in equity for each customer in the account	351,227	187,803
Increase (decrease) in other current liabilities	80,201	(12,473)
Cash used in operations	(1,852,277)	(5,208,579)
Interest received	450,176	368,642

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# CONCORD SECURITIES CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
Dividends received	\$ 184,228	\$ 1,631,165
Interest paid	(251,627)	(198,294)
Income tax paid	<u>(85,794)</u>	<u>(2,411)</u>
Net cash used in operating activities	<u>(1,555,294)</u>	<u>(3,409,477)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(2,030,115)	(1,130,755)
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,579,348	1,081,902
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	3,509	3,509
Acquisition of property and equipment	(21,320)	(34,592)
Proceeds from disposal of property and equipment	157	-
Decrease in clearing and settlement fund	1,222	6,131
Decrease in refundable deposits	12,061	10,901
Acquisition of intangible assets	(7,423)	(5,995)
Increase in other non-current assets	(3,372)	(3,611)
Dividends received	<u>88,966</u>	<u>95,438</u>
Net cash generated from (used in) investing activities	<u>(376,967)</u>	<u>22,928</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	405,000	110,000
Increase in commercial papers payable	1,765,000	530,000
Increase in guarantee deposits received	10	1
Payments of lease liabilities	(45,272)	(48,814)
Cash dividends paid	(386,396)	-
Unpaid dividends	<u>-</u>	<u>11</u>
Net cash generated from financing activities	<u>1,738,342</u>	<u>591,198</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>8,283</u>	<u>352</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(185,636)</b>	<b>(2,794,999)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u><b>1,603,026</b></u>	<u><b>4,398,025</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><b>\$ 1,417,390</b></u>	<u><b>\$ 1,603,026</b></u>

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

(With Deloitte & Touche auditors' report dated March 11, 2025)

(Concluded)

# **CONCORD SECURITIES CO., LTD.**

## **NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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### **1. GENERAL INFORMATION**

Concord Securities Co., Ltd. (the “Corporation”) was incorporated on July 25, 1990 and started operations on December 4, 1990. It engages in transactions such as (a) securities proprietary and brokerage; (b) underwriting; (c) financing customers’ acquisition and short-sales; (d) providing agency services for share affairs; (e) assisting in futures trading; (f) other business as approved by relevant authorities. Its shares began trading on the Taipei Exchange, formerly called the GreTai Securities Market (the over-the-counter Securities Exchange of the Republic of China, or the “ROC OTC”), in December 1996.

The Corporation was further authorized to engage in futures brokerage business on February 2, 1998. However, when its subsidiary, Concord Futures Corp., commenced operations on May 1, 2000, the Corporation transferred all its futures trading business to its subsidiary and provided necessary professional assistance. In addition, the Corporation, according to the ruling numbered Tai-Tsai-Cheng (7) 0910147503 from the Ministry of Finance, was authorized to engage in dealing of futures contracts on September 3, 2002. Nevertheless, the Corporation terminated dealing of futures contracts on May 2, 2014, according to Rule No. 1030014785 issued by the Financial Supervisory Commission (FSC).

As of December 31, 2024, the Corporation had 15 branches and an offshore securities unit supporting its head office.

The parent company only financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

### **2. APPROVAL OF FINANCIAL STATEMENTS**

The parent company only financial statements were approved by the Corporation’s board of directors and issued on March 11, 2025.

### **3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS**

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The Corporation assessed that the application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Corporation’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the financial statements were authorized for issue, the Corporation has assessed that the application of the above standards and interpretations will not have a material impact on the Corporation’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note)</b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

## IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Corporation as a whole, the Corporation shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Besides for the above impact, as of the date the parent company only financial statements were authorized for issue, the Corporation has assessed that the application of other standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

## **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

### **Statement of Compliance**

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms and other regulations.

### **Basis of Preparation**

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit assets/liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c. Level 3 inputs are unobservable inputs for an asset or liability.

When preparing the parent company only financial statements, the Corporation accounted for subsidiaries and associates by using the equity method. In order to agree with the amount of net profit, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using the equity method, share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries and associates in the parent company only financial statements.

#### **Classification of Current and Non-current Assets and Liabilities**

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within 12 months after the reporting period; and
- c. Cash and cash equivalents, unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within 12 months after the reporting period; and
- c. Liabilities for which the Corporation does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

#### **Foreign Currencies**

In preparing the parent company only financial statements of the Corporation, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

For the purpose of presenting parent company only financial statements, the financial statements of the Corporation's foreign operations (including subsidiaries) that are prepared using functional currencies which are different from the currency of the Corporation are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.



## **Investments in Subsidiaries**

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of equity of subsidiaries.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are accounted for as equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Corporation's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Corporation directly disposed of the related assets or liabilities.

## **Property and Equipment**

Property and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property and equipment, the difference between the disposal proceeds and the carrying amount of the asset is included in profit or loss.

## **Investment Property**

Investment property are properties held to earn rental and/or for capital appreciation.

Investment property are initially measured at cost, including transaction costs. Subsequent to initial recognition, Investment property are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from investment property to property, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of owner-occupation.

For a transfer of classification from property to investment property, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

## **Intangible Assets**

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

## **Impairment of Property and Equipment, Investment Property, Right-of-use Assets and Intangible Assets**

At the end of each reporting period, the Corporation reviews the carrying amounts of its property and equipment, investment property, right-of-use assets and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

## **Financial Instruments**

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

a. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at FVTOCI.

a) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily measured at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in profit or loss. Fair value is determined in the manner described in Note 26: Financial Instruments.

b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i. The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, accounts receivable at amortized cost and other receivables, etc., are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i. Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and
- ii. Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred: Significant financial difficulty of the issuer or the borrower; breach of contract, such as a default; it is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or the disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits, excess future trading margin and short-term bills with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

c) Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i. The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii. The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

d) Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets

The Corporation recognizes a loss allowance for expected credit losses at the end of each reporting period on financial assets at amortized cost (including accounts receivable) and investments in debt instruments that are measured at FVTOCI.

The Corporation always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

### 3) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without reclassifying to profit or loss.

#### b. Equity instruments

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

#### c. Financial liabilities

##### 1) Subsequent measurement

Except for financial liabilities are measured at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, and any interest paid on such financial liabilities is recognized in finance costs; any remeasurement gains or losses on such financial liabilities are recognized in profit or loss. Fair value is determined in the manner described in Note 26.

A financial liability may upon initial recognition be designated as at FVTPL only in one of the following circumstances:

- a) Such designation eliminates or significantly reduces a measurement or recognition mismatch that would otherwise arise; or
- b) The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and has performance evaluated on a fair value basis, in accordance with the Corporation's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- c) The contract contains one or more embedded derivatives so that the entire combined contract (asset or liability) can be designated as at FVTPL.

For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income and will not be subsequently reclassified to profit or loss. The remaining amount of changes in the fair value of that financial liability is presented in profit or loss. The gain or loss accumulated in other comprehensive income will be transferred to retained earnings when the financial liability is derecognized. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in the fair value of the liability are presented in profit or loss. Fair value is determined in the manner described in Note 26.

## 2) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

### d. Derivative financial instruments

Derivative financial instruments the Corporation engaged in include call (put) warrants, futures, options, convertible bond asset swaps, structured instruments, bond options, etc.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

The margin deposits paid on purchase or sale of futures contracts are recognized as assets. Any valuation gain or loss on opening positions calculated using the settlement price announced by the futures exchanges and any gain or loss on settlement is recognized in profit or loss at the end of each reporting period. The margins are adjusted accordingly.

Premiums paid (received) on purchase (sale) of options contracts are recognized as assets (liabilities). Any valuation gain or loss calculated using the settlement price announced by the futures exchanges and any gain or loss on settlement is recognized in profit or loss at the end of each reporting period.

### Repurchase and Resale Transactions

Resale and repurchase bond transactions with financing are recognized as "bond investments under resale agreements" and "liabilities for bonds with attached repurchase agreements", respectively, and the related interest income and finance cost are accounted on the basis of the contracted interest rate.



## **Margin Loans and Securities Financing**

Margin loans pertain to the provision of funds to customers for them to buy securities and are recognized as “margin loans receivable.” The securities bought by customers are used to secure these loans and are recorded through memo entries. The collateral securities are returned when the loans are repaid.

The refinancing of margin loans with securities finance companies is recorded as “refinancing borrowings,” which are collateralized by securities bought by customers.

The collateral securities are disposed of by the Corporation when their fair value falls below a pre-agreed level and the customer fails to maintain this level. If the proceeds of the disposal of collateral security cannot cover the balance of the loan and the customer cannot timely settle the deficiency, the balance of the margin loan is reclassified as “overdue receivables.” If a collateral security cannot be sold in the open market, the balance of the loan is reclassified as “other receivables” or “overdue receivables.” Allowance for impairment loss will be recognized after evaluating the uncollectible amounts.

Stock loans are securities lent to customers for short selling. The deposits received from customers on securities lent out are credited to “securities financing refundable deposits.” The securities sold short are recorded using memo entries. The proceeds of the sales of securities lent to customers less any dealer’s commission, financing charges and securities exchange tax are recorded under “deposits payable for securities financing”. When the customers return the stock certificates to the Corporation, the Corporation gives the deposits received and the proceeds of the sales of securities back to customers.

## **Securities Business Money Lending and Securities Lending**

The securities used in the securities business money lending and securities lending are operating securities, borrowed securities from the Taiwan Stock Exchange (TWSE) or refinancing collateral. Operating securities will be transferred to the account “securities lent” if they are used to lend to others. Securities lent should be measured at fair value at the end of each reporting period. Valuation gains or losses of securities lent are recorded in the same accounts used before the reclassification. If borrowed securities from the TWSE are used to lend to others, the Corporation will recognize the transaction through a memo entry. If the refinancing collateral are used to lend to others, the Corporation will not recognize any asset on the ground the collateral belong to the customers.

The Corporation recognizes the amount lent to investors in the securities business as “receivables of securities business money lending” two business days after the transaction date, and accrues bad debt expense for the assessed uncollectible receivables at the end of the reporting period. The related collateral is recognized through memo entry and returned when the transactions are settled. The revenue from customers on securities business money lending and securities lending are accounted for as handling fee revenues from securities business money lending.

Securities collateral received in the lending and borrowing business are recognized through memo entry otherwise cash collateral received are recognized as “securities lending refundable deposits.” The amount deposited in TWSE for securities lending and borrowing business is accounted as “security borrowing margin.” Security borrowing margin or security lending refundable deposits are returned or paid when the borrowing securities are returned. The related service revenues are accounted as income from securities lending.

## **Operation Guarantee Deposits**

According to the Rules Governing Securities Firms Commission Merchants, operation guarantee deposits should be made to the specific account designated by the Securities and Futures Bureau (SFB), FSC when a corporation registers to engage in the securities or futures business or when an existing corporation sets up new branches. The Corporation may elect to deposit in the form of cash, government bonds or financial bonds.

## **Clearing and Settlement Fund**

As required by the Rules Governing Securities Firms, securities firms engaged in the proprietary and brokerage business are required to make clearing and settlement fund deposits with the TWSE or the Taipei Exchange before or after operations.

## **Provisions**

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The Corporation's provisions are primarily short-term paid vacation entitlements and lease restoration costs.

## **Revenue Recognition**

The Corporation identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Service income is recognized when services are provided.

## **Leases**

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

### **a. The Corporation as lessor**

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### **b. The Corporation as lessee**

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.



Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

## **Employee Benefits**

### **a. Short-term employee benefits**

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

### **b. Retirement benefits**

Payments to defined contribution plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit assets (liabilities) represent the actual surplus (deficit) in the Corporation's defined benefit plans.

## **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

### **a. Current tax**

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

### **b. Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred taxes are also recognized in other comprehensive income.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Corporation's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Corporation considers the possible impact of on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

### **Key Sources of Estimation Uncertainty**

#### Fair value of financial instruments with no public quotes in an active market

The Corporation determines the fair value of financial instruments with no public quotes in an active market using valuation methods. Refer to Note 26 for the related assumptions, estimates and book value.

## 6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Checking and demand deposits	\$ 489,211	\$ 687,592
Foreign currency deposits	358,191	504,424
Cash equivalents		
Time deposits with original maturities within 3 months	-	16,888
Excess futures trading margin	420,055	394,122
Short-term bills	<u>149,933</u>	<u>-</u>
	<u>\$ 1,417,390</u>	<u>\$ 1,603,026</u>

The market rates for time deposits with original maturities within 3 months and short-term bills at the end of each reporting period were summarized as follows:

	December 31	
	2024	2023
Time deposits with original maturities within 3 months	-	5.10%
Short-term bills	1.41%	-

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	2023
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily measured at FVTPL		
Open-end funds and money market instruments	\$ 25,134	\$ 50,126
Operating securities - proprietary	10,293,733	9,713,000
Operating securities - underwriting	31,441	34,032
Operating securities - hedging	1,433,811	1,020,490
Futures margin - own funds	16,011	42,754
Derivative assets - OTC		
Value of asset swap IRS contracts	29,298	9,951
Asset swap options	<u>129,669</u>	<u>254,272</u>
	<u>\$ 11,959,097</u>	<u>\$ 11,124,625</u>

### Financial assets at FVTPL - non-current

Financial assets mandatorily measured at FVTPL		
Operating securities - proprietary	<u>\$ -</u>	<u>\$ 10,041</u>

(Continued)

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Financial liabilities at FVTPL - current</u>		
Financial liabilities held for trading		
Warrant liabilities	\$ 16,500	\$ 1,056,815
Warrants redeemed	(16,289)	(1,017,002)
Sell options - TAIFEX	-	405
Liabilities on sale of borrowed securities - hedging	197,768	95,853
Liabilities on sale of borrowed securities - non-hedging	451,462	253,159
Derivative liabilities - OTC		
Value of asset swap IRS contracts	12,503	28,389
Asset swap options	857,154	992,679
Structured instruments	13,810	11,742
Equity derivatives	<u>291,206</u>	<u>146,630</u>
	1,824,114	1,568,670
Financial liabilities designated as at FVTPL		
Structured instruments	<u>658,504</u>	<u>415,640</u>
	<u>\$ 2,482,618</u>	<u>\$ 1,984,310</u>

Financial liabilities at FVTPL - non-current

Financial liabilities designated as at FVTPL		
Structured instruments	<u>\$ 1,039,128</u>	<u>\$ 1,177,976</u>
		(Concluded)

a. Open-end funds and money market instruments

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Open-end funds and money market instruments	\$ 25,000	\$ 50,000
Valuation adjustments	<u>134</u>	<u>126</u>
	<u>\$ 25,134</u>	<u>\$ 50,126</u>

b. Operating securities - proprietary

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Current</u>		
Government bonds	\$ 1,297,178	\$ 1,188,626
Listed shares	1,242,979	1,633,966
Shares and convertible bonds traded in the OTC market	5,687,065	5,621,055
Emerging shares	386,448	229,795
Foreign shares and bonds	554,551	250,166
Beneficiary securities	<u>483,488</u>	<u>354,148</u>
	9,651,709	9,277,756
Valuation adjustments	<u>642,024</u>	<u>435,244</u>
	<u>\$ 10,293,733</u>	<u>\$ 9,713,000</u>

(Continued)

	December 31	
	2024	2023
<u>Non-current</u>		
Government bonds	\$ -	\$ 10,083
Valuation adjustments	-	(42)
	<u>\$ -</u>	<u>\$ 10,041</u>
		(Concluded)

The ranges of coupon rates of government bonds at the end of each reporting period were summarized as follows:

	December 31	
	2024	2023
Government bonds	0.500%-1.625%	0.500%-1.750%

As of December 31, 2024 and 2023, the face values of the Corporation's proprietary securities and bond investments (including financial assets at fair value through other comprehensive income) under resale agreements were \$5,379,210 thousand and \$5,188,433 thousand, respectively, were provided for repurchase agreements.

A portion of government bonds were pledged to the Central Bank of ROC as bid bonds for bond transactions. (Refer to Note 28 for the details.)

c. Operating securities - underwriting

	December 31	
	2024	2023
Listed and OTC shares and convertible bonds	\$ 32,757	\$ 33,075
Valuation adjustments	(1,316)	957
	<u>\$ 31,441</u>	<u>\$ 34,032</u>

d. Operating securities - hedging

	December 31	
	2024	2023
Listed shares, beneficiary certificates and shares and warrants	\$ 441,925	\$ 477,001
Shares, beneficiary certificates, warrants and convertible bonds		
traded in the OTC market	<u>1,040,890</u>	<u>532,077</u>
	1,482,815	1,009,078
Valuation adjustments	(49,004)	11,412
	<u>\$ 1,433,811</u>	<u>\$ 1,020,490</u>

e. Warrant liabilities and warrants redeemed

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Warrant liabilities	\$ 28,735	\$ 1,133,518
Gains on changes in fair value	<u>(12,235)</u>	<u>(76,703)</u>
	<u>16,500</u>	<u>1,056,815</u>
Warrants redeemed	30,360	1,059,848
Losses on changes in fair value	<u>(14,071)</u>	<u>(42,846)</u>
	<u>16,289</u>	<u>1,017,002</u>
Net warrants liabilities	<u>\$ 211</u>	<u>\$ 39,813</u>

f. Liabilities on sale of borrowed securities

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Hedging		
Listed and OTC shares and beneficiary certificates	\$ 206,746	\$ 91,562
Valuation adjustments	<u>(8,978)</u>	<u>4,291</u>
	<u>\$ 197,768</u>	<u>\$ 95,853</u>
Non-hedging		
Beneficiary certificates	\$ 459,903	\$ 250,030
Valuation adjustments	<u>(8,441)</u>	<u>3,129</u>
	<u>\$ 451,462</u>	<u>\$ 253,159</u>

g. Futures and options

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Put options - TAIFEX		
Index options	\$ -	\$ (477)
Gain on open positions	<u>-</u>	<u>72</u>
Fair value	<u>\$ -</u>	<u>\$ (405)</u>

Open contracts and fair values at the end of each reporting period were as follows:

		December 31, 2024			
Item	Transaction Type	Open Position		Carrying Amount/ Premium Paid (Received)	Fair Value
		Buyer/ Seller	Volume		
Futures	Share futures	Buyer	4	\$ 330	\$ 343
Futures	Share futures	Seller	419	98,589	99,928
Futures	TAIEX futures	Seller	3	13,820	13,826
Futures	MGC	Buyer	5	4,326	4,320
Futures	CBOT-TY	Seller	6	21,879	21,348
Futures	CBOT-US30-YR	Seller	7	26,419	26,073

  

		December 31, 2023			
Item	Transaction Type	Open Position		Carrying Amount/ Premium Paid (Received)	Fair Value
		Buyer/ Seller	Volume		
Futures	TAIEX futures	Seller	21	\$ 74,993	\$ 75,054
Futures	Share futures	Buyer	198	34,213	33,865
Futures	Share futures	Seller	1,376	180,248	181,300
Futures	TE	Seller	9	31,771	32,107
Futures	CBOT-UB	Buyer	5	20,596	20,519
Futures	VN30	Seller	23	3,204	3,312
Futures	CBOT-TY	Seller	1	3,385	3,468
Futures	ES	Seller	1	7,336	7,403
Options	TAIEX options - call	Seller	50	(126)	(208)
Options	TAIEX options - put	Seller	130	(351)	(197)

The fair value is calculated based on the closing price of each futures and option contract multiplied by the number of open contracts on each futures exchange at the end of the reporting period.

As of December 31, 2024 and 2023, futures margin arising from futures contracts amounted to \$16,011 thousand and \$42,754 thousand, respectively.

h. Derivative instruments - OTC

The outstanding contracts and nominal amounts of derivative financial instruments were as follows:

	Nominal Amount December 31	
	2024	2023
Convertible bond asset swaps	\$ 5,342,400	\$ 6,144,400
Structured instruments	3,127,709	4,129,975
Equity derivatives	1,554,568	716,926

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2024	2023
<u>Current</u>		
Investments in debt instruments	\$ 160,279	\$ 498,471
<u>Non-current</u>		
Investments in equity instruments	\$ 644,416	\$ 528,347
Investments in debt instruments	3,214,150	2,443,990
	<u>\$ 3,858,566</u>	<u>\$ 2,972,337</u>

### a. Investments in equity instruments

	December 31	
	2024	2023
<u>Non-current</u>		
Non-public ordinary shares		
Taiwan Stock Exchange	\$ 274,144	\$ 217,666
Taiwan Futures Exchange	189,810	161,900
Taiwan Depository & Clearing Corporation	173,051	127,488
Asia Pacific Emerging Industry Venture Capital Co., Ltd.	7,411	21,293
	<u>\$ 644,416</u>	<u>\$ 528,347</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation's strategy of holding these investments for long-term purposes.

In July 2024 and August 2023, the Corporation participated in the cash capital increase of Taiwan Stock Exchange, and obtained 36 shares at the issue price of NT\$10 per share, respectively.

In December 2024 and 2023, Asia Pacific Emerging Industry Venture Capital Co., Ltd. made a cash capital reduction, in which the Corporation decreased its number of shares by 350,907 shares and 350,906 shares, respectively, receiving the capital reduction of \$3,509 thousand, respectively.

The Corporation recognized dividend revenues of \$18,979 thousand and \$15,927 thousand in 2024 and 2023, respectively, from the investments held as of December 31, 2024 and 2023, respectively.



b. Investments in debt instruments

	December 31	
	2024	2023
<u>Current</u>		
Government bonds	\$ -	\$ 299,410
Corporate bonds	99,423	199,061
Foreign bonds	<u>60,856</u>	<u>-</u>
	<u>\$ 160,279</u>	<u>\$ 498,471</u>
<u>Non-current</u>		
Corporate bonds	\$ 1,490,473	\$ 1,504,203
Foreign bonds	<u>1,723,677</u>	<u>939,787</u>
	<u>\$ 3,214,150</u>	<u>\$ 2,443,990</u>

Information about investments in debt instruments classified as at FVTOCI were as follows:

	December 31	
	2024	2023
Gross carrying amount	\$ 3,452,934	\$ 3,002,167
Less: Allowance for impairment loss	<u>(1,266)</u>	<u>(1,751)</u>
Amortized cost	3,451,668	3,000,416
Adjustment to fair value	<u>(77,239)</u>	<u>(57,955)</u>
	<u>\$ 3,374,429</u>	<u>\$ 2,942,461</u>

In determining the impairment loss for debt instruments classified as at FVTOCI, the Corporation considers the credit rating, default rate and recovery rate for these investments as supplied by external rating agencies to assess whether there has been a significant increase in credit risk since initial recognition, and measures the 12-month or lifetime expected credit losses for these debt instruments.

The Corporation's current credit risk grading mechanism and the gross carrying amounts of debt instruments by credit category were as follows:

Category	Description	Basis for Recognizing Expected Credit Losses (ECLs)	Expected Loss Rate	Gross Carrying Amount on December 31, 2024
Stage 1	The credit rating on the base date is investment grade and above, and credit risk has not significantly increased	12-month ECLs	0.00%-0.56%	\$ 3,452,934

Category	Description	Basis for Recognizing Expected Credit Losses (ECLs)	Expected Loss Rate	Gross Carrying Amount on December 31, 2023
Stage 1	The credit rating on the base date is investment grade and above, and credit risk has not significantly increased	12-month ECLs	0.00%-0.55%	\$ 3,002,167

The movements of the allowance for impairment loss of investments in debt instruments at FVTOCI were as follows:

	Credit Rating		
	12-month ECLs	Lifetime ECLs - Not Credit Impaired	Lifetime ECLs - Credit Impaired
Balance at January 1, 2024	\$ 1,751	\$ -	\$ -
Reversed expected credit loss	<u>(485)</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2024	<u>\$ 1,266</u>	<u>\$ -</u>	<u>\$ -</u>
Balance at January 1, 2023	\$ 1,630	\$ -	\$ -
Recognized expected credit loss	<u>121</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 1,751</u>	<u>\$ -</u>	<u>\$ -</u>

#### 9. MARGIN LOANS RECEIVABLE, NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2024	2023
Margin loans receivable	\$ 8,071,260	\$ 6,534,212
Less: Allowance for impairment loss	<u>(1,261)</u>	<u>(994)</u>
	<u>\$ 8,069,999</u>	<u>\$ 6,533,218</u>

The securities bought by customers are used to secure margin loans receivable.

Some of the Corporation's customers used the shares of Pihsiang as collateral securities. Since Pihsiang had been suspended in May 2017, the value of the collateral securities could not cover the balance of the loan. As of December 31, 2024 and 2023, the Corporation had recognized allowance for impairment loss of \$72,814 thousand and \$77,510 thousand, respectively, for the receivables, and the balance of the related receivable was reclassified as other receivables.

	December 31	
	2024	2023
Notes receivable	\$ 207	\$ 70
Accounts receivable		
Accounts receivable for settlement - brokerage	4,699,916	5,622,505
Accounts receivable for settlement - proprietary	90,127	391,101
Brokerage handling fee revenue and refinancing interest receivable	148,398	100,247
Bond interest receivable	36,375	25,096
Others	9,821	9,992
Less: Allowance for impairment loss	(341)	(313)
	<u>4,984,296</u>	<u>6,148,628</u>
	<u>\$ 4,984,503</u>	<u>\$ 6,148,698</u>

The aging of notes receivable and accounts receivable is as follows:

	December 31	
	2024	2023
0 to 120 days	\$ 4,984,379	\$ 6,148,635
121 to 180 days	154	63
Over 180 days	<u>311</u>	<u>313</u>
	<u>\$ 4,984,844</u>	<u>\$ 6,149,011</u>

The above aging schedule was based on the number of past due days from the invoice date.

	December 31	
	2024	2023
Other receivables	\$ 87,140	\$ 95,889
Less: Allowance for impairment loss	<u>(78,554)</u>	<u>(86,194)</u>
	<u>\$ 8,586</u>	<u>\$ 9,695</u>

The Corporation adopted a policy of only dealing with entities and investors that have sound credit ratings and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In order to minimize credit risk, the management of the Corporation has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for irrecoverable receivables. In this regard, the management believes the Corporation's credit risk was significantly reduced.

The Corporation recognizes expected credit losses for its accounts receivable based on lifetime expected credit losses. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Corporation's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance is not further distinguished according to the Corporation's different customer base.

The following table details the loss allowance of financial assets at amortized cost such as margin loans receivable and accounts receivable based on the Corporation's provision matrix:

December 31, 2024

	Notes and Accounts Receivable	Margin Loans Receivable	Refinancing Collateral Receivable	Refinancing Margin, Security Borrowing Collateral Price and Security Borrowing Margin	Other Receivables	Total
Expected credit loss rate	0%	0.02%	0%	0%	0% : 100%	
Gross carrying amount	\$ 4,984,844	\$ 8,071,260	\$ 69	\$ 454,566	\$ 87,140	\$ 13,597,879
Loss allowance (Lifetime ECLs)	<u>(341)</u>	<u>(1,261)</u>	<u>-</u>	<u>-</u>	<u>(78,554)</u>	<u>(80,156)</u>
Amortized cost	<u>\$ 4,984,503</u>	<u>\$ 8,069,999</u>	<u>\$ 69</u>	<u>\$ 454,566</u>	<u>\$ 8,586</u>	<u>\$ 13,517,723</u>

December 31, 2023

	Notes and Accounts Receivable	Margin Loans Receivable	Refinancing Collateral Receivable	Refinancing Margin, Security Borrowing Collateral Price and Security Borrowing Margin	Other Receivables	Total
Expected credit loss rate	0%	0.02%	0%	0%	0% : 100%	
Gross carrying amount	\$ 6,149,011	\$ 6,534,212	\$ 437	\$ 151,382	\$ 95,889	\$ 12,930,931
Loss allowance (Lifetime ECLs)	<u>(313)</u>	<u>(994)</u>	<u>-</u>	<u>-</u>	<u>(86,194)</u>	<u>(87,501)</u>
Amortized cost	<u>\$ 6,148,698</u>	<u>\$ 6,533,218</u>	<u>\$ 437</u>	<u>\$ 151,382</u>	<u>\$ 9,695</u>	<u>\$ 12,843,430</u>

The movements of the loss allowance of accounts receivable for the years ended December 31, 2024 and 2023, respectively, were as follows:

	Notes and Accounts Receivable	Margin Loans Receivable	Other Receivables	Total
Balance at January 1, 2024	\$ 313	\$ 994	\$ 86,194	\$ 87,501
Add: Net remeasurement of loss allowance	28	267	(4,243)	(3,948)
Less: Amounts written off	<u>-</u>	<u>-</u>	<u>(3,397)</u>	<u>(3,397)</u>
Balance at December 31, 2024	<u>\$ 341</u>	<u>\$ 1,261</u>	<u>\$ 78,554</u>	<u>\$ 80,156</u>
Balance at January 1, 2023	\$ 313	\$ 1,072	\$ 86,244	\$ 87,629
Add: Net remeasurement of loss allowance	-	(78)	572	494
Less: Amounts written off	<u>-</u>	<u>-</u>	<u>(622)</u>	<u>(622)</u>
Balance at December 31, 2023	<u>\$ 313</u>	<u>\$ 994</u>	<u>\$ 86,194</u>	<u>\$ 87,501</u>

## 10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Subsidiaries included in the financial statements were summarized as follows:

	December 31			
	2024		2023	
	Carrying Amount	Percentage of Ownership (%)	Carrying Amount	Percentage of Ownership (%)
<u>Subsidiaries</u>				
Concord Futures Corp. (Concord Futures)	\$ 1,428,368	95.71	\$ 1,329,491	95.71
Con Lian Asset Management Service Co., Ltd. (Con-Lian AMC)	580,674	100.00	573,072	100.00
Concord Capital Management Corp. (Concord Capital Management)	70,849	100.00	76,437	100.00
Concord Insurance Agency Co., Ltd. (Concord Insurance)	<u>14,736</u>	100.00	<u>16,314</u>	100.00
	<u>\$ 2,094,627</u>		<u>\$ 1,995,314</u>	

The Corporation's share of profit or loss and other comprehensive income or loss of subsidiaries was calculated based on the audited financial statements for the years ended December 31, 2024 and 2023.

On November 8, 2022, the Corporation's board of directors approved resolutions to process the dissolution and liquidation of the subsidiary, Con-Lian AMC, and the relevant liquidation procedures will be approved by the relevant authorities.

## 11. PROPERTY AND EQUIPMENT

	For the Year Ended December 31, 2024			
	Balance at January 1, 2024	Additions	Reductions	Balance at December 31, 2024
<u>Cost</u>				
Land	\$ 604,127	\$ -	\$ -	\$ (841)
Buildings	230,371	-	-	(559)
Equipment	113,770	19,238	(14,343)	-
Leasehold improvements	<u>23,395</u>	<u>2,134</u>	<u>(424)</u>	<u>-</u>
	<u>971,663</u>	<u>\$ 21,372</u>	<u>\$ (14,767)</u>	<u>\$ (1,400)</u>
<u>Accumulated depreciation</u>				
Buildings	107,042	\$ 4,085	\$ -	\$ (191)
Equipment	42,562	25,523	(14,269)	-
Leasehold improvements	<u>11,146</u>	<u>4,637</u>	<u>(424)</u>	<u>-</u>
	<u>160,750</u>	<u>\$ 34,245</u>	<u>\$ (14,693)</u>	<u>\$ (191)</u>
<u>Accumulated impairment</u>				
Buildings	<u>1,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net book value	<u>\$ 809,656</u>			<u>\$ 795,500</u>

	For the Year Ended December 31, 2023				
	Balance at January 1, 2023	Additions	Reductions	Reclassifi- cations	Balance at December 31, 2023
<u>Cost</u>					
Land	\$ 604,181	\$ -	\$ -	\$ (54)	\$ 604,127
Buildings	230,408	-	-	(37)	230,371
Equipment	86,046	31,856	(4,132)	-	113,770
Leasehold improvements	30,249	2,736	(9,590)	-	23,395
	<u>950,884</u>	<u>\$ 34,592</u>	<u>\$ (13,722)</u>	<u>\$ (91)</u>	<u>971,663</u>
<u>Accumulated depreciation</u>					
Buildings	102,973	\$ 4,089	\$ -	\$ (20)	107,042
Equipment	25,252	21,442	(4,132)	-	42,562
Leasehold improvements	15,357	5,379	(9,590)	-	11,146
	<u>143,582</u>	<u>\$ 30,910</u>	<u>\$ (13,722)</u>	<u>\$ (20)</u>	<u>160,750</u>
<u>Accumulated impairment</u>					
Buildings	<u>1,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,257</u>
Net book value	<u>\$ 806,045</u>				<u>\$ 809,656</u>

The Corporation did not recognize any impairment loss or reversal of impairment loss in 2024 and 2023.

Property and equipment are depreciated on straight-line basis over their estimated useful lives as follows:

Buildings	55 years
Equipment	3-5 years
Leasehold improvements	5 years

The significant component of the Corporation's buildings is the main building.

Some property and equipment were pledged as collateral for loans (refer to Note 28 for the details).

## 12. LEASE ARRANGEMENTS

### a. Right-of-use assets

	December 31	
	2024	2023
<u>Carrying amount</u>		
Buildings	\$ 71,628	\$ 91,363
Equipment	<u>2,707</u>	<u>2,443</u>
	<u>\$ 74,335</u>	<u>\$ 93,806</u>

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Additions to right-of-use assets	<u>\$ 46,007</u>	<u>\$ 34,465</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 44,889	\$ 46,595
Equipment	<u>1,453</u>	<u>2,237</u>
	<u>\$ 46,342</u>	<u>\$ 48,832</u>

Besides aforementioned addition and recognized depreciation expenses, the Corporation did not have significant sublease agreement or impairment loss of right-of-use assets for the years ended December 31, 2024 and 2023.

b. Lease liabilities

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Carrying amount</u>		
Current	<u>\$ 26,019</u>	<u>\$ 46,384</u>
Non-current	<u>\$ 46,148</u>	<u>\$ 44,843</u>

Ranges of discount rates for lease liabilities were as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Buildings	0.610%-1.918%	0.532%-1.826%
Equipment	0.521%-1.950%	0.521%-1.792%

The Corporation leases buildings for operational uses with lease terms of 2 to 5 years. The Corporation does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Corporation is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

c. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Expenses relating to short-term or low-value asset leases	<u>\$ 4,443</u>	<u>\$ 951</u>
Total cash outflow for leases	<u>\$ 50,505</u>	<u>\$ 49,765</u>

The Corporation's leases of certain office equipment qualify as short-term leases and low-value asset leases. The Corporation has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

### 13. INVESTMENT PROPERTY

	For the Year Ended December 31, 2024				Balance at December 31, 2024
	Balance at January 1, 2024	Additions	Reductions	Reclassifi- cations	
<u>Cost</u>					
Land	\$ 479,844	\$ -	\$ -	\$ 841	\$ 480,685
Buildings	<u>179,602</u>	<u>-</u>	<u>-</u>	<u>559</u>	<u>180,161</u>
	659,446	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,400</u>	660,846
<u>Accumulated depreciation</u>					
Buildings	102,838	<u>\$ 3,199</u>	<u>\$ -</u>	<u>\$ 191</u>	106,228
<u>Accumulated impairment</u>					
Buildings	<u>661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>661</u>
Net book value	<u>\$ 555,947</u>				<u>\$ 553,957</u>
	For the Year Ended December 31, 2023				Balance at December 31, 2023
	Balance at January 1, 2023	Additions	Reductions	Reclassifi- cations	
<u>Cost</u>					
Land	\$ 479,790	\$ -	\$ -	\$ 54	\$ 479,844
Buildings	<u>179,565</u>	<u>-</u>	<u>-</u>	<u>37</u>	<u>179,602</u>
	659,355	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91</u>	659,446
<u>Accumulated depreciation</u>					
Buildings	99,625	<u>\$ 3,193</u>	<u>\$ -</u>	<u>\$ 20</u>	102,838
<u>Accumulated impairment</u>					
Buildings	<u>661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>661</u>
Net book value	<u>\$ 559,069</u>				<u>\$ 555,947</u>

Besides the recognition of depreciation expenses and transfers of their own use properties to investment property, the Corporation did not have significant addition, disposal and impairment of investment property for the years ended December 31, 2024 and 2023.

The Corporation's investment property are land and buildings. The buildings are depreciated on straight-line basis over their estimated useful lives of 55 years.

As of December 31, 2024 and 2023, the fair value of the Corporation's investment property amounted to \$909,041 thousand and \$796,623 thousand, respectively. The fair value was quoted based on the market price of similar properties.

Some investment property were pledged as collateral for loans and loan credit line (refer to Note 28 for the details).



The abovementioned investment property are leased out for 1 year to 5 years under operating leases. The lessees do not have bargain purchase options to acquire the investment property at the expiry of the lease periods.

The maturity analysis of the total lease payments receivable from investment property leased under operating leases was as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Year 1	\$ 18,234	\$ 18,010
Year 2	6,540	8,420
Year 3	-	5,830
	<u>\$ 24,774</u>	<u>\$ 32,260</u>

#### 14. INTANGIBLE ASSETS

	<b>For the Year Ended December 31, 2024</b>			
	<b>Balance at January 1, 2024</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance at December 31, 2024</b>
<u>Cost</u>				
Computer software	\$ 27,396	<u>\$ 9,672</u>	<u>\$ (4,153)</u>	\$ 32,915
<u>Accumulated amortization</u>				
Computer software	<u>10,678</u>	<u>\$ 9,875</u>	<u>\$ (4,153)</u>	<u>16,400</u>
Net book value	<u>\$ 16,718</u>			<u>\$ 16,515</u>
	<b>For the Year Ended December 31, 2023</b>			
	<b>Balance at January 1, 2023</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance at December 31, 2023</b>
<u>Cost</u>				
Computer software	\$ 28,885	<u>\$ 7,105</u>	<u>\$ (8,594)</u>	\$ 27,396
<u>Accumulated amortization</u>				
Computer software	<u>9,912</u>	<u>\$ 9,360</u>	<u>\$ (8,594)</u>	<u>10,678</u>
Net book value	<u>\$ 18,973</u>			<u>\$ 16,718</u>

The above-mentioned intangible assets with definite useful lives are amortized on a straight-line basis over their estimated useful lives of 3 years.

## 15. OTHER NON-CURRENT ASSETS

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Operation guarantee deposits	\$ 330,000	\$ 330,000
Clearing and settlement fund	131,042	132,264
Refundable deposits	140,846	152,907
Prepayments for equipment	6,255	6,511
Deferred expense	<u>1,872</u>	<u>1,109</u>
	<u>\$ 610,015</u>	<u>\$ 622,791</u>

## 16. BORROWINGS

### a. Short-term borrowings

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Secured borrowings	\$ 300,000	\$ 270,000
Unsecured borrowings	<u>905,000</u>	<u>530,000</u>
	<u>\$ 1,205,000</u>	<u>\$ 800,000</u>

The market rates for the short-term borrowings at the end of each reporting period were summarized as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term borrowings	1.89%-2.10%	1.75%-2.26%

Some demand deposits, time deposits, property and equipment, and investment property were provided as collateral for bank borrowings and credit line (refer to Note 28 for the details).

### b. Commercial paper payable

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Commercial paper payable	\$ 7,535,000	\$ 5,770,000
Less: Discount of commercial paper payable	<u>(12,063)</u>	<u>(8,027)</u>
	<u>\$ 7,522,937</u>	<u>\$ 5,761,973</u>

The discount rates for the commercial paper payable at the end of each reporting period were summarized as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Commercial paper payable	1.80%-1.97%	1.50%-1.69%

All commercial paper payable mentioned above were underwritten by bills finance companies or banks.

#### 17. LIABILITIES FOR BONDS WITH ATTACHED REPURCHASE AGREEMENTS

	December 31	
	2024	2023
Government bonds	\$ 1,309,745	\$ 1,466,773
Corporate bonds	<u>4,010,988</u>	<u>3,700,008</u>
	<u>\$ 5,320,733</u>	<u>\$ 5,166,781</u>

The market rates for the liabilities for bonds with attached repurchase agreements at the end of each reporting period were as follows:

	December 31	
	2024	2023
Government bonds	1.10%-1.65%	0.92%-1.40%
Corporate bonds	1.28%-4.80%	1.15%-5.65%

Liabilities for bonds with attached repurchase agreements that were outstanding as of December 31, 2024 had been repurchased for \$5,329,135 thousand by February 20, 2025.

Liabilities for bonds with attached repurchase agreements that were outstanding as of December 31, 2023 had been repurchased for \$5,172,967 thousand by January 24, 2024.

#### 18. ACCOUNTS PAYABLE

	December 31	
	2024	2023
Accounts payable for settlement - brokerage	\$ 4,791,906	\$ 5,634,036
Accounts payable for settlement - proprietary	15,293	27,541
Others	<u>135,996</u>	<u>99,676</u>
	<u>\$ 4,943,195</u>	<u>\$ 5,761,253</u>

#### 19. OTHER FINANCIAL LIABILITIES - CURRENT

	December 31	
	2024	2023
<u>Principle value of structured notes - current</u>		
Principal guaranteed notes	<u>\$ 1,415,192</u>	<u>\$ 2,525,707</u>

## 20. RETIREMENT BENEFIT PLANS

### a. Defined contribution plan

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

### b. Defined benefit plan

The Corporation adopted the pension plan under the Labor Standards Act, which is a state-managed defined benefit plan. Pension costs are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation makes monthly contributions to a pension fund based on 2% of gross salaries. Pension contributions are deposited in Banks of Yuanta, First and Taiwan in the pension fund committee's name. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund deposited in the Bank of Taiwan is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the accompanying balance sheets in respect of the Corporation's defined benefit plans were as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Present value of defined benefit obligation	\$ 245,746	\$ 240,333
Fair value of plan assets	<u>(227,995)</u>	<u>(219,173)</u>
Net defined benefit liabilities	<u>\$ 17,751</u>	<u>\$ 21,160</u>

Movements in net defined benefit liabilities were as follows:

	<b>Present Value of Defined Benefit Obligation</b>	<b>Fair Value of Plan Assets</b>	<b>Net Defined Benefit (Assets) Liabilities</b>
Balance at January 1, 2023	<u>\$ 213,920</u>	<u>\$ (217,774)</u>	<u>\$ (3,854)</u>
Service cost			
Current service cost	2,634	-	2,634
Net interest expense (income)	<u>2,567</u>	<u>(2,624)</u>	<u>(57)</u>
Recognized in profit or loss	<u>5,201</u>	<u>(2,624)</u>	<u>2,577</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(6,944)	(6,944)
Actuarial loss			
Experience adjustments	<u>31,102</u>	<u>-</u>	<u>31,102</u>
Recognized in other comprehensive loss (income)	<u>31,102</u>	<u>(6,944)</u>	<u>24,158</u>
Contributions from the employer	<u>-</u>	<u>(1,721)</u>	<u>(1,721)</u>
Benefits paid	<u>(9,890)</u>	<u>9,890</u>	<u>-</u>
Balance at December 31, 2023	<u>240,333</u>	<u>(219,173)</u>	<u>21,160</u>

(Continued)

	<b>Present Value of Defined Benefit Obligation</b>	<b>Fair Value of Plan Assets</b>	<b>Net Defined Benefit (Assets) Liabilities</b>
Service cost			
Current service cost	\$ 2,683	\$ -	\$ 2,683
Net interest expense (income)	<u>2,884</u>	<u>(2,640)</u>	<u>244</u>
Recognized in profit or loss	<u>5,567</u>	<u>(2,640)</u>	<u>2,927</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(18,528)	(18,528)
Actuarial loss (income)			
Changes in financial assumptions	(5,688)	-	(5,688)
Experience adjustments	<u>22,637</u>	<u>-</u>	<u>22,637</u>
Recognized in other comprehensive loss (income)	<u>16,949</u>	<u>(18,528)</u>	<u>(1,579)</u>
Contributions from the employer	<u>-</u>	<u>(4,757)</u>	<u>(4,757)</u>
Benefits paid	<u>(17,103)</u>	<u>17,103</u>	<u>-</u>
Balance at December 31, 2024	<u>\$ 245,746</u>	<u>\$ (227,995)</u>	<u>\$ 17,751</u> (Concluded)

Through the defined benefit plans under the Labor Standards Act, the Corporation is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on debt investments of plan assets.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the Corporation's defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Discount rate	1.6%	1.2%
Expected incremental rate of salaries	1.5%	1.5%
Expected rate of return on plan assets	1.6%	1.2%

If possible and reasonable change in each of the significant actuarial assumptions occurs and all other assumptions were held constant, the present value of defined benefit obligation would increase (decrease) as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Discount rate		
0.1% increase	\$ (1,389)	\$ (1,547)
0.1% decrease	\$ 1,402	\$ 1,563
Expected incremental rate of salaries		
0.1% increase	\$ 1,161	\$ 1,319
0.1% decrease	\$ (1,153)	\$ (1,309)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Expected contributions to the plan within a year	\$ 1,660	\$ 1,727
Average duration of the defined benefit obligation	5.7 years	6.4 years

## 21. EQUITY

### a. Share capital

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Number of shares authorized (in thousands)	1,500,000	1,500,000
Share capital authorized	\$ 15,000,000	\$ 15,000,000
Number of shares issued and fully paid (in thousands)	624,178	594,455
Share capital issued	\$ 6,241,777	\$ 5,944,550

Every issued ordinary share with a par value of \$10 entitles its holder to one vote on matters requiring such vote and to receive dividends.

At the shareholders' meeting held on June 6, 2024, the Corporation approved a capital increase through the capitalization of retained earnings in the amount of \$297,227 thousand, issuing 29,723 thousand ordinary shares with a par value of NT\$10 per share. After the capital increase, the total issued capital will amount to \$6,241,777 thousand.

b. Capital surplus

	December 31	
	2024	2023
Treasury share transactions	\$ 173,203	\$ 173,203
Gain on sale of fixed assets	682	682
Unclaimed dividends	137	137
Others	<u>1,309</u>	<u>1,309</u>
	<u>\$ 175,331</u>	<u>\$ 175,331</u>

The capital surplus arising from shares issued in excess of par (including additional paid-in capital, premium from mergers and treasury share transactions, etc.) and donations may be used to offset deficits; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's paid-in capital each year).

The capital surplus arising from the gain on sale of fixed assets, unclaimed dividends, and exercise of disgorgement can only be used to offset deficits.

The capital surplus arising from investments accounted for using equity method and employee share options may not be used for any purpose.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, and as special reserve 20% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors, refer to "Compensation of employees and remuneration of directors" in Note 22-12.

In line with the current and future development plans, the Corporation's dividend policy takes into consideration the investment environment, funding needs, and domestic and foreign competition, at the same time taking into account shareholders' interests. Annually, the total amount of dividends and bonuses distributed to shareholders shall not be lower than 50% of the earnings available for distribution, except when the cumulative earnings available for distribution are lower than 0.5% of the share capital in which case, no dividends or bonuses may be distributed. The dividends can be distributed in the form of cash or shares, of which the cash portion shall be no less than 10% of the total amount of dividends distributed.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

According to the Regulations Governing Securities Firms, a securities firm should set aside 20% of their annual after-tax profit as special reserve until the special reserve equals the firm's paid-in capital. In addition, the special reserve shall not be used for purposes other than offsetting the deficit of the Corporation, or when the accumulated special reserve reaches 25% of the amount of paid-in capital, the portion in excess of the 25% of paid-in capital may be used for capitalization.

The use of \$26,110 thousand of legal reserve to offset of the accumulated deficit for 2022 was approved in the shareholders' meeting on June 7, 2023.

The appropriation of earnings for 2023, which was approved in the shareholders' meeting on June 6, 2024, was as follows:

	<b>The Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 97,962	
Special reserve	195,927	
Cash dividends	386,396	<u>\$ 0.65</u>
Share dividends	<u>297,227</u>	<u>\$ 0.50</u>
	<u>\$ 977,512</u>	

The appropriation of earnings for 2024 which was proposed by the Corporation's board of directors on March 11, 2025, was as follows:

	<b>The Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 109,402	
Special reserve	218,804	
Cash dividends	140,440	<u>\$ 0.225</u>
Share dividends	<u>624,178</u>	<u>\$ 1.000</u>
	<u>\$ 1,092,824</u>	

The appropriation of earnings for 2024 are subject to the resolution of the shareholders in the shareholders' meeting to be held on May 26, 2025.

d. Other equity

1) Exchange differences on the translation of the financial statements of foreign operations

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 1,165	\$ 1,614
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	<u>3,787</u>	<u>(449)</u>
Balance at December 31	<u>\$ 4,952</u>	<u>\$ 1,165</u>



2) Unrealized gains on financial assets at FVTOCI

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 440,691	\$ 389,567
Recognized for the year		
Unrealized (losses) gains - debt instruments	(14,749)	47,228
Unrealized gains - equity instruments	119,578	19,485
Investments accounted for using equity method	46,488	(15,589)
Other comprehensive income recognized for the year	151,317	51,124
Balance at December 31	\$ 592,008	\$ 440,691

**22. ANALYSIS OF STATEMENT OF COMPREHENSIVE INCOME ITEMS**

a. Brokerage handling fee revenue

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Handling fee revenue from brokered trading - TWSE	\$ 898,621	\$ 697,943
Handling fee revenue from brokered trading - OTC	266,444	212,000
Handling fee revenue from securities financing	5,464	5,151
Others	59,833	47,506
	<u>\$ 1,230,362</u>	<u>\$ 962,600</u>

b. Revenue from underwriting business

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Revenue from underwriting securities on a firm commitment basis	\$ 6,432	\$ 6,533
Processing fee revenue from underwriting operations	4,585	17,000
Revenue from underwriting consultation	3,590	4,830
Others	3,435	4,670
	<u>\$ 18,042</u>	<u>\$ 33,033</u>

c. Gains (losses) on sale of operating securities, net

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Proprietary	\$ 1,206,553	\$ 1,431,464
Underwriting	10,904	14,603
Hedging	459,374	(1,148,735)
	<u>\$ 1,676,831</u>	<u>\$ 297,332</u>

d. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Financing interest	\$ 355,288	\$ 251,088
Bond interest	81,610	83,642
Others	<u>5,229</u>	<u>15,363</u>
	<u>\$ 442,127</u>	<u>\$ 350,093</u>

e. Valuation gains (losses) on operating securities at FVTPL, net

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Proprietary	\$ 206,783	\$ 350,976
Underwriting	(2,273)	1,296
Hedging	<u>(60,416)</u>	<u>41,426</u>
	<u>\$ 144,094</u>	<u>\$ 393,698</u>

f. Gains (losses) on issuance of call (put) warrants, net

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Gains on change in fair value of warrant liabilities	\$ 1,413,865	\$ 4,361,803
Losses on exercise of warrants before maturity	(1,465)	(11,581)
Losses on change in fair value of warrants redeemed - realized	(1,654,739)	(4,377,740)
Losses on change in fair value of warrants redeemed - unrealized	(14,071)	(42,846)
Call (put) warrants issuance expenses	<u>(4,947)</u>	<u>(27,048)</u>
	<u>\$ (261,357)</u>	<u>\$ (97,412)</u>

g. Gains (losses) on derivative instruments, net

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Losses on derivative instruments - futures, net</u>		
Futures contract	\$ (228,812)	\$ (154,175)
Options trading	<u>(1,141)</u>	<u>(2,118)</u>
	<u>\$ (229,953)</u>	<u>\$ (156,293)</u>
<u>Gains (losses) on derivative instruments - OTC, net</u>		
Asset swap options	\$ 19,391	\$ (422,435)
Equity derivatives	3,568	(44,707)
Structured instruments	(91,245)	(99,507)
Value of asset swap IRS contracts	<u>(20,697)</u>	<u>(18,770)</u>
	<u>\$ (88,983)</u>	<u>\$ (585,419)</u>

h. Impairment gain and reversal of impairment loss (impairment losses)

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Financial assets at amortized cost	\$ 3,948	\$ (494)
Financial assets at fair value through other comprehensive income	<u>485</u>	<u>(121)</u>
	<u>\$ 4,433</u>	<u>\$ (615)</u>

i. Other operating income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Processing revenue	\$ 71,362	\$ 46,811
Foreign exchange gains (losses), net	37,338	(2,020)
Commission revenue	5,930	3,845
Agency revenue	1,298	1,008
Losses on error trading, net	(669)	(548)
Others	<u>300</u>	<u>148</u>
	<u>\$ 115,559</u>	<u>\$ 49,244</u>

j. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Interest of commercial paper payable	\$ 124,724	\$ 106,592
Interest of liabilities for bonds with attached repurchase agreements	100,436	86,266
Bank loan interest	20,438	10,756
Interest of securities financing	1,155	1,332
Interest of lease liabilities	790	795
Refinancing interest	-	159
Others	<u>1,740</u>	<u>1,689</u>
	<u>\$ 249,283</u>	<u>\$ 207,589</u>

k. Employee benefit expenses

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Retirement benefits		
Defined contribution plan	\$ 31,972	\$ 29,527
Defined benefit plan	<u>2,927</u>	<u>2,577</u>
	34,899	32,104
Short-term employee benefits		
Salaries	1,160,830	973,462
Labor and health insurance	64,728	58,164
Others	<u>36,223</u>	<u>29,142</u>
	<u>\$ 1,296,680</u>	<u>\$ 1,092,872</u>

l. Compensation of employees and remuneration of directors

The Corporation accrued employees' compensation and remuneration of directors at rates of 1% to 3% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

The compensation of employees and the remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Corporation's board of directors on March 11, 2025 and February 27, 2024, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Compensation of employees	<u>\$ 33,768</u>	<u>\$ 28,111</u>
Remuneration of directors	<u>\$ 66,186</u>	<u>\$ 55,097</u>

If there is a change in the estimated amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the next year.

There is no difference between the actual distribution amount of compensation of employees and remuneration of directors for 2023 and 2022 and the amounts recognized in the parent company only financial statements for the years ended December 31, 2023 and 2022.

For information regarding the compensation of employees and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

m. Depreciation and amortization expenses

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Depreciation expenses</u>		
Property and equipment	\$ 34,245	\$ 30,910
Right-of-use assets	46,342	48,832
Investment property	<u>3,199</u>	<u>3,193</u>
	<u>83,786</u>	<u>82,935</u>
<u>Amortization expenses</u>		
Intangible assets	9,875	9,360
Deferred expense	<u>564</u>	<u>353</u>
	<u>10,439</u>	<u>9,713</u>
	<u>\$ 94,225</u>	<u>\$ 92,648</u>

n. Other operating expenses

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Taxes	\$ 176,764	\$ 214,093
Information technology expenses	48,811	44,414
Securities borrowing fees	40,593	43,484
Custody fees	37,136	30,350
Professional service fees	32,327	34,742
Postage expenses	26,840	25,210
Others	<u>131,224</u>	<u>113,204</u>
	<u>\$ 493,695</u>	<u>\$ 505,497</u>

o. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Rental revenue from the use of venue and equipment	\$ 84,810	\$ 73,724
Other rental income from investment property	18,026	18,009
Dividend income	18,979	15,927
Financial income	19,283	24,623
Others	<u>19,230</u>	<u>18,061</u>
	<u>\$ 160,328</u>	<u>\$ 150,344</u>

## 23. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax		
In respect of the current year	\$ 106,400	\$ 92,895
Adjustment for prior year	<u>-</u>	<u>(4,696)</u>
	<u>106,400</u>	<u>88,199</u>
Deferred tax		
In respect of the current year	51,905	(46,715)
Adjustment for prior year	<u>3</u>	<u>-</u>
	<u>51,908</u>	<u>(46,715)</u>
Income tax expense recognized in profit or loss	<u>\$ 158,308</u>	<u>\$ 41,484</u>

A reconciliation of accounting profit and income tax expense was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Profit before tax from continuing operations	<u>\$ 1,250,789</u>	<u>\$ 1,041,236</u>
Income tax expense calculated at the statutory rate	\$ 250,158	\$ 208,247
Nondeductible expenses in determining taxable income	(33,734)	(88,788)
Tax-exempt income	(121,553)	(159,996)
Additional income tax under the Alternative Minimum Tax Act	51,973	68,729
Adjustments for prior years' tax expense	3	(4,696)
Others	<u>11,461</u>	<u>17,988</u>
Income tax expense recognized in profit or loss	<u>\$ 158,308</u>	<u>\$ 41,484</u>

b. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement of defined benefit plans	<u>\$ 316</u>	<u>\$ (4,832)</u>
Total income tax expense (benefit) recognized in other comprehensive income	<u>\$ 316</u>	<u>\$ (4,832)</u>

c. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax liabilities		
Income tax payable	<u>\$ 141,059</u>	<u>\$ 120,453</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2024

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income (Loss)</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Temporary differences				
Defined benefit plans	\$ 16,539	\$ -	\$ (316)	\$ 16,223
Payables for annual leave	4,366	138	-	4,504
Unrealized exchange losses	10,615	(8,584)	-	2,031
				(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Losses on derivative financial instruments	\$ 4,552	\$ (4,552)	\$ -	\$ -
Others	<u>55</u>	<u>(55)</u>	<u>-</u>	<u>-</u>
	<u>\$ 36,127</u>	<u>\$ (13,053)</u>	<u>\$ (316)</u>	<u>\$ 22,758</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Difference between tax reporting and financial reporting - payables for pension	\$ 12,307	\$ 366	\$ -	\$ 12,673
Valuation gains on foreign operating securities	8,605	24,795	-	33,400
Gains on derivative financial instruments	-	13,524	-	13,524
Others	<u>-</u>	<u>170</u>	<u>-</u>	<u>170</u>
	<u>\$ 20,912</u>	<u>\$ 38,855</u>	<u>\$ -</u>	<u>\$ 59,767</u> (Concluded)

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Defined benefit plans	\$ 11,707	\$ -	\$ 4,832	\$ 16,539
Payables for annual leave	4,322	44	-	4,366
Unrealized exchange losses	10,825	(210)	-	10,615
Losses on derivative financial instruments	-	4,552	-	4,552
Others	<u>685</u>	<u>(630)</u>	<u>-</u>	<u>55</u>
	<u>\$ 27,539</u>	<u>\$ 3,756</u>	<u>\$ 4,832</u>	<u>\$ 36,127</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Difference between tax reporting and financial reporting - payables for pension	\$ 12,478	\$ (171)	\$ -	\$ 12,307
Valuation gains on foreign operating securities	611	7,994	-	8,605
Gains on derivative financial instruments	<u>50,782</u>	<u>(50,782)</u>	<u>-</u>	<u>-</u>
	<u>\$ 63,871</u>	<u>\$ (42,959)</u>	<u>\$ -</u>	<u>\$ 20,912</u>

- e. Deductible temporary differences that have not been recognized as deferred tax assets in the balance sheets

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Asset impairment	<u>\$ 1,918</u>	<u>\$ 1,918</u>

- f. Income tax assessments

The income tax returns of the Corporation through 2020 have been examined by the tax authorities.

## 24. EARNINGS PER SHARE

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on September 7, 2024. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2023 were as follows:

Unit: NT\$ Per Share

	<b>Before Retrospective Adjustment</b>	<b>After Retrospective Adjustment</b>
Basic earnings per share	<u>\$ 1.68</u>	<u>\$ 1.60</u>
Diluted earnings per share	<u>\$ 1.68</u>	<u>\$ 1.60</u>

The calculation of earnings per share was as follows:

	<b>Amount (Numerator) After Income Tax</b>	<b>Number of Shares (Denominator) (In Thousands)</b>	<b>Earnings Per Share After Income Tax (In Dollars)</b>
<u>For the year ended December 31, 2024</u>			
Basic earnings per share			
Earnings attributable to ordinary shareholders of the parent Company	\$ 1,092,481	624,178	<u>\$ 1.75</u>
Effect of potentially dilutive ordinary shares			
Compensation of employees	<u>-</u>	<u>2,852</u>	
Diluted earnings per share			
Earnings attributable to ordinary shareholders of the parent Company	<u>\$ 1,092,481</u>	<u>627,030</u>	<u>\$ 1.74</u>

(Continued)



	Amount (Numerator) After Income Tax	Number of Shares (Denominator) (In Thousands)	Earnings Per Share After Income Tax (In Dollars)
<u>For the year ended December 31, 2023</u>			
Basic earnings per share			
Earnings attributable to ordinary shareholders of the parent Company	\$ 999,752	624,178	<u>\$ 1.60</u>
Effect of potentially dilutive ordinary shares			
Compensation of employees	<u>-</u>	<u>2,024</u>	
Diluted earnings per share			
Earnings attributable to ordinary shareholders of the parent Company	<u>\$ 999,752</u>	<u>626,002</u>	<u>\$ 1.60</u> (Concluded)

The Corporation may settle the compensation paid to employees in cash or shares; therefore, the Corporation assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect was dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 25. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stockholders through the optimization of the debt and equity balance.

The capital structure of the Corporation consists of net debt and equity.

Key management personnel of the Corporation review the cost of capital of the Corporation and related risk of the capital structure on a regular basis. They also adjust the overall capital structure by paying dividends, issuing new debts, settling original debts, etc.

The Corporation files the capital adequacy ratio to relevant authorities on a monthly basis in accordance with the Regulations Governing Securities Firms. The Corporation's capital adequacy ratio was 306% and 296% for the years ended December 31, 2024 and 2023, respectively.

## 26. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments

#### 1) Financial instruments not measured at fair value

The management of the Corporation believes the carrying amounts of financial assets and financial liabilities not measured at fair value recognized in the financial statements approximate their fair values or their fair values cannot be reliably measured.

2) Financial instruments measured at fair value that are measured at fair value on a recurring basis

Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Financial assets mandatorily measured at FVTPL	\$ 6,765,466	\$ 5,193,631	\$ -	\$ 11,959,097
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Unlisted shares	-	-	644,416	644,416
Investments in debt instruments				
Corporate bonds	-	1,589,896	-	1,589,896
Foreign bonds	1,401,047	383,486	-	1,784,533
	<u>\$ 8,166,513</u>	<u>\$ 7,167,013</u>	<u>\$ 644,416</u>	<u>\$ 15,977,942</u>
<u>Financial liabilities at FVTPL</u>				
Financial liabilities held for trading	\$ 649,441	\$ 1,174,673	\$ -	\$ 1,824,114
Financial liabilities designated as at FVTPL	-	1,697,632	-	1,697,632
	<u>\$ 649,441</u>	<u>\$ 2,872,305</u>	<u>\$ -</u>	<u>\$ 3,521,746</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Financial assets mandatorily measured at FVTPL	\$ 6,376,010	\$ 4,758,656	\$ -	\$ 11,134,666
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Unlisted shares	-	-	528,347	528,347
Investments in debt instruments				
Government bonds	-	299,410	-	299,410
Corporate bonds	-	1,703,264	-	1,703,264
Foreign bonds	116,839	822,948	-	939,787
	<u>\$ 6,492,849</u>	<u>\$ 7,584,278</u>	<u>\$ 528,347</u>	<u>\$ 14,605,474</u>
<u>Financial liabilities at FVTPL</u>				
Financial liabilities held for trading	\$ 389,230	\$ 1,179,440	\$ -	\$ 1,568,670
Financial liabilities designated as at FVTPL	-	1,593,616	-	1,593,616
	<u>\$ 389,230</u>	<u>\$ 2,773,056</u>	<u>\$ -</u>	<u>\$ 3,162,286</u>

Transfers between Levels 1 and 2 for the years ended December 31, 2024 and 2023 were mainly due to the determination of whether part of the Corporation's investments in emerging market shares and convertible bonds with an active market based on observation of the transaction volume of these investments.

3) Reconciliation of Level 3 fair value measurements of financial instruments

Financial assets at fair value through other comprehensive income - equity instruments

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 528,347	\$ 512,371
Recognized in other comprehensive income (included in unrealized gains on financial assets at FVTOCI)	119,578	19,485
Proceeds from capital reduction	<u>(3,509)</u>	<u>(3,509)</u>
Balance at December 31	<u>\$ 644,416</u>	<u>\$ 528,347</u>

4) Valuation techniques and inputs applied for Level 2 fair value measurement

<b>Financial Instrument</b>	<b>Valuation Techniques and Inputs</b>
Corporate bond investments	Discounted using the market rate announced by the Taipei Exchange or using the credit rating equal or equivalent to the yield rate curve.
Value of asset swap IRS contracts	Discounted cash flow method: Discounted using the risk-adjusted premium based on the short-term commercial paper rate announced by Bloomberg.
Asset swap options	The closing price of the convertible bond on the same day minus straight bond value: Straight bond value is the present value of future cash flows discounted at the risk-adjusted premium based on the zero-risk rate that a convertible bond would provide. The zero-risk rate is the short-term commercial paper rate announced by Bloomberg.
Structured instruments	Discounted cash flow method: Discounted using the risk-adjusted premium by refer to the short-term commercial paper rate announced by Bloomberg.
Emerging stock	Fair value estimated based on the average transaction price on the base date or the first 20 business days (including the base date).

5) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities were determined by using the market and asset approaches. In these approaches, the fair value of the unlisted securities is determined based on the share price of comparable companies with doing the same or similar business in an active market, and its price value multiplier and other related information, where the significant unobservable input used is the discount for lack of marketability.

If the discount for lack of marketability used in the valuation model was changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Discount for lack of marketability		
10% increase	<u>\$ (13,963)</u>	<u>\$ (11,462)</u>
10% decrease	<u>\$ 13,926</u>	<u>\$ 11,480</u>

b. Categories of financial instruments

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Financial assets</u>		
FVTPL		
Mandatorily measured at FVTPL	\$ 11,959,097	\$ 11,134,666
Financial assets at amortized cost (Note 1)	15,656,221	14,801,030
FVTOCI		
Equity instrument investments	644,416	528,347
Debt instrument investments	3,374,429	2,942,461
Operation guarantee deposits	330,000	330,000
Clearing and settlement fund	131,042	132,264
Refundable deposits	140,846	152,907
<u>Financial liabilities</u>		
FVTPL		
Held for trading	1,824,114	1,568,670
Designated as at FVTPL	1,697,632	1,593,616
Financial liabilities at amortized cost (Note 2)	22,285,123	21,309,175
Guarantee deposits received	3,822	3,812

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, margin loans receivable, refinancing margin, refinancing collateral receivable, security borrowing collateral price, security borrowing margin, notes and accounts receivable (including related parties), other receivable (including related parties), restricted assets - current and amounts held for each customer in the account.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, commercial paper payable, liabilities for bonds with attached repurchase agreements, securities financing refundable deposits, deposits payable for securities financing, securities lending refundable deposits, equity for each customer in the account, accounts payable (including related parties), other payables (including related parties) and other financial liabilities - current.

The difference between the carrying amount and contractual amount at maturity of financial liabilities designated as at FVTPL was as follows:

	December 31	
	2024	2023
Financial liabilities designated as at FVTPL	\$ 1,697,632	\$ 1,593,616
Amount payable at maturity	<u>(1,779,328)</u>	<u>(1,687,707)</u>
	<u>\$ (81,696)</u>	<u>\$ (94,091)</u>

The Corporation designated structured instruments as financial liabilities designated as at FVTPL. The change in fair value was attributable to market risk factors.

c. Financial risk management objectives and policies

1) Risk management system

Policies of risk management

The Corporation's risk management policies in accordance with operating goals are to prevent any possible loss within the bearable risk exposures, maximize stockholders' wealth by balancing risks and returns, and optimize the asset allocation.

Risk management policies are the prime directives of the Corporation's risk management. They are applied to the Corporation and each subsidiary. All regulations related to risk management should be made in accordance with the risk management policies.

The process of formulating and approving risk management policies

The Corporation's risk management policies, risk management regulations and commodity operation procedures are drafted and revised by the authorized departments based on suggestions and opinions of other departments before reporting them to the risk management committee.

The risk management committee, which is under the board of directors (the highest risk management unit), is responsible for strengthening the overall risk management control and setting relationships between goals and risks in order to determine capital allocation and operating policies. The responsibilities of the risk management office are to verify the source of risks and to evaluate and quantify the influence of risks. Managers of business units are responsible for the daily risk management and reporting of their respective units.

The Corporation holds risk management meetings at least twice a year, where the participants are appointed by the chairman. In the meetings, the authorization and investment quotas are determined based on market risk, credit risk, liquidity risk, operational risk and legal risk, and the managers of each business unit should manage the risks according to the authorization and investment quotas. Any revisions of the investment quotas should be approved by the general manager and reported to the risk management committee for approval.

### Organizational structure of the risk management system

The Corporation's risk management organizational structure includes the board of directors, risk management committee, risk management office, department of finance, department of internal audit, department of compliance and the business units. The duties and functions of each division are as follows:

a) Board of directors

The Corporation's board of directors is the highest risk management unit. In compliance with the laws and with the promotion and implementation of the Corporation's overall risk management as the goal, the board of directors takes the ultimate responsibility for risk management and ensures the effectiveness of risk management by understanding the risks faced by its securities operations.

b) Risk management committee

The committee is under the board of directors and consists of members of the board of directors. Its function is to assist the board of directors in the planning and monitoring of the related risk management affairs.

c) Risk management office

The risk management office is under the board of directors and independent of other departments. It is in charge of monitoring, measuring and evaluating the daily risks and to ensure the risks of the Corporation and each business unit are within the authorized investment quotas. The head of the risk management office evaluates and monitors the daily risks, and the appointment or removal of the head should be approved by the board of directors.

d) Department of finance

The department of finance is independent of other business units, and is responsible for monitoring the use of funds of each business unit. When there is an urgent need for fund procurement, the department of finance can respond based on the emergency response procedures.

e) Department of internal audit

The department of internal audit is under the board of directors and independent of other departments, and is responsible for the planning and execution of the audit business. It is responsible for auditing items related to finance, business execution, internal control and implementation of the laws of the Corporation and its subsidiaries, in order to ensure the Corporation manages the operational risk effectively.

f) Department of compliance

The department of compliance is responsible for compliance with the laws and legal review of contracts. In order to mitigate the effect of changes in laws and regulations issued by the authorities, the department examines the internal regulations at announced times and maintains complete audit procedures to assure the appropriateness and legality of all transactions.

g) Business units

The manager of each business unit takes first-line responsibility in analyzing and monitoring all risks and ensures all risks are under control and all risk management procedures are effective.

The risk management office periodically reports the results of the risk management objective, profit or loss of positions, sensitivity analysis, stress tests, etc. to the risk management committee or the board of directors. The Corporation also put in place effective reporting procedures, transaction limits and stop-loss strategy. If the transaction meets the stop-loss criteria, the strategy should be immediately executed, otherwise the business unit should report the reason for not executing the stop-loss strategy and the corresponding plan to the management for approval.

## 2) Market risk

The Corporation had established an effective risk measurement system to identify the effect of market risk factors, such as interest rate, exchange rate and equity and commodity price risks on its trading positions, and measures the potential risks of the Corporation's on- and off- balance sheet positions based on changes in these risk factors.

The Corporation measures market risk using Value at Risk (VaR) and sensitivity analysis. The Corporation executes stress testing at the end of each month to identify the bearable level of tolerance in the face of financial crisis. VaR refers to the maximum potential loss of financial instruments in a given holding period and specified confidence level. To ensure the accuracy of the VaR model, the Corporation performs backtesting regularly.

Historical VaR (Confidence Level 99%, One-day)	For the Year Ended December 31, 2024			December 31	
	Average	Minimum	Maximum	2024	2023
<u>Type of risk</u>					
Equity securities	\$ 154,952	\$ 99,190	\$ 205,165	\$ 124,830	\$ 109,251
Interest rate	10,648	2,992	21,683	5,196	9,105
Diversification of risks	<u>(17,078)</u>			<u>(13,005)</u>	<u>(19,811)</u>
Total VaR exposure	<u>\$ 148,522</u>			<u>\$ 117,021</u>	<u>\$ 98,545</u>

The Corporation uses sensitivity analysis to measure the sensitivity of its bond and shares investment to individual risk factors. The Corporation controls the upper limit of trading positions based on the impact of a 0.01% change in interest rates on the profit or loss of the investment portfolio. If the market interest rate increased by 0.01%, the fair value of the bond investments would have decreased by \$2,685 thousand and \$2,109 thousand as of December 31, 2024 and 2023, respectively. The Corporation uses the scenario of the appreciation and depreciation of the New Taiwan dollar to analyze the sensitivity of foreign currency risk. When the New Taiwan dollar appreciates/depreciates 3% against the relevant foreign currencies, there would be a decrease/increase in fair value of \$32,495 thousand and \$23,479 thousand for the years ended December 31, 2024 and 2023, respectively.

The carrying amounts of the Corporation's financial assets and financial liabilities with exposure to interest rate risk at the end of each reporting period were as follows:

	December 31	
	2024	2023
Interest rate risk of fair value		
Financial assets	\$ 13,386,630	\$ 10,929,045
Financial liabilities	14,843,795	12,465,059
Interest rate risk of cash flow		
Financial assets	2,651,759	2,608,748
Financial liabilities	539,030	187,803

Besides the above-mentioned measurement of market risk, the Corporation also uses scenario analysis to assess the changes in value of its asset portfolio and implements stress testing at the end of each month to measure the abnormal loss under extreme conditions.

### 3) Credit risk

Credit risk refers to the risk that an issuer, guarantor or counterparty will default on its contractual obligations in securities or derivative instruments trading in the primary and secondary markets, resulting in a financial loss to the Corporation. The Corporation has in place a rating system to control the credit risk from counterparties.

The monitoring of brokerage customers is supported by credit check procedures. The credit check procedures are required to be authorized by different levels of management to ensure the settlement risk is effectively reduced.

There is no concentration of credit risk on accounts receivable because of the large number of customers; no transactions are concentrated on one single customer and the operating locations are diversified. To decrease credit risk, the Corporation evaluates the financial conditions of customers regularly and continuously, and customers are required to provide sufficient collateral before credit is extended.

At the end of each reporting period, the carrying amount of financial assets is the amount of maximum exposure to credit risk.

The financial effect related to the amount of maximum exposure to credit risk of financial assets recognized in the balance sheets and the collateral held were as follows:

	<b>Maximum Exposure to Credit Risk December 31</b>	
	<b>2024</b>	<b>2023</b>
Margin loans receivable	<u>\$ 8,069,999</u>	<u>\$ 6,533,218</u>

### 4) Liquidity risk

#### Liquidity risk and interest rate risk table

The following table details the maturity analysis of the Corporation's remaining contractual financial liabilities with agreed repayment periods. The table had been drawn up based on the undiscounted cash flows of financial liabilities and the earliest date on which the Corporation was likely to be required to pay.

#### December 31, 2024

	<b>Within 1 Year</b>	<b>Between 1 and 2 Years</b>	<b>Between 2 and 5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
<u>Derivative financial liabilities</u>					
Non-interest bearing	\$ 1,162,381	\$ -	\$ -	\$ -	\$ 1,162,381
Fixed interest rate	3,691,395	-	-	-	3,691,395
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	6,208,503	-	3,822	-	6,212,325
Variable interest rate	539,030	-	-	-	539,030
Fixed interest rate	14,783,691	-	-	-	14,783,691
Lease liabilities	<u>55,655</u>	<u>23,596</u>	<u>23,166</u>	<u>-</u>	<u>102,417</u>
	<u>\$ 26,440,655</u>	<u>\$ 23,596</u>	<u>\$ 26,988</u>	<u>\$ -</u>	<u>\$ 26,491,239</u>



December 31, 2023

	Within 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years	Total
<u>Derivative financial liabilities</u>					
Non-interest bearing	\$ 1,191,269	\$ -	\$ -	\$ -	\$ 1,191,269
Fixed interest rate	5,243,504	-	-	-	5,243,504
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	6,570,845	-	3,812	-	6,574,657
Variable interest rate	187,803	-	-	-	187,803
Fixed interest rate	12,381,859	-	-	-	12,381,859
Lease liabilities	47,157	24,051	24,907	-	96,115
	<u>\$ 25,622,437</u>	<u>\$ 24,051</u>	<u>\$ 28,719</u>	<u>\$ -</u>	<u>\$ 25,675,207</u>

The amounts of financial liabilities with variable interest rates listed in the table above were subject to change if variable interest rates differ from those estimates of interest rates determined at the end of each reporting period.

Financing facilities

Financing facilities at the end of each reporting period were as follows:

	<u>December 31</u>	
	2024	2023
Financing facilities	<u>\$ 19,650,000</u>	<u>\$ 16,770,000</u>
Unused amount	<u>\$ 12,850,000</u>	<u>\$ 11,990,000</u>

d. Transfers of financial assets

In the daily transactions of the Corporation, most of the transferred financial assets which are not eligible for full derecognition are debt securities with repurchase agreements. In such transactions, the cash flows have been transferred to outsiders and the Corporation has the obligation to recognize the related liabilities of transferred financial assets which have to be repurchased at a fixed amount in the future. In addition, the Corporation has no right to conduct, sell, or pledge the transferred financial assets during the effective period of transaction, but is still exposed to interest rate risk and credit risk. As a result, the transferred financial assets cannot be fully derecognized. The following table shows the transferred financial assets not qualified for derecognition and its related financial liabilities:

December 31, 2024

Type of Financial Asset	The Book Value of Financial Assets Transferred	The Book Value of Related Financial Liabilities	The Fair Value of Financial Assets Transferred	The Fair Value of Related Financial Liabilities	Fair value of Net Position
Repurchase agreements	\$ 9,832,616	\$ 5,320,733	\$ 9,832,616	\$ 5,320,733	\$ 4,511,883

December 31, 2023

Type of Financial Asset	The Book Value of Financial Assets Transferred	The Book Value of Related Financial Liabilities	The Fair Value of Financial Assets Transferred	The Fair Value of Related Financial Liabilities	Fair value of Net Position
Repurchase agreements	\$ 9,059,882	\$ 5,166,781	\$ 9,059,882	\$ 5,166,781	\$ 3,893,101

e. Offsetting of financial assets and financial liabilities

The tables below present the quantitative information on financial assets and financial liabilities that have been offset in the balance sheets or that are covered by enforceable master netting arrangements or similar agreements.

December 31, 2024

Financial Instrument	Gross Amount of Recognized Financial Assets (Liabilities)	Gross Amount of Recognized and offset Financial Assets/ Liabilities in the Balance Sheet	Net Amount of Financial Assets (Liabilities) Presented in the Balance Sheet	Related Amount Not Offset in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Received	
Accounts receivable	\$ 4,984,296	\$ -	\$ 4,984,296	\$ -	\$ -	\$ 4,984,296
Accounts payable	\$ (4,943,195)	\$ -	\$ (4,943,195)	\$ -	\$ -	\$ (4,943,195)
Liabilities for bonds with attached repurchase agreements	\$ (5,320,733)	\$ -	\$ (5,320,733)	\$ 5,320,733	\$ -	\$ -

December 31, 2023

Financial Instrument	Gross Amount of Recognized Financial Assets (Liabilities)	Gross Amount of Recognized and offset Financial Assets/ Liabilities in the Balance Sheet	Net Amount of Financial Assets (Liabilities) Presented in the Balance Sheet	Related Amount Not Offset in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Received	
Accounts receivable	\$ 6,205,315	\$ (56,687)	\$ 6,148,628	\$ (1,124)	\$ -	\$ 6,147,504
Accounts payable	\$ (5,817,940)	\$ 56,687	\$ (5,761,253)	\$ 1,124	\$ -	\$ (5,760,129)
Liabilities for bonds with attached repurchase agreements	\$ (5,166,781)	\$ -	\$ (5,166,781)	\$ 5,166,781	\$ -	\$ -

## 27. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of major transactions between the Corporation and other related parties are summarized as below:

### Related party names and categories

<u>Related Party Name</u>	<u>Related Party Category</u>
Concord Futures Corp. (Concord Futures)	Subsidiary
Con Lian Asset Management Service Co., Ltd. (Con Lian AMC)	Subsidiary
Concord Capital Management Corp (Concord Capital Management)	Subsidiary
Concord Insurance Agency Co., Ltd. (Concord Insurance)	Subsidiary
Tai-Yang Development Co., Ltd	Other related party
CHENG, TAI-CHENG	Supervisor of the subsidiary and the legal representative of the corporation's board of directors from June 6, 2024
Hwa-Ho Asset Management Corp.	Subsidiary's investment accounted for using equity method
The Corporation's directors, president, vice presidents, assistant vice presidents, and department heads	Key management personnel

#### a. Cash and cash equivalents

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Subsidiary		
Concord Futures	<u>\$ 405,342</u>	<u>\$ 380,430</u>

#### b. Futures trading margin

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Subsidiary		
Concord Futures	<u>\$ 16,011</u>	<u>\$ 42,128</u>

#### c. Margin loans receivable

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Key management personnel	<u>\$ 70,155</u>	<u>\$ 26,733</u>

#### d. Accounts receivable

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Subsidiary	<u>\$ 1,469</u>	<u>\$ 2,154</u>

Accounts receivable are mainly the futures commission revenue, insurance agency commission revenue and fund agency revenue generated by subsidiaries entrusting the Corporation as its fund sales agency.

e. Other receivables

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Subsidiary	<u>\$ 347</u>	<u>\$ 312</u>

f. Liabilities for bonds with attached repurchase agreements

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Key management personnel	<u>\$ 272,870</u>	<u>\$ 260,969</u>

The transaction terms for bonds with attached repurchase agreements with related parties were not significantly different from those with third parties.

g. Accounts payable

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Subsidiary	<u>\$ 604</u>	<u>\$ 520</u>

h. Other payables

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Subsidiary	<u>\$ 1,050</u>	<u>\$ 1,050</u>

i. Equity for each customer in the account

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Key management personnel	<u>\$ 34,527</u>	<u>\$ 31,315</u>

j. Brokerage handling fee revenue

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Key management personnel	<u>\$ 3,242</u>	<u>\$ 2,928</u>

The terms of the securities brokerage transactions with related parties were not significantly different from those with third parties.

k. Revenue from providing agency services for stock affairs

<u>For the Year Ended December 31</u>	
2024	2023

Subsidiary	\$ <u>36</u>	\$ <u>36</u>
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l. Interest income

<u>For the Year Ended December 31</u>	
2024	2023

Key management personnel	\$ <u>1,906</u>	\$ <u>1,229</u>
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m. Futures commission income

<u>For the Year Ended December 31</u>	
2024	2023

Subsidiary		
Concord Futures	\$ <u>10,122</u>	\$ <u>8,677</u>

n. Other operating income

<u>For the Year Ended December 31</u>	
2024	2023

Subsidiary		
Concord Insurance	\$ 5,930	\$ 3,845
Concord Capital Management	<u>512</u>	<u>423</u>
	\$ <u>6,442</u>	\$ <u>4,268</u>

Other operating income is mainly the insurance agency commission revenue and fund agency revenue in accordance with the insurance agency and fund sales contracts signed by the Corporation and its subsidiaries.

o. Finance costs

<u>For the Year Ended December 31</u>	
2024	2023

Subsidiary	\$ 22	\$ 20
Key management personnel	<u>3,613</u>	<u>3,251</u>
	\$ <u>3,635</u>	\$ <u>3,271</u>

p. Clearing and settlement expenses

<u>For the Year Ended December 31</u>	
2024	2023

Subsidiary		
Concord Futures	\$ <u>2,256</u>	\$ <u>3,955</u>

q. Securities commission expense

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>

Subsidiary

Concord Futures

\$ 7,588

\$ 6,189

r. Other operating costs

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>

Subsidiary

\$ -

\$ 16

s. Other operating expenses

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>

Subsidiary

\$ 12,600

\$ 12,600

t. Other gains and losses

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>

Subsidiary

\$ 11,052

\$ 11,162

u. Lease agreements

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>

Lease liabilities

Supervisor of the subsidiary and the legal representative of the company's board of directors from June 6, 2024

\$ -

\$ 4,400

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>

Finance costs

Supervisor of the subsidiary and the legal representative of the company's board of directors from June 6, 2024

\$ 11

\$ 39

Rental expense

Other related party

\$ 2,775

\$ -

The leasing agreements between the parent company and related parties are based on rental rates that reference the market prices of nearby rental properties, with rent paid every two months in accordance with the lease agreements.

- v. For the years ended December 31, 2024 and 2023, the rental revenue generated by leasing some office and parking spaces to related parties were as follows:

Related Party Category/Name	Lease Term	Underlying Asset	Rental Payment - Timing	Rental Payment - Basis	Rental Amount
For the year ended December 31, 2024					
Subsidiary	2021.10.01-2026.09.30	5F, No. 143, Fuxing N. Rd., Songshan District, Taipei City	Monthly	Contract	\$ 3,886
	2021.07.01-2026.09.30	6F, No. 143, Fuxing N. Rd., Songshan District, Taipei City	Monthly	Contract	3,886
	2022.01.01-2024.12.31	B3, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	Monthly	Contract	163
	2022.04.01-2025.03.31	B2, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	Monthly	Contract	109
	2022.01.01-2024.12.31	B3, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	Monthly	Contract	82
Subsidiary's investment account for using equity method	2023.01.01-2024.12.31	B3, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	Monthly	Contract	<u>54</u>
					<u>\$ 8,180</u>
For the year ended December 31, 2023					
Subsidiary	2021.10.01-2026.09.30	5F, No. 143, Fuxing N. Rd., Songshan District, Taipei City	Monthly	Contract	\$ 3,886
	2021.07.01-2026.09.30	6F, No. 143, Fuxing N. Rd., Songshan District, Taipei City	Monthly	Contract	3,886
	2022.01.01-2024.12.31	B3, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	Monthly	Contract	163
	2022.04.01-2025.03.31	B2, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	Monthly	Contract	109
	2022.01.01-2024.12.31	B3, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	Monthly	Contract	82
Subsidiary's investment account for using equity method	2023.01.01-2024.12.31	B3, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	Monthly	Contract	54
	2023.01.01-2023.06.30	B3, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	Monthly	Contract	<u>27</u>
					<u>\$ 8,207</u>

As of December 31, 2024 and 2023, the balance of the rental deposits received by the Corporation from the related parties was \$1,354 thousand.

w. Equity derivative transactions

The Corporation's key management personnel bought equity derivatives from the Corporation, and the unexpired amount as of December 31, 2024 and 2023 were \$232 thousand and \$391 thousand, respectively (recognized as financial liabilities at fair value through profit or loss - current). The related gains in 2024 and 2023, were as follows:

	For the Year Ended December 31	
	2024	2023
Gains on derivative instruments, net	<u>\$ 281</u>	<u>\$ 239</u>
Other operating income (processing revenue)	<u>\$ 37</u>	<u>\$ 25</u>

x. Remuneration of key management personnel

The remuneration of the Corporation's directors and key management personnel for their services rendered for the years ended December 31, 2024 and 2023, was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 239,132	\$ 194,001
Retirement benefits	<u>15,769</u>	<u>2,605</u>
	<u>\$ 254,901</u>	<u>\$ 196,606</u>

The Corporation determines the remuneration of the directors and key management personnel in accordance with the Corporation's Articles of Incorporation and other regulations, and by reference to the market compensation level and financial performance. The remuneration committee periodically reviews the regulations and makes recommendations for amendments.

## 28. PLEDGED OR MORTGAGED ASSETS

At the end of each reporting period, the Corporation pledges the following assets as bid bonds to the Central Bank of ROC for bond transactions and as collateral to financial institutions for bank loans, credit lines.

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Restricted demand and time deposits	\$ 181,932	\$ 167,040
Government bonds	-	10,041
Property and equipment, net		
Land	518,421	518,421
Buildings	88,672	91,924
Investment property, net		
Land	387,786	474,350
Buildings	<u>64,312</u>	<u>67,227</u>
	<u>\$ 1,241,123</u>	<u>\$ 1,329,003</u>

## 29. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

On August 18, 2021, the Corporation received a civil complaint in which two plaintiffs claimed that Miss Chen, a natural person, and Mr. Chen, a sales representative of the Corporation, deceived them into the fake transaction circumstance. Miss Chen and Mr. Chen's intention of unjust enrichment had harmed the plaintiffs; the plaintiffs therefore filed a civil lawsuit against Miss Chen and Mr. Chen and demanded a joint liability of \$52,000 thousand from the Corporation. The case is currently on trial in Taiwan Taipei District Court. The Corporation's management assessed that there is no significant impact of the aforementioned case on its operations and financial performance.

## 30. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Other than the information disclosed in other notes, there were no significant subsequent events.



### 31. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were summarized as follows:

Unit: Foreign Currencies/NT\$ in Thousands

December 31						
2024			2023			
Foreign Currency	Exchange Rate	New Taiwan Dollars	Foreign Currency	Exchange Rate	New Taiwan Dollars	
<u>Financial assets</u>						
Monetary items						
USD	\$ 59,698	32.7850	\$ 1,957,191	\$ 39,051	30.7050	\$ 1,199,052
CNY	31,007	4.4780	138,849	118,474	4.3270	512,637
EUR	3,098	34.1400	105,758	-	33.9800	-
HKD	1,060	4.2220	4,475	3,466	3.9290	13,619
VND	3,267,409	0.0013	4,248	2,978,600	0.0012	3,574
JPY	-	0.2099	-	73,661	0.2172	15,999
Non-monetary items						
USD	16,841	32.7850	552,125	8,050	30.7050	247,162
CNY	21,907	4.4780	98,102	11,195	4.3270	48,441
HKD	13,810	4.2220	58,306	-	3.9290	-
JPY	69,696	0.2099	14,629	-	0.2172	-
<u>Financial liabilities</u>						
Monetary items						
USD	43,623	32.785	1,430,187	16,048	30.7050	492,760
HKD	273	4.2220	1,154	356	3.9290	1,399

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains or losses were gain \$37,338 thousand and loss \$2,020 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions of the Corporation.

### 32. ADDITIONAL DISCLOSURES

a. Following are additional disclosures required by the Securities and Futures Bureau for the Corporation:

- 1) Financing provided: None.
- 2) Endorsements/guarantees provided: None.
- 3) Acquisition of real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- 4) Disposal of real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 5) Total discounts of handling fee to related parties of at least NT\$5 million: None.
- 6) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.

b. Information of investees

- 1) When the Corporation directly or indirectly exercises significant influence on or obtains control of investees, related information should be disclosed: Table 1 (attached).

- 2) When the Corporation directly or indirectly obtains control of investees, the following information regarding significant transactions with the investee should be disclosed:
  - a) Financing provided: None.
  - b) Endorsements/guarantees provided: None.
  - c) Acquisition of real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
  - d) Disposal of real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
  - e) Total discounts of handling fee to related parties of at least NT\$5 million: None.
  - f) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- c. Information on foreign branches and representative offices abroad: None.
- d. Information on investments in mainland China:
 

Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment gains or losses, carrying amount of the investment at the end of the period, repatriations of investments income, and limit on the amount of investment in the mainland China area: Table 2 (attached).
- e. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: None.

### **33. DISCLOSURES REQUIRED UNDER RULE NO. 10703209011 ISSUED BY THE FINANCIAL SUPERVISORY COMMISSION DATED JUNE 1, 2018**

The Corporation has no investment of foreign entity registered as a non-IOSCO MMoU member or without formal permission as a securities or futures firm from an IOSCO MMoU member.

- a. Balance sheets: None.
- b. Statements of comprehensive income: None.
- c. Securities held: None.
- d. Derivative financial instrument transactions and the source of capital: None.
- e. Revenue from assets management business, services and litigation: None.

### **34. SEGMENT INFORMATION**

Under Article 26 of the Regulations Governing the Preparation of Financial Reports by Securities Firms, a securities firm preparing its parent company only financial reports is not required to prepare segment information.

TABLE 1

## CONCORD SECURITIES CO., LTD.

NAMES, LOCATIONS, AND RELATED INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Date of Incorporation	Rule No. Issued by Financial Supervisory Commission	Main Businesses	Investment Amount		Balance as of December 31, 2024			Operating Income of the Investee	Net Profit (Loss) of the Investee	Share of Profit (Loss)	Cash Dividends	Note
						December 31, 2024	December 31, 2023	Number of Shares	Percentage of Ownership (%)	Carrying Amount					
Concord Securities Co., Ltd. (the Corporation)	Concord Futures Corp.	5th and 6th Floors, No. 143, Fuxing N. Rd., Songshan District, Taipei City	July 7, 1999	Aug. 5, 2003 No. Tai-Tsai-Cheng (2) 0920135652	Foreign and domestic futures proprietary, brokerage and consulting services	\$ 559,654	\$ 559,654	78,005,571	95.71	\$ 1,428,368	\$ 623,170	\$ 128,087	\$ 122,567	\$ 69,987	Subsidiary
	Con Lian Asset Management Service Co., Ltd.	B2, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	September 5, 2003		Investment, business management advisory services and asset management services	230,000	230,000	54,900,000	100.00	580,674	-	7,636	7,636	-	Subsidiary
	Concord Capital Management Corp.	9th Floor, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	May 25, 1988		Securities investment advisory services	81,599	81,599	7,000,000	100.00	70,849	26,944	(6,088)	(6,088)	-	Subsidiary
	Concord Insurance Agency Co., Ltd.	10 <sup>th</sup> Floor, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	October 4, 2013		Life insurance agency and property insurance agency	5,000	5,000	2,500,000	100.00	14,736	17,705	(1,578)	(1,578)	-	Subsidiary
Con Lian Asset Management Service Co., Ltd.	HWA-HO Asset Management Corp.	14th Floor, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	September 29, 2003	Jan. 10, 2013 No. Financial-Supervisory -Securities-Firms-101 0056608 and Jun. 23, 2020 No. Jin-Guan-Bao-Zong-Zi-1090421845	Real estate commerce, development and business management advisory services	195,668	195,668	56,472,021	46.59	585,898	225,111	21,359	9,977	-	Investments of subsidiary accounted for using equity method

**TABLE 2****CONCORD SECURITIES CO., LTD.****INVESTMENTS IN MAINLAND CHINA****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars and Foreign Currencies)**

1. Investee company's name, main business and products, total amount of paid-in capital, investment type, investment outflows and inflows, net income (loss) of the investee, % ownership, investment gain (loss), carrying value as of December 31, 2024 and inward remittance of earnings:

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Note 2)	Investment Type	Accumulated Outflow of Investment as of December 31, 2023 (Note 1)	Investment Flows		Accumulated Outflow of Investment as of December 31, 2024 (Note 1)	Net Income (Loss) of the Investee (Note 5)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 6)	Carrying Value as of December 31, 2024 (Note 6)	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
Guoyuan Futures Co., Ltd.	Commodities futures brokerage, financial futures brokerage, futures investment consulting, assets management, and other businesses that CSRC permits or acquired to put on record.	\$ 3,591,366 (CNY 802,002 thousand)	Others	\$ 51,561 (US\$ 1,579 thousand)	\$ -	\$ -	\$ 51,561 (US\$ 1,579 thousand)	\$ 399,501 (CNY 89,689 thousand)	1.21	\$ -	\$ 80,313	\$ -

2. Upper limit of investment in mainland China:

Accumulated Investment in Mainland China as of December 31, 2024 (Note 1)	Investment Amounts Authorized by the Investment Commission, MOEA (Note 3)	Upper Limit of Investment Authorized by the Investment Commission MOEA (Note 4)
\$51,561 (US\$1,579 thousand)	\$52,896 (US\$1,613 thousand)	\$895,275

Note 1: The NTD amount was converted using the USD buying rate when the original investments were transferred from the account.

Note 2: The NTD amount was converted using the average CNY buying and selling rates for the year ended December 31, 2024.

Note 3: The NTD amount was converted using the average USD buying and selling rates for the year ended December 31, 2024.

Note 4: The amount was calculated based on 60% of Concord Futures' net asset value as of December 31, 2024.

Note 5: The NTD amount was converted using the average CNY buying and selling rates during 2024.

Note 6: The investment was accounted for as financial assets at FVTOCI and no investment gains or losses were recognized in the current year.

**STATEMENT 1****CONCORD SECURITIES CO., LTD.****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>
Bank deposits		
Checking accounts		\$ 12,260
Demand deposits		476,951
Foreign currency deposits	CNY20,807,549 @4.478	93,176
	US\$7,958,249 @32.785	260,911
	HK\$963,219 @4.222	4,067
	JPY53 @0.2099	-
	EUR963 @34.14	33
	GBP101 @41.19	4
		<u>847,402</u>
Cash equivalents		
Excess futures trading margin	NT\$	400,863
	US\$455,832 @32.785	14,944
	VND3,267,408,968 @0.0013	4,248
		<u>420,055</u>
Short-term bills	Interest rate were 1.41%; expires on January 2, 2025	<u>149,933</u>
		<u>\$ 1,417,390</u>

## CONCORD SECURITIES CO., LTD.

## STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Financial Instrument	Description	Thousand Shares or Units	Par Value (Dollars)	Total Amount	Interest Rate	Acquisition Cost	Fair Value		Fair Value Changes Is Attributable to the Changes in Credit Risk	Note
							Unit Price (Dollars)	Total Amount		
Open-end funds and money market instruments										
UPAMC China High Yield Bond Fund TWD Acc.		2,655	\$ 10.00	\$ 26,547		\$ 25,000	\$ 9.47	\$ 25,134	\$ -	Note 1
Operating securities - proprietary										
Listed shares										
Taiwan Semiconductor Manufacturing Co., Ltd		121	10.00	1,210		127,814	1,075.00	130,075	-	
MediaTek Inc.		119	10.00	1,190		165,914	1,415.00	168,385	-	
Chenming Electronic Technology Corp.		1,061	10.00	10,610		112,763	141.50	150,132	-	
Shin Zu Shing Co., Ltd.		437	10.00	4,370		83,218	210.00	91,770	-	
Jentech Precision Industrial Co., Ltd.		275	10.00	2,750		237,050	1,525.00	419,354	-	
Fujitec Taiwan Co., Ltd.		143	10.00	1,430		105,649	810.00	115,830	-	
Kaori Heat Treatment Co., Ltd.		305	10.00	3,050		101,931	317.00	96,685	-	
Others		-	-	-		308,640	-	325,510	-	Note 3
								1,497,741		
Shares and convertible bonds traded in the OTC market										
Foci Fiber Optic Communications, Inc.		1,977	10.00	19,770		306,137	247.50	489,308	-	
Others		-	-	-		5,380,928	-	5,450,923	-	Note 3
								5,940,231		
Emerging shares										
GMT Global Inc.		500	10.00	5,000		22,727	82.11	41,055	-	
Advanced Echem Materials Co., Ltd		50	10.00	500		31,743	668.39	33,420	-	
RFD Micro Electricity Co., Ltd.		1,002	10.00	10,020		80,692	55.05	55,174	-	
Microip Inc.		404	10.00	4,040		43,481	100.65	40,662	-	
Others		-	-	-		207,805	-	203,356	-	Note 3
								373,667		
Beneficiary certificates										
JKO S&P GSCI Brent Crude 2x Leveraged ER Futures ETF		3,509	10.00	35,090		44,696	13.77	48,319	-	
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF		1,756	10.00	17,560		38,721	22.18	38,948	-	
Cathay Taiwan 5G PLUS ETF		1,000	10.00	10,000		22,194	24.91	24,910	-	
Capital Tip Customized Taiwan Select High Dividend ETF		2,025	10.00	20,250		47,491	23.38	47,345	-	
Capital Tip Taiwan Semiconductor Dividend Yield ETF		3,516	10.00	35,160		75,219	18.22	64,062	-	
Fuh Hwa Taiwan Technology Dividend Highlight ETF		7,002	10.00	70,020		125,678	18.04	126,316	-	
Others		-	-	-		129,489	-	125,209	-	Note 3
								475,109		
Government bonds										
A09101	2025.01.10	2,000	100.00	200,000	0.500%	199,353	99.98	199,951	-	
A13103	2029.01.29	2,000	100.00	200,000	1.125%	199,449	98.38	196,759	-	

(Continued)

Name of Financial Instrument	Description	Thousand Shares or Units	Par Value (Dollars)	Total Amount	Interest Rate	Acquisition Cost	Fair Value		Fair Value Changes Is Attributable to the Changes in Credit Risk	Note
							Unit Price (Dollars)	Total Amount		
Government bonds										
A13107	2034.06.21	1,500	\$ 100.00	\$ 150,000	1.625%	\$ 150,621	\$ 99.89	\$ 149,833	\$ -	
A13109	2044.09.25	1,500	100.00	150,000	1.500%	147,878	95.73	143,597	-	
A13110	2034.10.18	2,000	100.00	200,000	1.500%	199,855	98.74	197,470	-	
A13201	2026.03.15	3,000	100.00	300,000	1.125%	300,051	99.65	298,932	-	
Others		-	-	-		99,971	-	98,855	-	
								<u>1,285,397</u>		
Foreign shares and bonds										
Broadcom	NYSE	9	-	-		60,964	231.84	70,840	-	Note 2
NVIDIA	NYSE	18	-	-		75,078	134.29	81,115	-	Note 2
Tesla	NYSE	23	-	-		174,742	403.84	306,159	-	Note 2
Others		-	-	-		243,767	-	263,474	-	Note 3
								<u>721,588</u>		
								<u>10,293,733</u>		
Operating securities - underwriting										
Listed shares										
Mercuries Life Insurance Inc.		30	10.00	300		189	6.31	189	-	
Shares and convertible bonds traded in the OTC market										
TCC Group Holdings Co., Ltd. (11011)		48	100.00	4,800		4,800	99.30	4,766	-	
Far Eastern New Century Corp. (140202)		20	100.00	2,000		2,040	95.80	1,916	-	
Sun Race SturmeY-Archer Inc. (15261)		50	100.00	5,000		5,191	95.15	4,758	-	
Hota Industrial MFG. Co., Ltd. (15364)		15	100.00	1,500		1,500	113.70	1,705	-	
BTL Inc. (68401)		100	100.00	10,000		10,536	99.55	9,955	-	
Yulon Finance Corporation (99412)		65	100.00	6,500		6,565	95.00	6,175	-	
Others		-	-	-		1,936	-	1,977	-	
								<u>31,252</u>		
								<u>31,441</u>		
Operating securities - hedging										
Listed shares, beneficiary certificates and warrants										
Taiwan Semiconductor Manufacturing Co., Ltd.		64	10.00	642		65,561	1,075.00	69,015	-	
Shin Kong Financial Holding Co., Ltd.		3,036	10.00	30,358		37,296	11.80	35,823	-	
TOPKEY Corp.		220	10.00	2,200		44,918	204.50	44,990	-	
APAQ Technology Co., Ltd.		159	10.00	1,590		23,605	148.50	23,612	-	
Horizon Fixture Group Co., Ltd.		150	10.00	1,500		32,259	231.00	34,650	-	
Others		-	-	-		238,286	-	236,455	-	Note 3
								<u>444,545</u>		
Shares, warrants, and convertible bonds traded in the OTC market										
Yuanta U.S. Treasury 20+ Year Bond ETF (00679B)		1,862	10.00	18,620		55,573	28.65	53,346	-	
Cathay U.S. Treasury 20+ Year Bond ETF (00687B)		2,742	10.00	27,420		86,628	29.78	81,657	-	
Capital ICE ESG 20+ Year BBB Corporate ETF (00936)		3,311	10.00	33,110		53,220	15.79	52,281	-	
Others		-	-	-		845,469	-	801,982	-	Note 3
								<u>989,266</u>		
								<u>1,433,811</u>		
Futures margin - own funds								<u>16,011</u>		Note 3
Derivative assets - OTC								<u>158,967</u>		Note 3
								<u>\$ 11,959,097</u>		

(Continued)

Note 1: It refers to the thousand of units in the case of funds.

Note 2: The fair value per unit of foreign securities is expressed in USD.

Note 3: The amount of the financial instrument does not exceed 5% of each account balance. Therefore, no further details were disclosed.

(Concluded)



## CONCORD SECURITIES CO., LTD.

## STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Financial Instrument	Description	Thousand Shares or Units	Par Value (Dollars)	Total Amount	Interest Rate	Acquisition Cost	Accumulated Impairment	Fair Value		Note
								Unit Price (Dollars)	Total Amount	
Corporate bonds										
B97630	Repayment on 2025.10.23	-	\$ -	\$ -	1.6907%	\$ 100,000	\$ 107	99.42	\$ 99,423	
Foreign bonds										
CMINLE 1.875 08/12/25 Corp	Repayment on 2025.08.12	-	-	-	1.8750%	16,389	5	98.03	16,070	Note
FUBBAN 4.08 01/09/25 Corp	Repayment on 2025.01.09	-	-	-	4.0800%	44,773	48	100.00	44,786	Note
						61,162	53		60,856	
						\$ 161,162	\$ 160		\$ 160,279	

Note: The fair value per unit of foreign bonds is expressed in USD.

**CONCORD SECURITIES CO., LTD.****STATEMENT OF MARGIN LOANS RECEIVABLE****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Name of Security</b>	<b>Shares (In Thousand)</b>	<b>Amount</b>	<b>Note</b>
Others (Note)		\$ 8,071,260	
Less: Allowance for impairment loss		<u>(1,261)</u>	
		<u>\$ 8,069,999</u>	

Note: The amount of individual security included in others does not exceed 5% of the account balance.

**STATEMENT 5****CONCORD SECURITIES CO., LTD.****STATEMENT OF ACCOUNTS RECEIVABLE****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Client Name</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Non-related parties			
Brokerage customers	Mainly for settlement, brokerage handling fee and financing interest	\$ 4,848,314	
Taipei Exchange	Mainly for settlement	72,859	
Taiwan Stock Exchange	Mainly for settlement	53,643	
Others		8,352	
Less: Allowance for impairment loss		<u>(341)</u>	
		4,982,827	
Related parties			
Subsidiaries	Mainly including futures and insurance agency commission income	<u>1,469</u>	
		<u>\$ 4,984,296</u>	

**CONCORD SECURITIES CO., LTD.**

**STATEMENT OF PREPAYMENTS**

**DECEMBER 31, 2024**

**(In Thousands of New Taiwan Dollars)**

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<b>Client Name</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Others (Note)	Insurance, information service fees, maintenance fees and other items	<u>\$ 10,179</u>	

Note: The amount of individual client included in others does not exceed 5% of the account balance.

**CONCORD SECURITIES CO., LTD.****STATEMENT OF OTHER RECEIVABLES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Non-related parties			
Default receivable		\$ 79,139	
Rents receivable	Rents receivable	6,266	
Others	Mainly including interest receivable and rewards of the transaction tax	1,388	
Less: Allowance for impairment loss		<u>(78,554)</u>	
		<u>8,239</u>	
Related parties			
Subsidiaries	Mainly including management service fee receivable	<u>347</u>	
		<u>\$ 8,586</u>	

**CONCORD SECURITIES CO., LTD.****STATEMENT OF OTHER CURRENT ASSETS****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Cash and cash equivalents - receipts under custody	Cash and cash equivalents - receipts under custody from customers security subscription and exercise of warrant	\$ 158,625	
Amounts held for settlement	Net settlement receivable and payable to the Taiwan Stock Exchange or Taipei Exchange	93,643	
Others		<u>229</u>	
		<u>\$ 252,497</u>	

## CONCORD SECURITIES CO., LTD.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NON-CURRENT  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Financial Instrument	Balance at January 1, 2024		Increase		Decrease		Balance at December 31, 2024		Collateral	Note
	Shares (In Thousand) or Units	Fair Value	Shares (In Thousand) or Units	Amount	Shares (In Thousand) or Units	Amount	Shares (In Thousand) or Units	Fair Value		
Government bonds A11108	100	<u>\$ 10,041</u>	-	<u>\$ -</u>	(100)	<u>\$ (10,041)</u>	-	<u>\$ -</u>		

## CONCORD SECURITIES CO., LTD.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Financial Instrument	Balance at January 1, 2024		Increase		Decrease		Balance at December 31, 2024		Accumulated Impairment	Collateral	Note
	Shares (In Thousand) or Units	Fair Value	Shares (In Thousand) or Units	Amount	Shares (In Thousand) or Units	Amount	Shares (In Thousand) or Units	Fair Value			
Stocks											
Taiwan Stock Exchange	2,505	\$ 217,666	376	\$ 56,478	-	\$ -	2,881	\$ 274,144	Not applicable	Nil	Note 2
Taiwan Futures Exchange	2,180	161,900	305	27,910	-	-	2,485	189,810	Not applicable	Nil	Note 2
Taiwan Depository & Clearing Corporation	1,593	127,488	302	45,563	-	-	1,895	173,051	Not applicable	Nil	Note 2
Asia Pacific Emerging Industry Venture Capital Co., Ltd.	1,403	<u>21,293</u>	-	<u>-</u>	(350)	<u>(13,882)</u>	1,053	<u>7,411</u>	Not applicable	Nil	Note 2
		<u>528,347</u>		<u>129,951</u>		<u>(13,882)</u>		<u>644,416</u>			
Bonds											
US TREASURY 4.375 05/15/34	-	-	-	904,641	-	-	-	904,641	\$ -	Nil	
US TREASURY 3.875 08/15/34	-	-	-	496,406	-	-	-	496,406	-	Nil	
Others	-	<u>2,443,990</u>	-	<u>-</u>	-	<u>(630,887)</u>	-	<u>1,813,103</u>	<u>1,106</u>	Nil	Note 1
		<u>2,443,990</u>		<u>1,401,047</u>		<u>(630,887)</u>		<u>3,214,150</u>	<u>1,106</u>		
		<u>\$ 2,972,337</u>		<u>\$ 1,530,998</u>		<u>\$ (644,769)</u>		<u>\$ 3,858,566</u>	<u>\$ 1,106</u>		

Note 1: The amount of the financial instrument does not exceed 5% of each account balance. Therefore, no further details were disclosed.

Note 2: For financial assets invested in equity instruments measured at fair value through other comprehensive income, the column of accumulated impairment is not applicable.



## CONCORD SECURITIES CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)

Investee	Balance at January 1, 2024		Increase		Decrease		Balance at December 31, 2024			Market Value or Net Asset Value		Collateral	Note
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Percentage of Ownership (%)	Amount	Unit Price	Carrying Amount		
Concord Futures Corp. (Concord Futures)	78,005,571	\$ 1,329,491	-	\$ 168,864	-	\$ (69,987)	78,005,571	95.71	\$ 1,428,368	\$18.31	\$ 1,428,148	Nil	Note 1
Con Lian Asset Management Service Co., Ltd. (Con Lian AMC)	54,900,000	573,072	-	7,636	-	(34)	54,900,000	100.00	580,674	10.58	580,674	Nil	Note 2
Concord Capital Management Corp. (Concord Capital Management)	7,000,000	76,437	-	500	-	(6,088)	7,000,000	100.00	70,849	10.12	70,849	Nil	Note 3
Concord Insurance Agency Co., Ltd. (Concord Insurance)	2,500,000	<u>16,314</u>	-	<u>-</u>	-	<u>(1,578)</u>	2,500,000	100.00	<u>14,736</u>	5.89	<u>14,736</u>	Nil	Note 4
		<u>\$ 1,995,314</u>		<u>\$ 177,000</u>		<u>\$ (77,687)</u>			<u>\$ 2,094,627</u>		<u>\$ 2,094,407</u>		

Note 1: The increase is due to gains on investments accounted for using equity method that amounted to \$122,567 thousand, unrealized gains on investments in equity instruments at fair value through other comprehensive income that amounted to \$46,022 thousand and gains on remeasurement of defined benefit plans that amounted to \$275 thousand. The decrease is due to distribution of cash dividends that amounted to \$69,987 thousand.

Note 2: The increase is due to gains on investments accounted for using equity method that amounted to \$7,636 thousand. The decrease is due to unrealized losses on investments in equity instruments at fair value through other comprehensive income that amounted to \$34 thousand.

Note 3: The increase is due to unrealized gains on investments in equity instruments at fair value through other comprehensive income that amounted to \$500 thousand. The decrease is due to losses on investments accounted for using equity method that amounted to \$6,088 thousand.

Note 4: The decrease is due to losses on investments accounted for using equity method that amounted to \$1,578 thousand.

## CONCORD SECURITIES CO., LTD.

STATEMENT OF CHANGES IN PROPERTY AND EQUIPMENT  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (In Thousands of New Taiwan Dollars)

Item	Balance at January 1, 2024	Additions	Reductions	Reclassifi- cations	Balance at December 31, 2024	Collateral	Note
Cost							
Land	\$ 604,127	\$ -	\$ -	\$ (841)	\$ 603,286	Note	
Buildings	230,371	-	-	(559)	229,812	Note	
Equipment	113,770	19,238	(14,343)	-	118,665		
Leasehold improvements	<u>23,395</u>	<u>2,134</u>	<u>(424)</u>	<u>-</u>	<u>25,105</u>		
	<u>\$ 971,663</u>	<u>\$ 21,372</u>	<u>\$ (14,767)</u>	<u>\$ (1,400)</u>	<u>\$ 976,868</u>		

Note: Property and equipment pledged with banks as collateral for loans amounted to \$607,093 thousand.

## CONCORD SECURITIES CO., LTD.

STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY AND EQUIPMENT  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (In Thousands of New Taiwan Dollars)

Item	Balance at January 1, 2024	Additions	Reductions	Reclassifi- cations	Balance at December 31, 2024	Note
Accumulated depreciation						
Buildings	\$ 107,042	\$ 4,085	\$ -	\$ (191)	\$ 110,936	Note
Equipment	42,562	25,523	(14,269)	-	53,816	Note
Leasehold improvements	11,146	4,637	(424)	-	15,359	Note
	<u>\$ 160,750</u>	<u>\$ 34,245</u>	<u>\$ (14,693)</u>	<u>\$ (191)</u>	<u>\$ 180,111</u>	

Note: Property and equipment are depreciated using the straight-line method.

## CONCORD SECURITIES CO., LTD.

STATEMENT OF CHANGES IN ACCUMULATED IMPAIRMENT OF PROPERTY AND EQUIPMENT  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (In Thousands of New Taiwan Dollars)

Item	Balance at January 1, 2024	Additions	Reductions	Reclassifi- cations	Balance at December 31, 2024	Note
Accumulated impairment						
Buildings	<u>\$ 1,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,257</u>	

## CONCORD SECURITIES CO., LTD.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (In Thousands of New Taiwan Dollars)

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Item	Balance at January 1, 2024	Additions	Reductions	Balance at December 31, 2024	Note
Cost					
Buildings	\$ 167,367	\$ 44,290	\$ (106,965)	\$ 104,692	
Equipment	<u>7,955</u>	<u>1,717</u>	<u>(4,830)</u>	<u>4,842</u>	
	<u>\$ 175,322</u>	<u>\$ 46,007</u>	<u>\$ (111,795)</u>	<u>\$ 109,534</u>	

## CONCORD SECURITIES CO., LTD.

**STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2024**  
(In Thousands of New Taiwan Dollars)

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Item	Balance at January 1, 2024	Additions	Reductions	Balance at December 31, 2024	Note
Accumulated depreciation					
Buildings	\$ 76,004	\$ 44,889	\$ (87,829)	\$ 33,064	Note
Equipment	<u>5,512</u>	<u>1,453</u>	<u>(4,830)</u>	<u>2,135</u>	Note
	<u>\$ 81,516</u>	<u>\$ 46,342</u>	<u>\$ (92,659)</u>	<u>\$ 35,199</u>	

Note: Right-of-use assets are depreciated using the straight-line method.

CONCORD SECURITIES CO., LTD.

STATEMENT OF CHANGES IN INVESTMENT PROPERTY  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)

Item	Balance at January 1, 2024		Additions		Reductions		Reclassifications		Balance at December 31, 2024		Note
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value	
Cost											
Land	\$ 479,844	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 841	\$ -	\$ 480,685	\$ -	Note
Buildings	<u>179,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>559</u>	<u>-</u>	<u>180,161</u>	<u>-</u>	Note
	<u>\$ 659,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,400</u>	<u>\$ -</u>	<u>\$ 660,846</u>	<u>\$ -</u>	

Note: Investment property pledged with banks as collateral for loans amounted to \$452,098 thousand.

## CONCORD SECURITIES CO., LTD.

STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF INVESTMENT PROPERTY  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (In Thousands of New Taiwan Dollars)

Item	Balance at January 1, 2024	Additions	Reductions	Reclassifi- cations	Balance at December 31, 2024	Note
Accumulated depreciation						
Buildings	<u>\$ 102,838</u>	<u>\$ 3,199</u>	<u>\$ -</u>	<u>\$ 191</u>	<u>\$ 106,228</u>	Note

Note: Investment property are depreciated using the straight-line method.



**CONCORD SECURITIES CO., LTD.**
**STATEMENT OF CHANGES IN ACCUMULATED IMPAIRMENT OF INVESTMENT PROPERTY  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (In Thousands of New Taiwan Dollars)**

Item	Balance at January 1, 2024	Additions	Reductions	Reclassifi- cations	Balance at December 31, 2024	Note
Accumulated impairment Buildings	<u>\$ 661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 661</u>	

**CONCORD SECURITIES CO., LTD.****STATEMENT OF DEFERRED TAX ASSETS****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Defined benefit plan		\$ 16,223	
Payables for annual leave		4,504	
Unrealized exchange losses		<u>2,031</u>	
		<u>\$ 22,758</u>	

**CONCORD SECURITIES CO., LTD.****STATEMENT OF OTHER NON-CURRENT ASSETS****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Operation guarantee deposits	Guarantee deposits recognized according to the Rules Governing Securities Firms Commission Merchants	\$ 330,000	
Clearing and settlement fund	The reserve fund deposited at the TWSE and the Taipei Exchange	131,042	
Refundable deposits	Performance bond for structured instruments at the Taipei Exchange and lease security deposits	140,846	
Prepayments for equipment	Prepayments for equipment	6,255	
Deferred expense	Waterproofing works of buildings fee and other expense	<u>1,872</u>	
		<u>\$ 610,015</u>	

## CONCORD SECURITIES CO., LTD.

## STATEMENT OF SHORT-TERM BORROWINGS

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Type	Description	Balance at December 31, 2024	Contract Term	Interest Rate	Loan Commitment	Collateral	Note
Secured borrowings							
Bank of Taiwan	Bank borrowings	<u>\$ 300,000</u>	2024.10.28-2025.01.16	1.980%	<u>\$ 300,000</u>	Demand deposits	
Unsecured borrowings							
E.SUN Commercial Bank	Bank borrowings	230,000	2024.12.25-2025.01.03	2.100%	700,000	Nil	
Yuanta Commercial Bank	Bank borrowings	<u>675,000</u>	2024.10.24-2025.03.13	1.890%-2.050%	<u>1,000,000</u>	Nil	
		<u>905,000</u>			<u>1,700,000</u>		
		<u>\$ 1,205,000</u>			<u>\$ 2,000,000</u>		

## CONCORD SECURITIES CO., LTD.

STATEMENT OF COMMERCIAL PAPER PAYABLE  
DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)

Name of Guarantee Agency	Balance at December 31, 2024	Contract Term	Interest Rate	Collateral
China Bills Finance Corporation	\$ 2,270,000	2024.11.15-2025.02.21	1.83%-1.94%	Nil
Ta Ching Bills Finance Corporation	470,000	2024.12.06-2025.01.20	1.91%-1.94%	Nil
International Bills Finance Corporation	465,000	2024.12.10-2025.02.12	1.87%-1.94%	Nil
CTBC Bank Co., Ltd.	200,000	2024.12.06-2025.02.12	1.90%-1.92%	Nil
Mega Bills Finance Co., Ltd.	1,000,000	2024.10.23-2025.02.24	1.82%-1.95%	Nil
Union Bank Of Taiwan	870,000	2024.11.05-2025.02.19	1.80%-1.91%	Nil
Taiwan Cooperative Bills Finance Corporation	1,895,000	2024.12.11-2025.03.10	1.93%-1.97%	Nil
KGI Bank Co., Ltd.	<u>365,000</u>	2024.12.09-2025.01.08	1.80%-1.87%	Nil
	7,535,000			
Less: Discount on commercial paper payable	<u>(12,063)</u>			
	<u>\$ 7,522,937</u>			

## CONCORD SECURITIES CO., LTD.

## STATEMENT OF FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Financial Instrument	Description	Shares (In Thousands or Units)	Par Value (Dollars)	Total Amount	Interest Rate	Fair Value		Fair Value Changes Is Attributable to the Changes in Credit Risk	Note
						Unit Price (Dollars)	Total Amount		
Liabilities on sale of borrowed securities - hedging									
Shares and beneficiary certificate									
Yuanta Taiwan Dividend Plus ETF		1,600	\$ 10.00	\$ 16,000		36.68	\$ 58,688	\$ -	Note 1
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF		580	10.00	5,800		22.18	12,864	-	Note 1
Yuanta Taiwan Value High Dividend ETF		1,357	10.00	13,570		9.41	12,769	-	Note 1
Others		-	-	-			<u>113,447</u>	-	Notes 1 and 2
							<u>197,768</u>		
Liabilities on sale of borrowed securities - non-hedging									
Beneficiary certificate									
Fuh Hwa Taiwan Technology Dividend Highlight ETF		7,000	10.00	70,000		18.04	126,280	-	
Capital Tip Taiwan Semiconductor Dividend Yield ETF		3,516	10.00	35,160		18.22	64,062	-	
JKO S&P GSCI Brent Crude 2x Leveraged ER Futures ETF		3,509	10.00	35,090		13.77	48,319	-	
Capital Tip Customized Taiwan Select High Dividend ETF		2,025	10.00	20,250		23.38	47,345	-	
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF		1,756	10.00	17,560		22.18	38,948	-	
Cathay Taiwan 5G PLUS ETF		1,000	10.00	10,000		24.91	24,910	-	
Others		-	-	-			<u>101,598</u>	-	Notes 2
							<u>451,462</u>		
Warrants liabilities							16,500		Note 2
Warrants redeemed							<u>(16,289)</u>		Note 2
Derivative liabilities - OTC							<u>1,174,673</u>		Note 2
Structured instruments							<u>658,504</u>		Note 2
							<u>\$ 2,482,618</u>		

Note 1: For warrants liabilities-hedged and equity derivatives-hedged.

Note 2: The amount of the financial instrument does not exceed 5% of each account balance. Therefore, no further details were disclosed.

**CONCORD SECURITIES CO., LTD.****STATEMENT OF LIABILITIES FOR BONDS WITH ATTACHED REPURCHASE AGREEMENTS****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

Name of Security	Start Date	Contract Terms		Interest Rate	Type	Amount		Turnover	Note
		Maturity Date				Par Value			
A13201	2024.12.06	2025.01.06		1.650%	Government bonds	\$ 300,000		\$ 303,130	
US TREASURY 3.875 08/15/34	2024.12.19	2025.01.10		4.800%	U.S. Treasury	491,775		450,440	
US TREASURY 4.375 05/15/34	2024.12.19	2025.01.10		4.800%	U.S. Treasury	754,055		712,107	
Others (Note)						<u>3,833,380</u>		<u>3,855,056</u>	
						<u>\$ 5,379,210</u>		<u>\$ 5,320,733</u>	

Note: The amount of individual security included in others does not exceed 5% of the account balance.

**CONCORD SECURITIES CO., LTD.****STATEMENT OF SECURITIES FINANCING REFUNDABLE DEPOSITS****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Name of Security</b>	<b>Shares (In Thousands)</b>	<b>Amount</b>	<b>Note</b>
Auras Technology Co., Ltd.	50	\$ 29,898	
Landmark Optoelectronics Corp.	109	28,944	
New Era Electronics Co., Ltd.	190	23,715	
Elite Advanced Laser Corp.	102	23,306	
Others (Note)		<u>223,557</u>	
		<u>\$ 329,420</u>	

Note: The amount of individual security included in others does not exceed 5% of the account balance.



**CONCORD SECURITIES CO., LTD.****STATEMENT OF DEPOSITS PAYABLE FOR SECURITIES FINANCING****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Name of Security</b>	<b>Shares (In Thousands)</b>	<b>Amount</b>	<b>Note</b>
Auras Technology Co., Ltd.	50	\$ 33,094	
Landmark Optoelectronics Corp.	109	31,818	
New Era Electronics Technology Inc.	190	24,088	
Elite Advanced Laser Corp.	102	23,199	
Others (Note)		<u>243,904</u>	
		<u>\$ 356,103</u>	

Note: The amount of individual security included in others does not exceed 5% of the account balance.

**CONCORD SECURITIES CO., LTD.****STATEMENT OF ACCOUNTS PAYABLE****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Client Name</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Non-related parties			
Brokerage customers	Mainly for settlement	\$ 4,912,003	
Taipei Exchange	Mainly for settlement	6,989	
Taiwan Stock Exchange	Mainly for settlement	13,292	
Others		<u>10,307</u>	
		4,942,591	
Related parties			
Subsidiaries	Securities commission fee	<u>604</u>	
		<u>\$ 4,943,195</u>	

**CONCORD SECURITIES CO., LTD.****STATEMENT OF OTHER PAYABLES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Description</b>	<b>Amount</b>
Non-related parties		
Accrued expenses		
Salary and bonus	Salaries and bonuses payable	\$ 425,394
Compensation of employees and remuneration of directors	Compensation of employees and remuneration of directors payable	128,065
Others (Note)		<u>61,569</u>
		615,028
Related parties		
Subsidiaries	Consultancy fee payable	<u>1,050</u>
		<u>\$ 616,078</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

**CONCORD SECURITIES CO., LTD.****STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Description</b>	<b>Lease Term</b>	<b>Discount Rate</b>	<b>Balance at December 31, 2024</b>	<b>Note</b>
Buildings	Business offices	2 to 5 years	0.610%-1.918%	\$ 70,118	
Equipment	Recording equipment and vehicle	3 to 5 years	0.521%-1.950%	2,049	
Less: Due within one year				<u>(26,019)</u>	
				<u>\$ 46,148</u>	

**CONCORD SECURITIES CO., LTD.****STATEMENT OF PROVISIONS - CURRENT****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Employee benefits liability provision	Estimated paid leave compensation when employees rendered services	<u>\$ 22,522</u>	

**CONCORD SECURITIES CO., LTD.****STATEMENT OF OTHER CURRENT LIABILITIES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Receipts under custody	Mainly including receipts under custody from customer's security subscription and labor and health insurance	\$ 182,512	
Prepayments	Mainly including prepayments settlement from brokerage customer's and rental revenue	11,921	
Others		<u>271</u>	
		<u>\$ 194,704</u>	

## CONCORD SECURITIES CO., LTD.

STATEMENT OF FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS - NON-CURRENT  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (In Thousands of New Taiwan Dollars)

Name	Balance at January 1, 2024		Increase		Decrease		Balance at December 31, 2024		Collateral	Note
	Shares or Units	Fair Value	Shares or Units	Amount	Shares or Units	Amount	Shares or Units	Fair Value		
Financial liabilities designated as at FVTPL										
Structured instruments	-	\$ 1,177,976	-	\$ 974,999	-	\$ (1,113,847)	-	\$ 1,039,128	Nil	

**CONCORD SECURITIES CO., LTD.****STATEMENT OF PROVISIONS - NON-CURRENT****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Provisions - non-current	Lease restoration costs	<u>\$ 14,509</u>	



**CONCORD SECURITIES CO., LTD.****STATEMENT OF DEFERRED TAX LIABILITIES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Valuation gains on foreign operating securities		\$ 33,400	
Gains on derivative financial instruments		13,524	
Difference between tax reporting and financial reporting - payables for pension		12,673	
Others		<u>170</u>	
		<u>\$ 59,767</u>	

**CONCORD SECURITIES CO., LTD.****STATEMENT OF OTHER NON-CURRENT LIABILITIES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Net defined benefit liabilities - non-current		\$ 17,751	
Guarantee deposits received	Mainly including lease security deposits	<u>3,822</u>	
		<u>\$ 21,573</u>	

## CONCORD SECURITIES CO., LTD.

STATEMENT OF BROKERAGE HANDLING FEE REVENUE  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (In Thousands of New Taiwan Dollars)

Month	Handling Fee Revenues from Brokered Trading		Handling Fees Revenues from Securities Financing	Other Handling Fee Revenue	Total	Note
	TSE Market	OTC Market				
January	\$ 63,582	\$ 18,203	\$ 439	\$ 5,554	\$ 87,778	
February	47,299	16,292	304	6,046	69,941	
March	89,055	25,874	468	11,097	126,494	
April	82,861	20,381	531	5,316	109,089	
May	93,481	23,477	549	4,177	121,684	
June	88,385	23,923	429	4,133	116,870	
July	98,908	27,692	540	4,366	131,506	
August	77,198	25,132	501	4,391	107,222	
September	61,129	23,314	494	4,290	89,227	
October	60,912	20,426	358	4,275	85,971	
November	66,722	17,447	495	3,078	87,742	
December	<u>69,089</u>	<u>24,283</u>	<u>356</u>	<u>3,110</u>	<u>96,838</u>	
	<u>\$ 898,621</u>	<u>\$ 266,444</u>	<u>\$ 5,464</u>	<u>\$ 59,833</u>	<u>\$ 1,230,362</u>	

## CONCORD SECURITIES CO., LTD.

STATEMENT OF REVENUE FROM UNDERWRITING COMMISSION  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (In Thousands of New Taiwan Dollars)

Month	Revenue from Underwriting Securities on A Firm Commitment Basis	Processing Fee Revenue from Underwriting Operations	Revenue from Underwriting Consultation	Others	Total	Note
January	\$ 707	\$ 308	\$ 485	\$ 80	\$ 1,580	
February	-	171	215	65	451	
March	87	316	315	1,065	1,783	
April	100	46	285	65	496	
May	2,337	898	225	790	4,250	
June	88	377	255	60	780	
July	100	352	285	110	847	
August	73	429	285	490	1,277	
September	2,500	369	285	60	3,214	
October	80	406	285	150	921	
November	172	495	285	350	1,302	
December	<u>188</u>	<u>418</u>	<u>385</u>	<u>150</u>	<u>1,141</u>	
	<u>\$ 6,432</u>	<u>\$ 4,585</u>	<u>\$ 3,590</u>	<u>\$ 3,435</u>	<u>\$ 18,042</u>	

## CONCORD SECURITIES CO., LTD.

STATEMENT OF GAINS (LOSSES) ON SALE OF SECURITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (In Thousands of New Taiwan Dollars)

Item	Revenue from Sale of Securities	Cost of Sale of Securities	Net Gains (Losses) on Sale of Securities	Note
Proprietary				
TSE market:				
Stocks	\$ 11,358,972	\$ 10,616,546	\$ 742,426	
Others	8,949,067	8,938,601	10,466	
OTC market:				
Stocks	9,571,223	9,304,822	266,401	
Bonds	15,730,160	15,538,566	191,594	
Others	832,938	822,689	10,249	
Foreign market:	<u>2,662,226</u>	<u>2,676,809</u>	<u>(14,583)</u>	
	<u>\$ 49,104,586</u>	<u>\$ 47,898,033</u>	<u>\$ 1,206,553</u>	
Underwriting				
TSE market:				
Stocks	\$ 16,776	\$ 15,745	\$ 1,031	
OTC market:				
Stocks	16,559	17,030	(471)	
Bonds	<u>73,343</u>	<u>62,999</u>	<u>10,344</u>	
	<u>\$ 106,678</u>	<u>\$ 95,774</u>	<u>\$ 10,904</u>	
Hedging				
TSE market:				
Stocks	\$ 23,418,301	\$ 23,018,094	\$ 400,207	
OTC market:				
Stocks	5,647,183	5,631,628	15,555	
Bonds	<u>1,856,439</u>	<u>1,812,827</u>	<u>43,612</u>	
	<u>\$ 30,921,923</u>	<u>\$ 30,462,549</u>	<u>\$ 459,374</u>	

**CONCORD SECURITIES CO., LTD.****STATEMENT OF INTEREST INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Financing interest	Brokerage financing interest	\$ 355,288	
Bond interest	Mainly including bond interest from the proprietary business	81,610	
Others		<u>5,229</u>	
		<u>\$ 442,127</u>	

**CONCORD SECURITIES CO., LTD.****STATEMENT OF FINANCE COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Interest of commercial paper payable	Interest of short-term commercial paper payable	\$ 124,724	
Interest of liabilities for bonds with attached repurchase agreements	Interest of liabilities for bonds with attached repurchase agreements	100,436	
Loan interest	Interest expense of short-term borrowings	20,438	
Others		<u>3,685</u>	
		<u>\$ 249,283</u>	

## CONCORD SECURITIES CO., LTD.

**STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION, AMORTIZATION AND OTHER  
OPERATING EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)**

Item	2024	2023
Employee benefit expenses (Notes 1 and 2)		
Salary and bonus	\$ 1,049,225	\$ 886,092
Labor and health insurance	64,728	58,164
Pension	34,899	32,104
Remuneration of directors	111,605	87,370
Others	<u>36,223</u>	<u>29,142</u>
	<u>\$ 1,296,680</u>	<u>\$ 1,092,872</u>
Depreciation expenses	<u>\$ 83,786</u>	<u>\$ 82,935</u>
Amortization expenses	<u>\$ 10,439</u>	<u>\$ 9,713</u>
Other operating expenses		
Taxes	\$ 176,764	\$ 214,093
Information technology expenses	48,811	44,414
Securities borrowing fees	40,593	43,484
Custody fees	37,136	30,350
Professional service fees	32,327	34,742
Postage expenses	26,840	25,210
Others (Note 3)	<u>131,224</u>	<u>113,204</u>
	<u>\$ 493,695</u>	<u>\$ 505,497</u>

Note 1: For the current year and the previous year, the average number of employees was 650 and 663, respectively, out of which 10 and 11 were non-employee directors, respectively.

Note 2: The additional disclosures of the annual parent company only financial statements were as follows:

- a. Average employee benefit expense was \$1,852 thousand for the current year. Average employee benefit expense was \$1,542 thousand for the previous year.
- b. Average salary and bonus was \$1,639 thousand for the current year. Average salary and bonus was \$1,359 thousand for the previous year.
- c. The average salary and bonus increased by 20.6% year over year.
- d. The Corporation has set up the audit committee to replace the supervisor system, and the compensation to the supervisor for the years ended December 31, 2024 and 2023 is both NT\$0.

(Continued)



- e. Please explain the Security firms' remuneration policies including directors, supervisors, managers and employees:

1) Remuneration policy of Directors (including Independent Directors)

According to provisions of the Articles of Incorporation, the board of directors shall be authorized by the shareholders' meeting to determine the remuneration paid to all directors based on the degree of their participation in the Corporation's operations and value of contribution and by taking into account the general pay levels in the industry. To clarify the scope of directors' remuneration, including compensation, earnings distribution and professional practice fees (e.g. attendance fee and transportation allowance), etc., the "Regulations Governing Remuneration to Directors" are established, which shall be implemented upon review by the Remuneration Committee and approval by the board of directors.

- a) Remuneration: When directors and independent directors perform their duties in the Corporation, regardless of the Corporation's operating profit or loss, they are paid a fixed salary based on the usual salary level in the industry and are paid within the scope of their remuneration. Meanwhile, the Corporation's Remuneration Committee may use the general pay level adopted by peer companies in the same industry as the basis for evaluation, and regularly evaluates the remuneration to individual directors subject to their participation in the Corporation's operations and the value of their contributions. It shall be approved by the board of directors with authorization from the shareholders' meeting.
- b) Remuneration to directors: According to the Corporation's Articles of Incorporation, if the Corporation makes a profit for the year, the board of directors may resolve to allocate no more than 5% of the profit as the remuneration to directors. The directors' remuneration distribution proposal shall be reported to a shareholders' meeting. However, if the Corporation has accumulated losses, the Corporation shall first reserve an amount to offset the losses, and then appropriate the directors' remuneration on a pro rata basis referred to in the preceding paragraph.

Further, the Remuneration Committee may take into account the overall performance of the board of directors, the Corporation's operating performance, the Corporation's future operations and risk appetite, and distribute the directors' remuneration based on the degree of involvement of individual directors in the Corporation's operations and the value of their contributions. Independent directors do not participate in the distribution of earnings.

c) Professional practice fees:

Attendance fees at board meetings, shareholders' meetings, and functional committees' meetings shall be payable based on the number of meetings attended.

The transportation allowance may be verified based on the actual transportation expenses when performing the Corporation's duties, or the business trip taken in response to the Corporation's operational needs shall be handled in accordance with the Corporation's business trip management regulations.

In order to fulfill corporate governance and make the remuneration to directors and supervisors of subsidiaries and invested companies transparent, rational and institutionalized, the Corporation has established the “Regulations Governing the Remuneration to Directors and Supervisors of Subsidiaries and Invested Companies.” The subsidiaries shall, based on the scale of their operations and within the authorized limits, formulate the regulations governing the remuneration to directors and supervisors of the subsidiaries, and matters related to the payment of remuneration accordingly.

## 2) Remuneration Policy and Review Process for Senior Management Staff

The Corporation has established the “Regulations Governing the Appraisal on Salary and Remuneration” and the “Grade Salary Range Table.” For the salary and remuneration, reasonable remuneration shall be assessed in reference to the individual’s personal education background and work experience, the market, and the salary level adopted by peer companies in the same industry, and raise and promotion shall be determined based on annual performance and contributions to ensure that their pay levels are competitive in the market and to retain talents.

The standards for the compensation of the Corporation’s president and vice president are stated as follows:

- a) Salary: The Corporation shall determine the salary with reference to the individual’s education, working experience, background, the salary levels in the market or industry, and the Corporation’s salary standards while regularly review the individual’s work performance and contribution and also adjust it by taking into consideration the general pay levels in the industry.
- b) Performance bonus: To boost profit, the Corporation has established the Annual Bonus Allocation Rules and different bonus plans, allowing its employees to participate in the bonus distribution based on annual business performance and individual assessment results and contributions, etc. to share the Corporation’s operating results.
- c) Employee remuneration: According to the Corporation’s Articles of Incorporation, if the Corporation makes a profit for the year, the Corporation shall allocate 1%-3% of the profit as employees’ remuneration, which shall be distributed in stock or cash per the resolution of the board of directors. The recipients include the employees of subsidiaries meeting certain conditions and participate in the distribution of employee remuneration in accordance with the Corporation’s regulations governing distribution of remuneration to employees and subject to the time invested in each position, the responsibilities assumed, the performance contribution, and the performance achievement status.
- d) Employee shareholding trust: In order to take care of the retirement life of all managers and colleagues, and to share the Corporation’s operating results, the employee shareholding trust is created, and the Corporation and managers or colleagues shall contribute the subsidies to it.

Performance evaluation of senior executive:

- a) Based on the Corporation's strategic development, each department formulates its annual operational plan and corresponding key performance indicators (KPIs). These KPIs cover financial and business targets, regulatory compliance, internal control, talent development, information security, and fair customer treatment. In addition, the implementation of sustainability initiatives is incorporated into departmental KPIs. At the end of the year, performance evaluations are conducted based on KPI assessments and are reported to the president and chairman for comprehensive review to determine department ratings, which form the basis for individual performance evaluations of senior executives. Bonuses are granted according to the Corporation's profitability and individual performance in line with the Annual Bonus Assessment Guidelines, Bonus Allocation Principles, and relevant departmental bonus policies.
- b) Each executive is evaluated based on annual performance achievements and ESG-linked criteria. These include governance-related metrics such as compliance and internal controls (10%), risk management (10%), and ethical business practices (7%). Social aspects, such as leadership and talent development, account for 13%.

Furthermore, all departments are required to include short-, medium-, and long-term ESG objectives in their annual operational reports. Progress is reviewed and monitored quarterly through the meetings of the Sustainable Development Committee.

Correlation between operating performance and future risks:

The Corporation has established a Remuneration Committee according to the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" to improve the remuneration system for the Corporation's directors and managers. The Remuneration Committee members shall evaluate the remuneration policy and system for the Corporation's directors and managers professionally and objectively and make recommendations to the board of directors for reference.

The Remuneration Committee shall, ex officio, formulate and regularly review the annual and long-term performance goals and remuneration policies, systems, standards, and structures for the Corporation's directors and managers. The goal is to regularly evaluate the performance objectives achieved by the Corporation's directors and managers, reference the industry's payment standards, job performance, internal salary and remuneration levels, achievement of the Corporation's short-and long-term business goals, and the Corporation's financial status to assess the reasonableness of the association between individual performance and the Corporation's operating performance and future risks.

At the end of each fiscal year, the Human Resources Department collects publicly disclosed data from peer companies' annual reports regarding the remuneration to senior executives. This information is provided to the Remuneration Committee for review and evaluation of the Corporation's executive performance results. The Committee takes into account the Corporation's overall operational performance, as well as internal remuneration standards and structure, to assess whether the total annual remuneration awarded to executives aligns with industry standard. In addition, the Corporation reviews its remuneration system in light of actual operating conditions and relevant regulations to ensure that all remuneration policies remain appropriately linked to business performance. Recommendations from the Remuneration Committee are subsequently submitted to the board of directors for discussion and approval. Meanwhile, In order to implement risk control, the "risk retention fund" has been established to regulate the related trading units' managers to strengthen the link between managerial officers' remuneration and future operating risks.

The Corporation conducts an annual review of executive fixed compensation and performance-based bonuses for the previous year. This review is based on established performance evaluation criteria, which include achievement of prior year performance targets, progress toward short-, medium-, and long-term goals, talent development efforts, and the scope of managerial responsibilities and contributions. A detailed report outlining each executive's annual performance and proposed bonus amount is prepared and submitted to the Remuneration Committee and the board of directors for review.

In order to implement the Corporation's corporate culture for ethical management, fulfill the responsibility for management and supervision of various businesses and systems, avoid major unethical conduct, and ensure the Corporation's sound and sustainable operation, the Corporation has established the accountability system implementation guidelines for major issues in accordance with the "Regulations Governing Responsible Persons and Associated Persons of Securities Firms" and "Corporate Governance Best Practice Principles for Securities Firms" in June 2023. Meanwhile, with respect to the major issues, such as information security protection, fair dealing and legal compliance, the Corporation set up the dedicated department to review the managers' competence regularly.

### 3) Employee Compensation Policy:

The Corporation insists on hiring talent and adheres to the principle of rewarding outstanding performers, and has constructed a comprehensive set of appointment and compensation management system. Salary is based on objective conditions such as each employee's academic experience and job position, and gender does not make any difference. Through a complete probationary appraisal system and performance appraisal system, we implement project promotion and salary adjustment every year, and if there is any special contribution or excellent performance, we will give merit awards and hold awards irregularly. The Corporation has a salary scale for job titles based on job standards, which is better than the lowest basic salary standard of the Labor Standards Law. In order to attract talented people to join us, we uphold the principle of sharing with employees.

#### Salary policy and objectives

- a) Basic salary: Starting salary for new employees is set based on job content, work qualifications, academic qualifications, and license qualifications. Those with securities-related backgrounds are provided with generous and competitive salaries.
- b) Food allowance: NT\$3,000 per person monthly.
- c) Overtime pay: Overtime pay or compensatory time off will be given according to the number of hours of overtime work performed by employees. Overtime pay will be granted for any unused compensatory time off at the end of the year in accordance with the law.
- d) Performance bonuses: Various business bonus methods are established according to the "Principles Provided by the Remuneration System". The goal is to inspire business colleagues to generate income and provide diversification bonuses according to the performance achievement status.
- e) Appraisal Bonus: To reward work performance achievements, we have established the "Employee Annual Appraisal Bonus Scheme." Annual appraisal bonuses (about 1-2 months per year on average) are issued based on employee performance appraisal, business contribution, merit and demerit rewards and punishments, and other performances at the end of the year.

- f) Performance Bonus: To share the Corporation's annual operating results, the "Annual Bonus Allocation Criteria" and the method of releasing each performance bonus are established, and the amount is determined based on the Corporation's profitability and achievement of organizational goals, and then employees participate in the annual performance bonus allocation based on their performance and contribution.
- g) Employee Compensation: According to the Corporation's Articles of Incorporation, the Corporation shall allocate 1% to 3% of its annual profits to employee compensation and distribute them in accordance with the employee compensation distribution method in order to implement the concept of profit sharing. This allocation shall be approved by the board of directors with authorization from the shareholders' meeting.
- h. Salary adjustment and promotion: To retain talents, we regularly perform performance appraisal every year, and make reference to the current year's price level, employees' performance and the Corporation operation results, etc., to handle employees' salary adjustment or job promotion.
- i) Competition bonus: Organize various competition activities and provide a diversified incentive system to reward employees for excellent performance.
- j) Festival bonuses: A fixed amount of festival bonuses is issued every year at the Dragon Boat Festival and Mid-Autumn Festival.

Note 3: The amount of each item in others does not exceed 5% of the account balance.

(Concluded)

**CONCORD SECURITIES CO., LTD.**

**Other Disclosures in Financial Reports and  
Review Report for the Year Ended December 31, 2024**

## **REVIEW REPORT OF OTHER DISCLOSURES IN FINANCIAL REPORTS**

The board of directors and the Shareholders  
Concord Securities Co., Ltd.

We have audited the accompanying parent company only financial statements of Concord Securities Co., Ltd. (the “Corporation”) for the year ended December 31, 2024. We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standard on Auditing of the Republic of China, and we have issued the auditors’ report on March 11, 2025. Our objective is to express an opinion on the financial statements as a whole. The accompanying Other Disclosures in Financial Reports of the Corporation for the year ended December 31, 2024 were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms. We have reviewed the relevant information in accordance with Article 32, Paragraph 2 of the Regulations Governing the Preparation of Financial Reports by Securities Firms, enacted by the Financial Supervisory Commission.

In our opinion, the Other Disclosures in Financial Reports of the Corporation for the year ended December 31, 2024 were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms. The financial information was consistent with the financial statements and there are no requirements for significant modifications.

The engagement partners on the review resulting in this review report are Cheng-Hsiu Chang and Pi-Yu Chuang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 11, 2025

# CONCORD SECURITIES CO., LTD.

## OTHER DISCLOSURES IN FINANCIAL REPORTS FOR THE YEAR ENDED DECEMBER 31, 2024

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### 1. BUSINESS STATUS

#### a. Significant Business Matters

Significant business matters for the last 5 years:

1) Acquisition or merger of other companies: None.

2) Demerger: None.

3) Investments in affiliated enterprises:

a) 2020

Concord Capital Management Corp. implemented a capital reduction of \$25,000 thousand to offset deficits in December 2020, and also issued 1,500 thousand ordinary shares at \$13 per share for a total amount of \$19,500 thousand, which were fully subscribed by the Corporation.

In addition, Concord Cayman obtained approval for liquidation on November 30, 2020 based on letter No. 1090373948 issued by the FSC.

b) 2021

Concord Managed Futures has completed its liquidation procedures in January 2021, and returned the remaining liquidation funds to the Corporation and Concord Futures Corp. of \$159,452 thousand and \$106,302 thousand, respectively.

Concord Cayman has completed its liquidation procedures on March 31, 2021, and returned the remaining liquidation funds to the Corporation of US\$744 thousand.

c) 2022

On November 8, 2022, the Corporation's board of directors approved resolutions to process the dissolution and liquidation of the subsidiary, Con-Lian AMC, and the relevant liquidation procedures will be approved by the relevant authorities.

d) 2023

None.

e) 2024

None.

4) Reorganization: None.

5) Acquisition or disposal of major assets: None.

6) Significant change in operating method or business activity: None.



b. Remuneration to general directors, independent directors, supervisors, president, vice presidents, and consultants, and related information

1) Remuneration of general directors and independent directors

Expressed in Thousands of NT\$

Title	Name (Note 1)	Remuneration to Directors						Total Remuneration (A + B + C + D) and the Percentage of Net Income (Note 10)		Relevant Remuneration Received by Directors Who Are Also Employees						Total Remuneration (A + B + C + D + E + F + G) and the Percentage of Net Income (Note 10)				Remuneration Received from An Invested Company Other than the Corporation's Subsidiary (Note 11)		
		Compensation (A) (Note 2)		Severance (B)  The Corporation	Compensation to Directors (C) (Note 3)		Allowance (D)  The Corporation	The Corporation	All Companies Listed in the Financial Reports (Note 7)	The Corporation	Salary, Bonus, Allowance (E) (Note 5)		Severance (F)  The Corporation	Compensation to Employees (G) (Note 6)		The Corporation	All Companies Listed in the Financial Reports (Note 7)					
		The Corporation	All Companies Listed in the Financial Reports (Note 7)		The Corporation	All Companies Listed in the Financial Reports (Note 7)					The Corporation	All Companies Listed in the Financial Reports (Note 7)		Cash	Stock		Cash	Stock				
Chairperson	The Han Investment Co., Ltd. (Note 14)	577	577	-	-	20,954	20,954	-	-	21,531	1.97%	21,531	1.97%	-	-	-	-	21,531	1.97%	21,531	1.97%	None
Director	Representative: CHENG, YA-YU (Note 12)	27,773	27,876	-	-	-	-	1,457	1,460	29,232	2.68%	29,232	2.68%	-	-	-	-	29,232	2.68%	29,232	2.68%	None
Director	Representative: LEE, CHIN-SHEN (Note 12)	592	630	-	-	-	-	26	32	618	0.06%	602	0.06%	-	-	-	-	618	0.06%	602	0.06%	None
Director	Representative: CHANG, JINN-DER (Note 12)	592	592	-	-	-	-	25	25	617	0.06%	617	0.06%	-	-	-	-	617	0.06%	617	0.06%	None
Corporate Director	Tai Ming Development Co., Ltd.	-	-	-	-	4,191	4,191	-	-	4,191	0.38%	4,191	0.38%	-	-	-	-	4,191	0.38%	4,191	0.38%	None
Director	Representative: LI, CHUANG-YUAN (Note 12)	592	592	-	-	-	-	25	25	617	0.06%	617	0.06%	-	-	-	-	617	0.06%	617	0.06%	None
Director	MA, PEI-CHUN (Note 12)	592	592	-	-	4,191	4,191	25	25	4,808	0.44%	4,808	0.44%	-	-	-	-	4,808	0.44%	4,808	0.44%	None
Director	Sky Investment Corp.	-	-	-	-	4,191	4,191	-	-	4,191	0.38%	4,191	0.38%	-	-	-	-	4,191	0.38%	4,191	0.38%	None
Director	Representative: CHENG, TAI-CHENG (Note 12)	592	1,042	-	-	-	-	25	37	617	0.06%	1,076	0.10%	4,721	4,721	76	76	5,514	0.51%	6,006	0.55%	None
Director	Tai Yeh Investment Co., Ltd.	577	577	-	-	4,191	4,191	-	-	4,768	0.44%	4,768	0.44%	-	-	-	-	4,768	0.44%	4,768	0.44%	None
Director	Representative: YANG, MING-WANG (Note 12)	15	15	-	-	-	-	25	25	40	-	-	-	-	-	-	-	40	-	40	-	None
Chairperson	Zhang Yang Investment Co., Ltd. (Note 14)	633	633	-	-	14,233	14,233	20	20	14,888	1.36%	14,888	1.36%	-	-	-	-	14,888	1.36%	14,888	1.36%	None
Director	Representative: CHENG, YA-YU (Note 13)	3,634	3,791	-	-	-	-	5	8	3,639	0.33%	3,709	0.34%	-	-	-	-	3,639	0.33%	3,709	0.34%	None
Director	Representative: LEE, CHIN-SHEN (Note 13)	633	669	-	-	-	-	24	28	657	0.06%	697	0.06%	-	-	-	-	657	0.06%	697	0.06%	None
Director	Representative: CHANG, JINN-DER (Note 13)	633	633	-	-	-	-	25	25	658	0.06%	658	0.06%	-	-	-	-	658	0.06%	658	0.06%	None
Corporate Director	Tai Ming Development Co., Ltd.	-	-	-	-	2,847	2,847	-	-	2,847	0.26%	2,847	0.26%	-	-	-	-	2,847	0.26%	2,847	0.26%	None
Director	Representative: LI, CHUANG-YUAN (Note 13)	633	633	-	-	-	-	25	25	658	0.06%	658	0.06%	-	-	-	-	658	0.06%	658	0.06%	None
Director	Yuan Lung Construction and Development Co., Ltd.	347	347	-	-	2,847	2,847	20	20	3,214	0.29%	3,214	0.29%	-	-	-	-	3,214	0.29%	3,214	0.29%	None
Director	Representative: MA, PEI-CHUN (Note 13)	287	287	-	-	-	-	5	5	292	0.03%	292	0.03%	-	-	-	-	292	0.03%	292	0.03%	None
Director	Sky Investment Corp.	-	-	-	-	2,847	2,847	-	-	2,847	0.26%	2,847	0.26%	-	-	-	-	2,847	0.26%	2,847	0.26%	None
Director	Representative: CHEN QIONG-LING (Note 13)	633	633	-	-	-	-	25	25	658	0.06%	658	0.06%	-	-	-	-	658	0.06%	658	0.06%	None
Director	Tai Yeh Investment Co., Ltd.	633	633	-	-	2,847	2,847	-	-	3,480	0.32%	3,480	0.32%	-	-	-	-	3,480	0.32%	3,480	0.32%	None
Director	Representative: YANG, MING-WANG (Note 13)	-	-	-	-	-	-	25	25	25	-	-	-	-	-	-	-	25	-	25	-	None
Director	Jia Yi Corp.	-	-	-	-	2,847	2,847	-	-	2,847	0.26%	2,847	0.26%	-	-	-	-	2,847	0.26%	2,847	0.26%	None
Director	Representative: TSAI, SUNG-PO (Note 13)	633	633	-	-	-	-	25	25	658	0.06%	658	0.06%	-	-	-	-	658	0.06%	658	0.06%	None
Independent Director	CHANG, YAO-KEN (Note 12 and 13)	1,365	1,365	-	-	-	-	142	142	1,507	0.14%	1,507	0.14%	-	-	-	-	1,507	0.14%	1,507	0.14%	None
Independent Director	HUANG, HSIU-HUI (Note 12 and 13)	1,365	1,365	-	-	-	-	137	137	1,502	0.14%	1,502	0.14%	-	-	-	-	1,502	0.14%	1,502	0.14%	None
Independent Director	HUANG, SU-HUI (Note 12)	660	660	-	-	-	-	65	65	725	0.07%	725	0.07%	-	-	-	-	725	0.07%	725	0.07%	None
Independent Director	CHIANG, YA-CHIH (Note 12)	660	660	-	-	-	-	48	48	708	0.06%	708	0.06%	-	-	-	-	708	0.06%	708	0.06%	None

a) The Corporation's remuneration policy for independent directors shall be handled by the Corporation's Regulations for Compensation of Directors. When an independent director performs his/her duties, regardless of profit or loss in the Corporation's operation, the maximum annual compensation by the Corporation is NT\$1,800,000 divided into separate payments, which may be adjusted as appropriate by the remuneration committee based on his/her participation in the Corporation's operation and value of contributions. In addition, the allowance for conducting business shall include attendance pay at the board meetings, which is NT\$2,000-5,000 each time, as transportation expenses and travel expenses may be reimbursed based on actual needs when performing the Corporation duties. No additional director allowance, severance, bonuses, pension, the profit distribution as remuneration to directors, special disbursement, and other allowance for independent directors.

b) In addition to the disclosures in the above table, the total amount of remuneration received during the most recent fiscal year by the directors providing services (such as serving as non-employee consultants, etc.) for all of the companies listed in the financial reports: None.

Note 1: The names of Directors (legal entity shareholders shall list names and representatives separately), ordinary directors and independent directors shall be listed separately and the amount paid to them shall be disclosed by aggregation. If a Director takes position of President or Vice President concurrently, please list him/her in this table and table 2). Remuneration to President and Vice President.

Note 2: It refers to the remuneration paid to directors over the latest year (it contains salary, duty bonus, severance payment, various bonus, incentives etc. paid to a Director).

Note 3: It refers to the remuneration approved by the board of directors for a Director over the latest year (if it hasn't been approved by the board of directors, please fill out CPA audited amount of accounts).

Note 4: It refers to the compensation of professional practice paid to Directors over the latest years (ex. travelling expense, special disbursement, various allowance, dormitory, vehicle and other physical objects etc. provided). In case that house, car and other transportation are provided or exclusive personal expenses are allowed, please disclose the nature and cost of such assets, actual rent or rent calculated based on fair value, fuel and other payments. In addition, if a driver is provided, please give a remark to indicate the related compensation paid by the Corporation to the driver, but excluded in the remuneration.

Note 5: It refers to salary, duty bonus, severance payment, various bonus, incentives, travelling expense, special disbursement, various allowance, dormitory, vehicle and other physical objects etc. received by the Director who hold an employee position concurrently over the latest year (including adjunct President, Vice President, other managers and employee). In case that house, car and other transportation are provided or exclusive personal expenses are allowed, please disclose the nature and cost of such assets, actual rent or rent calculated based on fair value, fuel and other payments. In addition, if a driver is provided, please give a remark to indicate the related compensation paid by the Corporation to the driver, but exclude it in the remuneration, salary expenses recognized in accordance with IFRS 2 "Share-based Payment" include employee stock options, restricted stock awards and participating in subscription for shares with cash capital increase should also be included in remuneration.

Note 6: It refers to the remuneration approved by the board of directors for an employee over the latest year; this should be disclosed in case a Director is employed concurrently (including adjunct President, Vice President, other managers and employees); if it is difficult to predict, the amount planned for this year is calculated pursuant to the proportional actual paid last year (if it has not been approved by the board of directors, please fill out CPA audited amount of accounts).

Note 7: The lump sum of various remunerations of all companies listed in the consolidated financial statements (including the Corporation) was paid to the Directors of the Corporation.

Note 8: The total amount of remuneration paid to each director by the Corporation has been disclosed separately, so no separate remuneration scale table will be prepared.

Note 9: The lump sum of various remunerations of all companies listed in consolidated financial statements (including the Corporation) was paid to each director has been disclosed separately, so no separate remuneration scale table will be prepared.

Note 10: Net profit after tax refers to that in the accompanying or individual financial report of the latest fiscal year.

Note 11:

- a. The related amount of remuneration that the Directors of the Corporation receive from reinvestment other than subsidiary or parent company shall be filled out explicitly (in case of null, please fill out 'None').
- b. The Directors of the Corporation who receive remuneration related with reinvestment other than subsidiary or parent company shall incorporate such remuneration into Column I of the Remuneration Scale and rename the column as "Parent Company and All Reinvestments".
- c. Remuneration refers to those that the Directors of the Corporation receive with positions of Director, Supervisor or Manager in reinvested company other than subsidiary or parent company (including remuneration for employee, director and supervisor) and business expenses etc.

Note 12: The Corporation re-elected the 13th board of directors on June 6, 2024, and the term of office was from June 6, 2024 to June 5, 2027.

Note 13: The 12th board of directors of the Corporation resigned office on June 6, 2024.

Note 14: Zhong Yang Investment Co., Ltd. renamed Taixin Investment Co., Ltd. on June 19, 2023.

Note 15: NT\$1,273 thousand paid as compensation to the driver of the chairman, without accounting in remuneration.

Note 16: The compensation of professional practice paid to the chairman, including the rental of the vehicle, fuel and other related payment, totaled \$1,423 thousand. As of December 31, 2024, vehicle for the chairman, the cost of the vehicle was NT\$5,880 thousand and the book value was NT\$5,145 thousand, without accounting in remuneration.

\* The remuneration disclosed in above table is different from the income of the Income Tax Act; Hence, above table is for reference of disclosure only, not for taxation.

2) Remuneration to president and vice president

Expressed in Thousands of NT\$

Title	Name	Salary (A) (Note 2)		Severance (B)		Bonus and Special Disbursement (C) (Note 3)		Amount of Employee Compensation (D) (Note 4)				Total Remuneration (A + B + C + D) and the Percentage of Net Income (Note 8)				Remuneration Received from An Invested Company Other than the Corporation's Subsidiary (Note 9)
		The Corporation	All Companies Listed in the Consolidated Financial Reports (Note 5)	The Corporation	All Companies Listed in the Consolidated Financial Reports (Note 5)	The Corporation	All Companies Listed in the Consolidated Financial Reports (Note 5)	The Corporation		All Companies Listed in the Consolidated Financial Reports (Note 5)		The Corporation	All Companies Listed in the Consolidated Financial Reports			
								Cash	Stock	Cash	Stock					
President	CHEN, CHIH-HAO (Note 15)															
President	CHIU, JUNG-CHEN (Note 14)															
Senior Executive Vice President	KANG, CHING-TAI															
Senior Executive Vice President	LIAO, CHI-HUNG															
Senior Executive Vice President	TSENG, LI-KUO															
Senior Executive Vice President	CHANG, JYH-CHIAN															
Senior Vice President	CHIU, CHAO-SHAN (Note 13)															
Vice President	SHIH, SHU-CHEN															
Vice President	WANG, HSIU-CHING															
Vice President	LEU, SUH-LING	37,212	37,212	14,215	14,215	83,661	84,310	5,368		5,368		140,456	12.86%	141,105	12.92%	
Vice President	YEN, CHIH-LUNG															
Vice President	LIN, HSU-SHENG (Note 10)															
Vice President	DING, YONG-KANG															
Vice President	CHEN, WEI-TUNG															
Vice President	LEE, YU-JU															
Vice President	YANG, CHUN-CHENG															
Vice President	YANG, GUANG-CHENG (Note 12)															
Senior Executive Officer	YANG, LIANG-YU (Note 11)															

The table of remuneration range

Range of Remuneration to President and Vice Presidents of the Corporation	President and Vice Presidents	
	The Corporation (Note 6)	All Companies Listed in the Consolidated Financial Reports (Note 7) E
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	CHIU, CHAO-SHAN	CHIU, CHAO-SHAN
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	LEE, YU-JU; YANG, LIANG-YU	LEE, YU-JU; YANG, LIANG-YU
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	SHIH, SHU-CHEN; WANG, HSIU-CHING; LEU, SUH-LING; DING, YONG-KANG; CHEN, WEI-TUNG; YANG, GUANG-CHENG	SHIH, SHU-CHEN; WANG, HSIU-CHING; LEU, SUH-LING; DING, YONG-KANG; CHEN, WEI-TUNG; YANG, GUANG-CHENG
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	CHIU, JUNG-CHEN; KANG, CHING-TAI; LIAO, CHI-HUNG; CHANG, JYH-CHIAN; YEN, CHIH-LUNG; LIN, HSU-SHENG; YANG, CHUN-CHENG	KANG, CHING-TAI; LIAO, CHI-HUNG; CHANG, JYH-CHIAN; YEN, CHIH-LUNG; LIN, HSU-SHENG; YANG, CHUN-CHENG
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	TSENG, LI-KUO	CHIU, JUNG-CHEN; TSENG, LI-KUO
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	CHEN, CHIH-HAO	CHEN, CHIH-HAO
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	-
More than NT\$100,000,000	-	-
Total	18	18

Note 1: The names of President and Vice President shall be listed separately and each payment is disclosed after aggregation. In the case that Directors concurrently take the position of President or Vice President, please fill out this table and preceding table 1) Remuneration of Directors and Independent Directors.

Note 2: It refers to the salary, extra duty fee, and resignation fee paid to President and Vice Presidents in the latest fiscal year.

Note 3: It refers to the amount of various bonuses, incentives, travelling expenses, special disbursement, various allowances, dormitories, vehicles and other remunerations paid to President and Vice Presidents in the latest fiscal year. In case that house, cars and other means of transportation are provided or exclusive personal expenses are allowed, the nature and cost of these assets, the actual rent or calculated based on fair value, fuel and other payments should be disclosed. In addition, if a driver is provided, please give a remark to indicate the related remuneration paid by the Corporation to the driver, but excluded in the remuneration. Furthermore, salary expenses recognized in accordance with IFRS 2 "Share-based Payment" include employee stock options, restricted stock awards and participating in subscription for shares with cash capital increase should also be included in remuneration.

Note 4: It refers to the remuneration for the employee subordinated under President and Vice President approved by the board of Directors in the latest fiscal year (including shares and cash); If the amount cannot be estimated, the proposed distribution amount of this year should be calculated based on the actual distribution ratio last year (if it has not yet been approved by the board of directors, please fill out CPA audited amount of accounts).

Note 5: It shall be the lump sum of diversified remuneration that all companies listed in the consolidated financial statements (including the Corporation) paid to the President and Vice President of the Corporation.

Note 6: The Corporation has paid a total amount of various remunerations to the Presidents and Vice Presidents by scale to which they belonged, and their names were disclosed.

Note 7: The lump sum of remuneration of all companies listed in the consolidated financial statements (including the Corporation) paid various remunerations to every President and Vice President, and the names of the Presidents and Vice Presidents by scale to which they belonged were disclosed.

Note 8: Net profit after tax refers to that in the accompanying or individual financial report of the latest fiscal year.

Note 9:

- a. The related amount of remuneration that the President and Vice President of the Corporation receive from reinvestment other than subsidiary or parent company shall be filled out explicitly (in case of null, please fill out "None").
- b. The Presidents and Vice Presidents of the Corporation who receive remuneration related with reinvestment other than subsidiary or parent company shall incorporate such remuneration into Column E of the Remuneration Scale and rename the column as "Parent Company and All Reinvestments".
- c. Remuneration refers to those that the President and Vice President of the Corporation receive with positions of Director, Supervisor or Manager in reinvested company other than subsidiary or parent company (including remuneration for employee, director and supervisor) and business expenses etc.

Note 10: Vice President LIN, HSU-SHENG retired on March 1, 2024.

Note 11: Senior Executive Officer YANG, LIANG-YU assumed office on March 12, 2024.

Note 12: Vice President YANG, GUANG-CHENG announced on April 19, 2024.

Note 13: Vice President CHIU, CHAO-SHAN retired on May 14, 2024.

Note 14: President CHIU, JUNG-CHEN resigned on August 16, 2024.

Note 15: Senior Executive Vice President CHEN, CHIH-HAO held the post of president on September 18, 2024.

Note 16: NT\$1,206 thousand paid as compensation to the driver of the president, without accounting in remuneration.

Note 17: The bonus and special disbursement of the President and the Vice President, including the vehicle amortization, depreciation, fuel, and other related payment, totaled \$3,565 thousand. As of December 31, 2024, vehicle for the President, Senior Executive Vice President KANG and Senior Executive Vice President LIAO, the cost of the vehicle were \$4,456 thousand, \$1,994 thousand, \$2,140 thousand, respectively, and the book value were \$2,475 thousand, \$680 thousand, \$0 thousand, respectively, without accounting in remuneration.

Note 18: The Severance in this table contribute to personal account and defined benefit in Labor Pension Fund disclosed.

\* The remuneration disclosed in above table is different from the income of the Income Tax Act; Hence, above table is for reference of disclosure only, not for taxation.

3) Chairmen of the board and presidents rehired as consultants of securities firms after retirement

Expressed in Thousands of NT\$

Title	Name	Title before Retirement		Consultant Hired Date	Purpose of Employment	Division of Powers and Responsibilities	Remuneration (Note 1)	Total Remuneration as A Percentage of Net Income (Notes 1 and 2)
		Institution and Position	Retirement Date					
Public relations department consultant	LIN, MAO-JUNG	The chairman of Concord Managed Futures Corp.	2019/03/20	2019/03/21	Served the Corporation for years, had been the chairman of Concord Capital Management and Concord Managed Futures with good connections, hired as public relations department consultant to leverage on his experience	Provides consultation in the specialization, and regularly participates in the advisory council held by the Corporation	\$ 600	0.05%

Note 1: The securities firm shall disclose the remuneration paid to each individual consultant in accordance with Article 28 Subparagraph 2 Item 2 of Regulations Governing the Preparation of Financial Reports by Securities Firms, otherwise, the remuneration and total remuneration as a percentage of net income could be disclosed by aggregation.

Note 2: Net profit after tax refers to that in the accompanying or individual financial report of the latest fiscal year.

- c. Numbers of full time employees in the non-supervisor positions, annual average salaries and median salaries, and differences from the previous year

For the years ended December 31, 2024 and 2023, the numbers of employees in the non-supervisor positions were 563 and 578 person. The average salaries were \$1,298 thousand and \$1,074 thousand, and the medians were \$975 thousand and \$866 thousand. The number of employees decreased by 15 people, the average salary increased by \$224 thousand, and the medians increased by \$109 thousand.

- d. Labor relations

The Corporation has worked hard to seek the welfare of all shareholders and employees since its establishment. Its focus on humanistic management, two-way Communication, and participative management closely ties up personal goals with company strategies, bringing employees with security and protection through a wage system in line with the market level. In addition, it provides comprehensive insurance and benefits for employees, and organizes education and training for employees, staff outings and various subsidies on an irregular basis. It also, through the Employee Welfare Committee, integrates labor and management into a competitive team in harmony and under consensus on ideas to create a corporate vision together.

1) Current important labor-management systems and implementation status

a) Insurance systems

- i. Enrolling in labor insurance and national health insurance coverage: To protect the rights and interests of co-workers, the Corporation should enroll employees in labor insurance and national health insurance coverage as required by the regulations since the on-board date for new employees, who are entitled to the rights to labor insurance benefits and health insurance medical protection. The insurance premium should be paid by the company in accordance with the law.
- ii. All employees in the Corporation should enroll in the Corporation's group insurance since the on-board day, and are entitled to insurance protection including accident insurance, term life insurance, severe illness, cancer medical treatment, and hospitalization. the Corporation also takes out high-value accident insurance for employees on business travel and occupational accident insurance to ensure employees' safety when performing duties or on the way to and back from work.

b) Employee Welfare Committee

The employee welfare funds shall be appropriated according to the law to provide employees with benefits including recreation, clubs, child education subsidy, emergency aid, and company trip, and provide employees with services such as dining, travel, purchase discounts from third-party vendors manufacturers.

c) Retirement system

The Corporation has formulated the Employee Retirement Regulations in accordance with the Labor Pension Act, and shall inquire in writing with employees about their options between the new or old pension systems in accordance with Labor Pension Act. The pension system of this Act shall apply to the employees who joined the Corporation after July 2005. The Corporation shall on a monthly basis file the application for contribution to the Bureau of Labor Insurance for appropriating 6% of the total monthly wages of the employees to their individual labor pension accounts. For employees who choose the retirement mechanism, the Corporation shall appropriate 2% of the total monthly wages as the labor pension reserve fund each month, and deposit such amount in a designated account of Bank of Taiwan. The Supervisory Committee of Workers' Retirement Reserve Fund shall be set up in accordance with the law. Sufficient fund shall be contributed based on the actuary's actuarial report each year.

d) Employee shareholding trust

In order to safeguard the welfare of employees and to assist them to save and accumulate wealth in the long term so as to secure a stable life after retirement or leaving the Corporation in the future, an employee stock ownership trust was established in August 2022, and a subsidy was provided to purchase the Corporation's shares in accordance with the respective employee's job grade and position.

e) Status of labor-management meetings

The "Labor-management Meeting" shall be convened by the elected representatives for the labor and management sides to encourage the exchange of opinions between labor and management. The labor-management meeting resolutions shall also be distributed to the departments concerned to be implemented within a certain time limit.

f) Measures for preserving employees' rights and interests: In response to the Sexual Harassment Prevention Act and Act of Gender Equality in Employment, the Corporation shall establish the "Regulations Governing Prevention, Admonition and Punishment of Sexual Harassment at Workplace," and organize a committee for handling sexual harassment complaints to take charge of sexual harassment complaints, investigation, and resolutions. The appeal channel is listed as below:

Complaint Hotline: 02-8787-5488

Complaint Fax No.: 02-2766-1704

Complaint E-mail: [complaint.hr@concorde.com.tw](mailto:complaint.hr@concorde.com.tw)

g) Continuing education and training

i. To improve the employees' professional quality and skills and to take into account both the career development of employees and compliance with laws and regulations, the Corporation has formulated relevant education and training regulations and supplementary measures to provide employees with learning and development opportunities. The Corporation's training policy is as follows:

i) In response to market changes and the Corporation's medium- to long-term business development strategy, the Corporation aims to cultivate current and future talent, enhance employee productivity, and ultimately improve operational performance.

ii) By fostering a strong organizational culture and work environment, the Corporation seeks to elevate overall workforce quality. Through training, the Corporation accumulates and passes on experience and technical knowledge, enabling employees to develop multi-functional capabilities.

- iii) Developing the management and professional competencies required by supervisors and employees at all levels to enhance operational efficiency and performance.
- ii. The employees shall take part in regulatory training courses in compliance with the competent authorities and laws and regulations. The Corporation takes the initiative to send staff to participate in professional training courses and encourages co-workers to progressively obtain professional qualification certificates. And also, for use of multiple learning channels, in addition to arranging physical (internal and external) education and training courses, it builds an online tutoring system “Enterprise e-Learning” on the Corporation’s internal webpage to provide multimedia training courses for employees to learn online, so that employees and the Corporation can grow together.
- iii. The Corporation’s efforts in talent cultivation have won the Bronze Medal Award of the Talent Quality-management System of the Workforce Development Agency, Ministry of Labor continuously since 2014.
- iv. The achievements of relevant education and training for the year 2024 are as follows:

**Expressed in Thousands of NT\$**

<b>Category</b>	<b>Items</b>	<b>Total Number of People</b>	<b>Total Hours</b>	<b>Total Amount</b>
Internal training	Professional skill training	21,840	14,310	225
	Supervisor competency training	232	796	657
	General training	4,124	6,326	4
	ESG - Corporate Governance	111	333	70
	ESG - Principles of Equitable and Fair Treatment of Customers in the Financial Services Industry	628	1,884	15
	ESG - Sustainable Issues	615	967	-
	Subtotal	27,550	24,616	971
External training	Firefighter and work safety training	37	203	38
	Profession training	53	567	455
	Qualification and refresher courses	27	430	75
	Pre-employment, on-the-job training, and other securities and futures - related courses	1,281	7,249	839
	Subtotal	1,398	8,449	1,407
Certification subsidy				17
<b>Total</b>		<b>28,948</b>	<b>33,065</b>	<b>2,395</b>



- v. The status of the Corporation's personnel related to financial information transparency acquiring relevant certificates (Data date: February 14, 2025)

Personnel in the Corporation's Finance Department, Accounting Department, Risk Management Office, and Internal Audit Office hold the following relevant certifications:

Name of Certificate	Auditing Office (Including Branch Auditing Personnel) (26 Persons)	Finance Dept. (5 Persons)	Accounting Dept. (12 Persons)	Risk Management Office (4 Persons)
Securities specialist	23	1	2	4
Senior securities specialist	20	4	5	5
Training for personnel conducting of securities trading margin purchase and short sale operations by securities firms	19	0	0	0
Futures specialist	26	1	0	5
Professional certification for financial executives of listed companies	0	1	1	0
Securities firms internal audit	26	0	0	0
CIA international internal auditor	1	0	0	0
Capital adequacy advanced calculation method reporting qualification	3	1	2	3
Proficiency test for financial risk management personnel	0	0	0	1

h) Employee code of conduct and ethics

The Corporation has established the Work Rules in accordance with the Labor Standards Act, and the Personnel Management Regulations as required by the management, and formulated the Employee Code of Conduct as the basis of compliance for employees' regular work and acts.

i. Obedience at work

- i) All employees of the Corporation shall abide by all regulations set by the Corporation and obey the reasonable command and supervision of supervisors at all levels.
- ii) Employees shall complete the tasks according to their job description, and achieve the performance goals and work standards set by the Corporation.
- iii) Supervisors at all levels shall treat their subordinates in the spirit of hierarchical responsibility appropriately guide employees to complete their work, and must not violate work rules and laws and regulations.
- iv) Except for emergencies or special situations, employees shall reflect their opinions on work to direct supervisors level by level, and shall not bypass the immediate leadership to report or have any concealment.

ii. Workplace management

- i) Employees entering and leaving the workplace shall clock in themselves. When going out on business during working hours, they shall need permission from the accountable supervisor before going out.
- ii) Without permission of the accountable supervisor, employees shall not bring their relatives and friends to the Corporation's workplace. In the case of emergency or special circumstances, employees shall meet their relatives or friends at the designated place.
- iii) No firearms, ammunition, flammable or explosive materials or other dangerous goods, and contraband can be brought in the workplace.
- iv) No smoking or drinking is permitted at the workplace of the Corporation.
- v) Employees shall take good care of public property and shall not cause any waste or damage, and shall pay the full price for any public property damaged or lost due to negligence.
- vi) Employees shall keep the environment clean during working hours. They shall clean up and put in order the tools and articles being used before leaving the workplaces.
- vii) Without the permission of the Corporation, it is strictly forbidden to take out the Corporation's property. Once such behavior has been found, severe punishment shall be imposed in accordance with the law.
- viii) Employees shall abide by the principle of salary secrecy, and shall not give away and discuss salary on purpose, resulting in management problems.
- ix) To promote gender equality at work and provide employees with a working and service environment free from sexual harassment, the Corporation has formulated the "Regulations Governing Prevention, Admonition and Punishment of Sexual Harassment at Workplace" for compliance by all employees.

iii. Conducting business management

- i) Employees shall handle their tasks in accordance with relevant management regulations, keep good custody of the documents, property, and articles in use, and shall not bring them out of the company, causes damage or loss. In case of an extraordinary accident, they shall put every effort to make appropriate arrangement.
- ii) Employees shall use the Corporation's equipment in accordance with relevant management regulations, and properly use vehicles, office equipment, computers, telephones, and other income-generating facilities.
- iii) Employees shall have the obligation to keep the confidentiality of the business handled personally and Corporation business.
- iv) Employees shall not engage in any work that is competitive with the Corporation's business, including the work they do at their own time, and shall use neither the Corporation's equipment, resources, or insider information to hold two or more posts outside the Corporation concurrently nor the Corporation's information to engage in personal business or look for their own customers.
- v) Employees shall not hold two or more posts outside the Corporation concurrently during working hours without the written consent of the Corporation.

- vi) Employees shall not disclose any business secrets after they take office or leave the office. Otherwise, the Corporation has the right to remove employees and to make a retrospect effect in the law and claim compensation for the Corporation's loss.
- vii) Employees who have been employed by the Corporation shall also not disclose or use the business secrets owned by the former employers.
- viii) Employees shall not borrow money from or lend money to customers or vendors.
- ix) Due to job requirements, employees shall travel to and from workplaces or relocate to other workplaces.
- x) Employees should have honesty and code of conduct in performing business to maintain the Corporation's reputation, and shall neither use the relationship of the position to ask customers or vendors to give a treat or gift nor take the opportunity to collect any commissions or seek other unjust benefits.
- xi) The Corporation has formulated the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" and also signed the Declaration of Employee Code of Conduct.

iv. Personal computer software usage management

- i) The related PC software installation, network access, emails, computer access, network messages, generic codes, and phishing prevention regulations shall follow the "Computer and Network Access Notice."
- ii) Making unauthorized copies of computer software or use of pirated software are regarded as illegal acts, and individuals and the Corporation may thus bear the civil and criminal liabilities stipulated by the Copyright Act.
- iii) Without the permission of the Corporation's IT Department, no software may be installed on the Corporation's personal computer for any reason or purpose, or the software installed on the personal computer may be copied for use by a third party other than the Corporation, including individuals or the Corporation's customers. Once the above circumstance is verified and found to be true, severe punishment may be imposed by the Corporation.

v. Relevant regulations on employee code of conduct and ethics have also been disclosed on the Corporation's website:

<https://www.concords.com.tw/about/Company/integrity.htm?mnu=03>

i) Work environment and personal safety protection measures

The Corporation shall file with the competent authority the public safety equipment inspection on the buildings and firefighting equipment according to laws and regulations. Meanwhile, the Corporation shall select its employees to obtain the firefighting management personnel certificate and establish the workplace fire plan to keep the firefighting equipment security in the workplace. The Corporation has taken out public accident liability insurance for all its workplaces to protect the rights and interests of customers, and employer's accident liability insurance and occupational accident insurance to safeguard the rights and interests of employees.

The Corporation has formulated the “Safety and Health Work Rules” in accordance with the Occupational Safety and Health Act and the relevant laws and regulations to prevent occupational accidents and ensure safety and health of employees. The Corporation has the labor safety and health management specialist and first-aid personnel at business places and branches. It arranges employee health examination and safety and health education and training regularly.

To keep and encourage employees’ health, the Corporation has the nurses and on-site physician services in accordance with the Regulations for Occupational Safety and Hygiene, adopts graded health management for employees and conducts health seminars to ensure the implementation of the concept of protective measures for the working environment and personal safety.

The Corporation was awarded the “Health Promotion Badge” in 2021, and further awarded the “Health Promotion Badge” certification again in 2024, which embodied the Corporation’s determination and achievement in strengthening care for its employees.

2) Any losses suffered by the Corporation in the most recent fiscal year: None.

3) Results of labor inspection:

Since June 2017, the Corporation has participated in the labor condition self-management inspection of public institutions organized by the Labor Inspection Office of Taipei and complied with the key inspection requirements every quarter.

4) Estimated Current and Potential Future Amounts and Response Measures:

The Corporation is involved in a labor pension payment dispute with a former sales representative of the Taichung Branch. The total amount in dispute is NT\$638 thousand. The case is currently on trial by the Taiwan Taichung District Court.

e. The state of implementation of the Corporation’s internal control system

1) Statement on Internal Control and audit report: Please refer to the Market Observation Post System website.

2) Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: Please refer to the Market Observation Post System website.

f. Cyber security management

1) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management

a) Cyber security risk management framework

To strengthen the three lines of defense in internal control and enhance functional segregation, the Corporation established the Information Security Department in October 2023 as a dedicated unit responsible for planning, monitoring, and executing information security management operations. In June 2024, the Corporation appointed a Chief Information Security Officer to oversee the promotion, coordination, and resource allocation of information security policies.

The Corporation has the Chairman, President, Chief Audit Officer and Chief Information Security Officer jointly issue a statement of internal control system on the overall implementation of information security in the previous year, and submit it to the Board of Directors for approval within three months after the end of the fiscal year. Then, the statement shall be disclosed on the reporting website designated by the competent authority.

b) Cyber security policies

The Corporation has established an “Information Security Policy,” which shall be subject to approval by the Board of Directors. Annual assessments are conducted to reflect the latest developments in laws and regulations, technology, and business, in order to ensure the effectiveness of information security practices. In addition, the Corporation has implemented the Information Security Management System (ISMS) for management in 2011. In August 2024, it passed the “ISO 27001:2022 Information Security Management System” certification and continuously optimized the organizational information security management through the “Plan-Do-Check-Act” (PDCA) cycle. It also passed the certification of an unbiased third party (SGS Taiwan) every year to keep the certificate valid. The current certificate is valid until October 31, 2025.

c) Specific management measures and Resources invested in cyber security management

i. Management aspect:

The Corporation has established the “Information Security Committee”. The President serves as the general convener and the Chief Information Officer as the deputy convener. The Committee members consist of the Corporation’s President and department heads, who are responsible for reviewing the objectives and implementation scope of the information security management system. The IT Dept. head acts as the information security management representative, responsible for supervising the implementation of the information security management system and coordinating the operations of various teams.

In addition to formulating information security policies and concrete management regulations and enforcement rules, the “Information Security Committee” and each taskforce will continue to adjust and improve relevant regulations and enforcement rules in response to the development of information security threats, the demand for business changes or requirements of the competent authorities. The Corporation assesses the information security risk regularly each year and continues to improve it, in order to achieve safe, convenient, and uninterrupted financial services.

ii. Technology aspect:

The Corporation has installed network firewalls, anti-virus software, email filtering mechanisms, cyber security threat detection and management mechanisms, intrusion detection and defense mechanisms, application firewalls, DDoS, and privilege management systems to build multi-layered security protection from the inside out.

iii. Manpower:

A Chief Information Security Officer and three information security personnel have been assigned to plan, monitor, and execute information security management operations.

iv. Information Security Awareness and Training:

In order to establish the overall information security awareness and enhance employees' knowledge of information security, all employees shall attend the information security promotion courses for at least 3 hours each year, and the personnel of the dedicated information security unit shall attend the information security professional program training or occupational training for at least 15 hours each year.

v. Others:

On November 29, 2024, the Corporation formally signed a Memorandum of Understanding (MOU) on National Information Security Joint Defense and Intelligence Sharing Cooperation with the Taipei City Field Office of the Ministry of Justice Investigation Bureau. Through this public-private collaboration, the Corporation aims to acquire timely cybersecurity threat intelligence from various sectors, enabling early warning of potential risks and swift responses to various types of attacks, while ensuring access to professional support in the event of cybersecurity incidents.

This partnership with the Investigation Bureau represents a joint effort between the public and private sectors to establish a coordinated defense against cyber threats, combat hacking activities, and further enhance the Corporation's digital resilience. It also aligns with and supports the government's "Cybersecurity is National Security" policy.

- 2) List any losses suffered by the Corporation in the most recent year and up to the date of publication of the prospectus due to significant cyber security incidents, and potential effects to be caused and responsive measures to be taken:

No material cyber security incidents occurred in 2024.

## 2. FINANCIAL INFORMATION

### Financial analysis in the last 5 financial years

#### Significant financial ratio

Item		Financial Data for the Past 5 Fiscal Years (Note 1)				
		2024	2023	2022	2021	2020
Financial structure (%)	Debt-asset ratio	73.02	73.72	74.59	73.88	73.85
	Ratio of long-term capital to property and equipment	1,371.78	1,253.92	1,103.41	1,231.93	1,101.32
Solvency (%)	Current ratio	111.48	112.88	107.17	112.85	111.01
	Quick ratio	111.43	112.85	107.13	112.82	110.98
Profitability	Return on assets (%)	3.13	3.10	(0.46)	4.24	4.08
	Return on shareholders' equity (%)	11.75	11.97	(1.78)	16.22	14.04
	Ratio of paid-in capital (%)	Operating profit (loss)	15.51	13.06	(3.28)	23.20
		Profit (loss) before tax	20.04	17.52	0.09	25.97
	Profit margin (loss) before tax (%)	33.01	35.41	(11.16)	38.41	42.06
	Earnings (loss) per share (NT\$)	1.75	1.60	(0.25)	2.33	1.83
Cash flow (%)	Cash flow ratio (%)	(Note 2)	(Note 2)	22.99	2.28	4.29
	Cash flow adequacy ratio (%)	68.02	68.34	379.95	186.87	221.42
	Cash flow reinvestment ratio (%)	(Note 2)	(Note 2)	44.09	(Note 2)	8.88
Special regulations ratio (%)	Ratio of total liabilities to net capital	207.93	200.48	242.24	210.51	188.89
	Ratio of property and equipment to total assets	2.71	2.88	3.08	2.73	2.94
	Ratio of total amount of underwriting securities on a firm commitment basis to the balance of current assets minus current liabilities	3.31	17.60	51.14	7.13	8.82
	Ratio of total margin purchase to net value	82.94	73.68	53.97	85.99	57.19
	Ratio of total short sale to net value	3.66	3.41	7.91	5.68	5.30
Please state the causes of changes in each financial ratio for the preceding (increased or decreased by 20%) two fiscal years:						
1) Ratio of total amount of underwriting securities on a firm commitment basis to the balance of current assets minus current liabilities: Mainly due to the decrease in total amount of underwriting securities for the year compared with the same period of last year.						

Note 1: The above financial data are all audited and attested by CPAs.

Note 2: Where net cash flow operating activities is negative, cash flow ratio is not calculated; where the total net cash flow from operation activities during the 5 most recent fiscal years are negative, cash flow adequacy ratio is not calculated; where net cash flow from operating activities less cash dividends issued in the current year is negative, cash flow reinvestment ratio is not calculated.

### 3. REVIEW OF FINANCIAL CONDITIONS, OPERATING RESULTS, AND RISK MANAGEMENT

#### a. Analysis of financial status

Expressed in Thousands of NT\$

Item \ Year	2024	2023	Change	
			Amount	%
Current assets	\$ 28,038,273	\$ 26,636,355	\$ 1,401,918	5
Non-current assets	8,026,273	7,112,737	913,536	13
Total assets	36,064,546	33,749,092	2,315,454	7
Current liabilities	25,152,045	23,596,657	1,555,388	7
Non-current liabilities	1,181,125	1,283,786	(102,661)	(8)
Total liabilities	26,333,170	24,880,443	1,452,727	6
Capital stock	6,241,777	5,944,550	297,227	5
Retained earnings	2,717,308	2,306,912	410,396	18
Other equity	596,960	441,856	155,104	35
Total equity	9,731,376	8,868,649	862,727	10

The causes of significant changes in assets, liabilities and equity for the preceding (increased or decreased by 20%) two fiscal years, the impacts and the response measures to be taken in the future:

- 1) Other equity: Mainly due to the increase in unrealized gains on investments in equity instrument measured at fair value through other comprehensive income in 2024.

#### b. Analysis of operation results

Expressed in Thousands of NT\$

Item \ Year	2024	2023	Increase (Decrease) Amount	Percentage of Change (%)
Revenue	\$ 3,309,837	\$ 2,823,329	\$ 486,508	17
Operating expenses and expenditure	<u>2,341,913</u>	<u>2,047,097</u>	<u>294,816</u>	14
Operating Profit	967,924	776,232	191,692	25
Share of profit of subsidiaries accounted for using equity method	122,537	114,660	7,877	7
Other gains and losses	<u>160,328</u>	<u>150,344</u>	<u>9,984</u>	7
Profit before income tax	1,250,789	1,041,236	209,553	20
Income tax expense	<u>158,308</u>	<u>41,484</u>	<u>116,824</u>	282
Net profit for the year	<u>\$ 1,092,481</u>	<u>\$ 999,752</u>	<u>\$ 92,729</u>	9

- 1) The causes of significant changes in operating profit and profit before income tax for the preceding two fiscal years:

##### a) Operating Profit

The increase in operating profit was mainly due to the increase in brokerage handling fee revenue and gains on sale of operating securities compared with the same period last year.



b) Profit before income tax

The increase in profit before tax was mainly due to the increase in brokerage handling fee revenue and gains on sale of operating securities compared with the same period of last year.

- 2) The impacts on the Corporation's business and the response measures to be taken in the future:  
None.

c. Analysis of cash flow

- 1) The analysis of cash flow for the most recent fiscal year

a) Operating activities

Net cash used in operating activities amounted to \$1,555,294 thousand, was mainly due to the increase in financial assets at fair value through profit or loss and margin loans receivable, and decrease in other financial liabilities and accounts payable.

b) Investing activities

Net cash used in investing activities amounted to \$376,967 thousand, was mainly due to the acquisition of financial assets at fair value through other comprehensive income.

c) Financing activities

Net cash generated from financing activities amounted to \$1,738,342 thousand was mainly due to the increase in short-term borrowings and commercial paper payable.

- 2) The improvement plans of insufficient liquidity, and the liquidity analysis for the coming year

a) Liquidity analysis for the preceding two fiscal years

<b>Item \ Year</b>	<b>2024</b>	<b>2023</b>	<b>Percentage of Increase (Decrease) %</b>
Cash flow ratio (%)	Note	Note	-
Cash flow adequacy ratio (%)	68.02	68.34	(0.47)
Cash flow reinvestment ratio (%)	Note	Note	-

Note: Where net cash flow from operating activities is negative, cash flow ratio is not calculated. Where total net cash flow from operating activities is negative, cash flow adequacy ratio is not calculated. Where net cash flow from operating activities less cash dividends issued in the current year is negative, cash flow reinvestment ratio is not calculated.

b) Liquidity analysis for the coming year

Expressed in Thousands of NT\$

Cash Balances - Beginning of The Period  A.	Net Cash Generated from (Used in) Operating Activities  B	Expected Cash (In) Out Flow for the Full Year  C.	Expected Amount of Excess (Insufficient) Cash  A + B - C	Expected Remedial Measures for Cash Deficit	
				Investment Plan	Financial Plan
1,417,390	644,315	129,740	1,931,965	-	-

- d. The effect upon financial operations of any major capital expenditures during the most recent fiscal year: None.
- e. The Corporation's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

1) Reinvestment policy for the most recent fiscal year

In recent years, the Corporation's investment policy focused on the business or investment targets that will contribute the most to the Corporation's future profits within the current business scope and among the investment projects by securities firms upon approval of the competent authority, in order to increase the Corporation's overall operating revenue and profit. The purpose of the reinvestment is to establish the diversity of the overall operation, increase diversified income and stabilize profit sources, and improve the overall competitiveness and operating performance of the company in the hope of building the best operating model. In the face of fierce competition in the industrial environment, the Corporation has continued to focus on core and promising business with development potential in recent years so as to operate permanently, steadily and sustainably.

2) The condition of profits generated by the invested company

Among the four subsidiaries invested by the Corporation in 2024, Concord Futures and Con Lian Asset Management Service. made a profit, while Concord Capital Management and Concord Insurance Agency made a loss.

3) Investment plans for the coming year

In the coming year, the Corporation will strengthen and further develop high-potential business entities to enhance the overall positive contribution of its investment portfolio. In addition, the Corporation will evaluate the feasibility of exploring new investment opportunities, with the aim of diversifying its investments and expanding sources of profit.

f. The matters on risks and the assessment during the most recent fiscal year and as they stood on the date of publication of the annual report:

1) The effect upon the Corporation's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

a) Interest rate:

The Corporation's interest rate-related business includes bond business, interest rate derivatives business, and securities lending and borrowing business. Among them, the responsible department for the bond and interest rate derivatives business has established appropriate risk management guidelines, and carries out limit on position, stop-loss mechanism, sensitivity analysis, etc. to effectively control the interest rate risk of this type of business. The Corporation's securities lending and borrowing business makes profit mainly from financing spread, so it is not greatly affected by changes in interest rates. In addition, changes in interest rates also affect the Corporation's borrowing costs. If interest rates show an unfavorable trend, the Corporation can also use exchange interest rates or issuing corporate bonds or convertible bonds to avoid the risk of rising interest rates.

b) Exchange rate:

The Corporation's main business targets and business areas are all in Taiwan, and is also dedicated itself to developing overseas business, such as overseas long-term investment and financial trading, which may impact the company's profit and loss or net value due to changes in exchange rates. However, as the Corporation's operating income is still dominated by domestic business, the impact should be limited. And also, risk limits are set for positions involving exchange rates and appropriate hedging measures are adopted to effectively control exchange rate risks.

c) Inflation rate:

The Corporation belongs to the securities service industry, so that inflation has no significant impact on the Corporation's finance and business.

d) Response measures to be taken in the future:

- i. Periodically collect information on interest rates and macroeconomics to understand market trends.
- ii. Adjusting the direction of business operations or conducting hedging operations according to interest rate trends to reduce the impact of changes in interest rates on the Corporation's profit and loss.

2) The Corporation's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

- a) The Corporation has not engaged in high-risk high-leverage investments in the most recent fiscal year.
- b) Except for handling securities lending and borrowing business in accordance with the law, the Corporation has not engaged in loans to other parties.
- c) The Corporation has not engaged in endorsements or guarantees.

- d) The Corporation engages in derivatives trading in accordance with the law and regulation of the competent authority and within the scope permitted by the Corporation's regulations, and it makes reasonable profit under the tolerable risk of the authorized positions.

3) Effect on the Corporation's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

Important Policies Adopted in the Legal Environment at Home and Abroad in the Most Recent Fiscal Year	Effect on the Corporation's Financial Operations	Measures to Be Taken in Response
1. The directive in relation to Article 14, Paragraph 6 of the Securities and Exchange Act. (Jin-Guan-Zheng-Fa-Zi No. 1130385442).	<p>1) In accordance with Article 14, Paragraph 6 of the Securities and Exchange Act, additional provisions have been introduced requiring companies whose shares are listed on the Taiwan Stock Exchange or traded on the Taipei Exchange to include in their Articles of Incorporation a policy for allocating a certain percentage of annual earnings to adjust the salaries or distribute compensation to non-executive employees.</p> <p>2) Non-executive employees refer to those who are not classified as managerial personnel and whose salary levels fall below a specified threshold. This "specified threshold" shall be determined by each company based on its operational conditions and industry characteristics, but shall not be lower than the salary level defined for grassroots employees under the "Regulations for Tax Preferences Provided to Small and Medium Enterprise on Wage Payment Raising." The scope of non-executive employees must be approved by the Board of Directors and reviewed periodically for necessary adjustments. This policy must also be incorporated into the Company's internal control system. The definition of "managerial personnel" shall follow the FSC directive Jin-Guan-Zheng-Jiao No. 1120384295.</p>	The Corporation will amend its Articles of Incorporation in compliance with the regulatory requirements.

(Continued)

Important Policies Adopted in the Legal Environment at Home and Abroad in the Most Recent Fiscal Year	Effect on the Corporation's Financial Operations	Measures to Be Taken in Response
	<p>3) Companies must amend their Articles of Incorporation in accordance with Article 14, Paragraph 6 of the Securities and Exchange Act no later than the 2025 shareholders' meeting.</p> <p>4) This directive is effective immediately.</p>	
<p>2. Presidential Decree - Promulgation of the Amendment to Article 14 of the Securities and Exchange Act (Presidential Decree Hua-Zong-Yi-Yi No. 11300069631).</p>	<p>Article 14 of the Securities and Exchange Act defines "financial reports" as the financial reports that issuers, securities firms, and securities exchanges are required to periodically submit to the competent authority in accordance with applicable laws and regulations:</p> <p>1) The content, applicable scope, procedures, preparation standards, and other compliance requirements of the financial reports described in the preceding paragraph shall be determined by the competent authority and shall not be governed by Chapters 4, 6, and 7 of the Business Entity Accounting Act.</p> <p>2) The financial reports mentioned in Paragraph 1 must be signed or sealed by the Chairman, managerial officers, and the chief accounting officer, and must include a statement declaring that the content of the financial reports contains no false representation or concealment.</p> <p>3) The chief accounting officer mentioned above must possess specified qualifications and undertake continuous professional education during their term. The qualifications, minimum continuing education hours, and the qualifications required of training institutions shall be stipulated by the competent authority.</p>	<p>The Corporation shall take measures in accordance with the regulations.</p>

(Continued)

Important Policies Adopted in the Legal Environment at Home and Abroad in the Most Recent Fiscal Year	Effect on the Corporation's Financial Operations	Measures to Be Taken in Response
	<p>4) Companies whose shares are listed on the Taiwan Stock Exchange or traded on the Taipei Exchange must, when preparing annual financial reports in accordance with Paragraph 2, additionally disclose information as required by the competent authority, including the company's compensation policy, average employee compensation and its adjustments, and the remuneration of directors and supervisors.</p> <p>5) Companies referred to in the preceding paragraph must stipulate in their Articles of Incorporation a policy for allocating a certain percentage of annual earnings to adjust the salaries or distribute compensation to non-executive employees. However, if the Company has accumulated losses, the Company shall offset the losses.</p> <p>6) The amount used for salary adjustments or compensation distribution under the preceding paragraph may be deducted from the company's taxable income for the applicable year.</p>	
<p>3. Issue the directive in relation to Article 82 of the Securities and Exchange Act. (Jin-Guan-Zheng-Quan-Zi No. 1130385152).</p>	<p>The types and scope of securities under Article 37-1, Paragraph 2, of the Regulations Governing Securities Firms are stated as follows:</p> <p>1) This directive is issued in accordance with Article 82 of the Securities and Exchange Act.</p>	<p>The Corporation shall take measures in accordance with the regulations.</p>

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Important Policies Adopted in the Legal Environment at Home and Abroad in the Most Recent Fiscal Year	Effect on the Corporation's Financial Operations	Measures to Be Taken in Response
	<p>2) To promote the professionalization of underwriting allocations and rationalize the sources of underwriting service fees, the following adjustments have been made to the underwriting compensation and distribution fees negotiated between securities underwriters and issuing companies: Underwriting compensation shall not exceed 10% of the total amount of the underwritten securities. Distribution fees shall not exceed 5% of the total amount of the distributed securities.</p> <p>3) This directive is effective immediately. The previous directive issued by the Financial Supervisory Commission, Executive Yuan, under Order No. Jin-Guan-Zheng-Er-Zi-0930005837 on December 6, 2004, is hereby repealed as of the same date.</p>	
<p>4. Amendment to Article 23 of the "Regulations Governing Securities Firms Accepting Orders to Trade Foreign Securities". (Jin-Guan-Zheng-Quan-Zi No. 1130382133).</p>	<p>1) When a securities firm accepts a client's order to purchase foreign securities, such securities - unless the client is a professional institutional investor - must be held in custody either under the name of the securities firm or the name of a sub-custodian financial institution, with a local custodian in the market where the transaction occurs, or by the Taiwan Depository &amp; Clearing Corporation. The securities must be accurately recorded in the client's account and reflected in the account statement for client verification.</p> <p>2) For the custodians referred to in the preceding paragraph, the securities firm must report the arrangement to the industry association for record-keeping.</p>	<p>The Corporation shall take measures in accordance with the regulations.</p>

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Important Policies Adopted in the Legal Environment at Home and Abroad in the Most Recent Fiscal Year	Effect on the Corporation's Financial Operations	Measures to Be Taken in Response
<p>5. Directive Regarding Article 6, Paragraph 2 of the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” and Article 7, Paragraph 2 of the “Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets.” (Jin-Guan-Zheng-Shen-Zi No. 11303819624).</p>	<p>1) In accordance with Article 6, Paragraph 2 of the Regulations Governing the Establishment of Internal Control Systems by Public Companies and Article 7, Paragraph 2 of the Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets, public companies and relevant service enterprises shall, when designing, implementing, self-evaluating, or engaging certified public accountants to perform special audits of their internal control systems, comprehensively consider the evaluation items listed under Article 6, Paragraph 1 and Article 7, Paragraph 1 of the respective regulations concerning each component of the internal control system.</p> <p>2) This directive shall take effect on January 1, 2025, and will apply starting with the design and implementation of internal control systems for the 2025 fiscal year. The directive issued by the FSC under Letter No. Jin-Guan-Zheng-Shen-Zi No. 1030039132 on October 1, 2014, shall be repealed effective the same date.</p> <p>3) The date of implementation has been adjusted to align with the amendments made in this revision. (Amendment to Article 31).</p>	<p>The Corporation shall take measures in accordance with the regulations.</p>
<p>6. Amendments to Certain Provisions of the “Regulations Governing the Preparation of Financial Reports by Securities Firms”. (Jin-Guan-Zheng-Quan-Zi No. 1130380001).</p>	<p>1) Amendments to the requirements on the classification of current or non-current liabilities in accordance with IAS 1 “Presentation of Financial Statements”. (Amendment to Article 15).</p>	<p>The Corporation shall take measures in accordance with the regulations.</p>

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Important Policies Adopted in the Legal Environment at Home and Abroad in the Most Recent Fiscal Year	Effect on the Corporation's Financial Operations	Measures to Be Taken in Response
	<p>2) Considering that on the record date of cash capital increase, the securities firms already recognized the raised fund as the share capital or capital collected in advance, or issued new shares to employees exercising stock options or holding convertible corporate bonds, who shall be limited to those failing to register it with the competent authority in charge of company registration, the amendments are made to the definition of the share capital and the relevant facts about the pending change registration shall also be disclosed in the Note. (Amendment to Article 16).</p> <p>3) Expansion of Disclosure Requirements for Individual Directors' and Supervisors' Remuneration for Listed and OTC Securities Firms:</p> <p>a) To progressively implement differentiated management based on Corporate Governance Evaluation results and enhance the transparency of directors' and supervisors' remuneration, the current requirement whereby securities firms ranked in the lowest tier of the most recent Corporate Governance Evaluation must disclose individual remuneration, will be expanded to include firms ranked in the lowest two tiers. (Amendment to Article 28).</p>	

(Continued)

Important Policies Adopted in the Legal Environment at Home and Abroad in the Most Recent Fiscal Year	Effect on the Corporation's Financial Operations	Measures to Be Taken in Response
	<p>b) To encourage profitable securities firms to reasonably share operational results with employees and to strengthen their social responsibility performance through market-based supervision, a new requirement is added: Listed and OTC securities firms that show a significant increase in net income after tax but whose average annual salary for full-time non-managerial employees does not increase must disclose the individual remuneration of directors and supervisors. (Amendment to Article 28).</p> <p>c) To reinforce the rationality of director and supervisor remuneration in relation to company performance, an additional requirement is introduced: If a securities firm experiences a significant decline in net income after tax, and at the same time the average remuneration per director or supervisor increases significantly, the firm must disclose the individual remuneration of directors and supervisors. This aims to enhance the overall quality of corporate governance. (Amendment to Article 28).</p>	
7. Amendments to Certain Provisions of the "Regulations Governing the Preparation of Financial Reports by Securities Firms". (Jin-Guan-Zheng-Quan-Zi No. 1140380326).	1) In order to cooperate with the Financial Supervisory Commission to amend the title of the Rules on Regulations Governing Auditing to the Rules on Regulations Governing Financial Statement Audit, the titles of the regulations cited in this standard are amended. (Amendment to Article 14).	The Corporation shall take measures in accordance with the regulations.

(Continued)

Important Policies Adopted in the Legal Environment at Home and Abroad in the Most Recent Fiscal Year	Effect on the Corporation's Financial Operations	Measures to Be Taken in Response
	<p>2) In order to improve the quality of disclosure of non-financial information, make reference to Standards for matters that should be recorded in the annual reports of banks, the amendment requires disclosure of relevant information such as the number of full-time employees who are not supervisory personnel and their salaries. (Amendment to Article 28).</p> <p>3) Streamlining the matters that should be recorded in the preparation of other disclosures in financial reports of securities firms and simplifying the preparation process:</p> <p>a) Delete items that should be recorded: Delete Article 29, Including Five-year financial summary 、 Statements of comprehensive income and Financial difficulties that the Corporation and its affiliates have encountered in recent years, and the impacts on the Corporation's financial condition.</p> <p>b) Open information index to simplify the preparation of other disclosures in financial reports: If the Statement on Internal Control and the CPA internal control system special review report, etc. has been announced and reported on the information reporting website designated by the FSC, the index for information query on other disclosure items in the financial report can be recorded, and the relevant announcement and reporting information will be regarded as the recorded items of other disclosure items in the financial report. (Amendment to Article 31-1).</p>	

(Concluded)

- 4) Effect on the Corporation's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

The Corporation's Information Security Department serves as the dedicated unit for managing information and communication security risks. In response to emerging threats and challenges in this area, its primary initiative is to conduct regular information security training sessions to enhance the awareness and fundamental knowledge of all members within the organization. In the aspect of management, the Corporation acquires real-time information related to Information and Communication security to strengthen protection by means of joining the information security analysis and sharing organization to avoid high-risk attacks. The Corporation should conduct regular vulnerability scans required for systems and networks, and where a high-risk weakness or vulnerability is found, it should act in response and make repairs as soon as possible to avoid such weaknesses or vulnerabilities being collected and exploited by hackers to cause harm to the Corporation.

To address industry shifts driven by the rise of digital finance, the Corporation established the Digital Finance Department in January 2025. This initiative aims to build a differentiated competitive advantage through digital innovation and to accelerate employee transformation and training. The Corporation is committed to developing digitized branches and service platforms to meet evolving investor trading needs. Empowering physical branches and sales representatives with digital capabilities will serve as a core competitive strength going forward.

In response to technological advancements and industry transformation trends, the Corporation has already implemented necessary measures to mitigate potential impacts on its financial and operational performance.

- 5) Effect on the Corporation's crisis management of changes in the Corporation's corporate image, and measures to be taken in response:

The Corporation always adheres to the operating principles of "Ethics, Stability, Service, Sustainability", and continuously strengthens internal control and risk control mechanisms, and provides professional and comprehensive services for the investing public. In recent years, the Corporation has also been committed to promoting the practicing of ESG into the corporate culture to enhance the corporate social responsibility. Therefore, the Corporation has never suffered the crisis management of changes in the Corporation's corporate image.

- 6) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:

Before the initiation of a merger and acquisition case, the Corporation will conduct all feasibility assessments and seek expert opinions to fully grasp the benefits and accompanying risks that can be generated after mergers and acquisitions, and conduct feasibility assessments, so all risks will be controlled with caution. There is no specific M&A plan by far.

- 7) Expected benefits and possible risks associated with the expansion of business locations, and mitigation measures being or to be taken:

In recent years, in response to the development of technology and the changes of the times, the Corporation has reduced its business locations to the optimal scale for operation. Therefore, it is unlikely that the Corporation will develop its business by expanding business locations again in the future.

- 8) Risks associated with any consolidation of business operations, and mitigation measures being or to be taken:

The Corporation's major customers include natural persons, legal persons, and qualified foreign institutional investors. There is no such issue that a single customer accounting for the customer structure is overly concentrated.

- 9) Effect upon and risk to the Corporation in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Corporation has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

The Corporation's equity is stable, and no associated risks arise.

- 10) Effect upon and risk to Corporation associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

- 11) Other important risks, and mitigation measures being or to be taken: None.

- 12) List major litigious, non-litigious or administrative disputes that: (1) involve the Corporation and/or any Corporation director, any Corporation supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any Corporation or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute which might have a material impact on shareholders' rights and interests or securities prices, the annual report shall disclose the facts of the dispute, 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:

- a) The plaintiff and the other person claimed that the natural person and salesperson Mr./Ms. Chen, with the intention of obtaining unlawful gains for himself/herself, deceived the plaintiff by not telling the truth behind transactions and caused damage to the plaintiff and the other person. Therefore, the plaintiff filed a civil action against the defendant and the Corporation on August 18, 2021, requesting the Corporation to bear joint and several liabilities for the damage compensation in a total amount of NT\$52,000 thousand. The case is currently under the trial of the Taiwan Taipei District Court. This case does not have a material impact on shareholders' rights and interests or securities prices.
- b) When a customer of the Corporation received a phone call from a person other than the Corporation's sales representatives, it was possible that the Corporation's system might be invaded by unknown hackers. On September 5, 2023, the Corporation filed a criminal complaint with the Taipei City Field Division, Investigation Bureau, Ministry of Justice. This case does not have a material impact on shareholders' rights and interests or securities prices.
- c) On October 11, 2023, the Corporation received a civil complaint from the plaintiff requesting the payment of labor pension, for a total amount of NT\$637 thousand. The case is currently pending trial by Taiwan Taichung District Court. This case does not have a material impact on shareholders' rights and interests or securities prices.
- d) The Corporation's Neihu Branch customer was reported for default on October 11, 2023. On October 31, 2023, the Corporation filed for a payment order with the Taiwan Taipei District Court. However, as the payment order could not be delivered, the Corporation submitted a civil complaint to the Taiwan Taipei District Court on January 22, 2024, seeking payment of NT\$281 thousand for stock settlement. On May 7, 2024, the court ruled in favor of the Corporation, and the judgment was finalized on June 4, 2024. This case does not have a material impact on shareholders' rights and interests or securities prices.

- e) The Corporation's Yanping (formerly known as Chengchung) Branch customer was reported to have defaulted on October 2, 2006. The Corporation filed a motion to Taiwan Taipei District Court for issuance of a payment order in a total amount of NT\$289 thousand on December 15, 2016. The payment order has been determined. Now the debtor is in the process of paying off the debt. This case does not have a material impact on shareholders' rights and interests or securities prices.
- f) The Corporation's Taichung (formerly known as Yuanlin) Branch customer was reported to have defaulted on September 9, 2008, the Corporation made a settlement transcript with the debtor in Taiwan Taichung District Court in a total settlement amount of NT\$2,917 thousand on June 4, 2009. The Corporation has applied for compulsory enforcement; the amount is not paid off, which has been replaced with a Certificate of the Obligatory Claim. The Corporation will continue to claim for recovery from the debtor. This case does not have a material impact on shareholders' rights and interests or securities prices.
- g) The Corporation's Taichung Branch customer was reported to have defaulted on February 23, 2009, the Corporation filed a motion to Taiwan Changhua District Court for issuance of a payment order in a total amount of NT\$6,119 thousand on March 2, 2009. The payment order has been determined. The Corporation has applied for compulsory enforcement; the amount is not paid off, which has been replaced with a Certificate of the Obligatory Claim. The Corporation will continue to claim for recovery from the debtor. This case does not have a material impact on shareholders' rights and interests or securities prices.
- h) The Corporation's Yonghe Branch customer was reported to have defaulted on May 19, 2017, the Corporation filed a motion to Taiwan Shihlin District Court for issuance of a payment order in a total amount of NT\$73,147 thousand on July 18, 2017. The payment order has been determined. The Corporation applied for compulsory enforcement; the amount is not paid off, which has been replaced with a Certificate of the Obligatory Claim. The Corporation will continue to claim for recovery from the debtor. This case does not have a material impact on shareholders' rights and interests or securities prices.
- i) The Corporation's Yonghe Branch customer was reported to have default on May 19, 2017, the Corporation filed a motion to Taiwan New Taipei District Court for issuance of a payment order in a total amount of NT\$12,527 thousand on July 18, 2017. The payment order has been determined. The debtor continued to make repayments in accordance with the agreement and fully settled the outstanding amount on October 8, 2024. This case does not have a material impact on shareholders' rights and interests or securities prices.
- j) The Corporation's Renai Branch customer was reported a default on May 15, 2018 and the customer did not repay the amount as scheduled after an agreement was reached, the Corporation filed a motion to Taiwan Taipei District Court for ruling on promissory notes in a total amount of NT\$2,520 thousand on July 1, 2018. The ruling on promissory notes has been determined. The Corporation has applied for compulsory enforcement; however, the amount is not paid off, which has been replaced with a Certificate of the Obligatory Claim. The Corporation will continue to claim for recovery from the debtor. This case does not have a material impact on shareholders' rights and interests or securities prices.
- k) The Corporation's Shihpai Branch customer was reported for default on November 12, 2018. On December 20, 2018, the Corporation filed for a payment order with the Taiwan Shilin District Court in the amount of NT\$3,397 thousand. The payment order has been finalized, and a certificate of claim was reissued accordingly. The case has since been closed following notification from the Taiwan Shilin District Court that the debtor is deceased. This case does not have a material impact on shareholders' rights and interests or securities prices.

- l) The Corporation's Shipai Branch customer was reported to have defaulted on November 12, 2018, the Corporation filed a motion to Taiwan New Taipei District Court for issuance of a payment order in a total amount of NT\$959 thousand on December 20, 2018. The payment order has been determined. The Corporation applied for compulsory enforcement; however, the amount is not paid off, which has been replaced with a Certificate of the Obligatory Claim. The Corporation will continue to claim for recovery from the debtor. This case does not have a material impact on shareholders' rights and interests or securities prices.
- m) The Corporation's Kaohsiung Branch customer was reported to have defaulted on February 3, 2020, the Corporation filed a motion to Taiwan Taipei District Court for ruling on promissory notes in a total amount of NT\$171 thousand on February 4, 2020. The ruling on promissory notes has been determined. The Corporation applied for compulsory enforcement; however, the amount is not paid off, which has been replaced with a Certificate of the Obligatory Claim. The Corporation will continue to claim for recovery from the debtor. This case does not have a material impact on shareholders' rights and interests or securities prices.
- n) The Corporation's Brokerage Dept. customer was reported to have defaulted on November 6, 2020. On November 19, 2020, the Corporation filed a petition for false seizure with the Taiwan Taipei District Court and the payment order has been determined amounting to NT\$136 thousand. The Corporation applied for compulsory enforcement with the court on January 8, 2021. However, the amount is not paid off, which has been replaced with a Certificate of the Obligatory Claim. The Corporation will continue to claim for recovery from the debtor. This case does not have a material impact on shareholders' rights and interests or securities prices.
- o) The Corporation's Tainan Branch customer was reported to have defaulted on October 7, 2022, the Corporation filed a motion to Taiwan Taipei District Court for ruling on promissory notes in a total amount of NT\$1,000 thousand on October 28, 2022. The debtor has repaid the debt in full on October 11, 2024. This case does not have a material impact on shareholders' rights and interests or securities prices.
- p) The Corporation's Taipei Branch customer was reported to have defaulted on November 30, 2022, the Corporation filed a motion to Taiwan New Taipei District Court for issuance of a payment order in a total amount of NT\$35 thousand on January 5, 2023. The payment order has been determined. The Corporation applied for compulsory enforcement; however, the amount is not paid off, which has been replaced with a Certificate of the Obligatory Claim. The Corporation will continue to claim for recovery from the debtor. This case does not have a material impact on shareholders' rights and interests or securities prices.
- q) The Corporation's Renai Branch customer was reported for default on February 1, 2023. On February 4, 2023, the Corporation filed a promissory note ruling request with the Taiwan Taipei District Court in the amount of NT\$846 thousand. The ruling has been finalized, and a certificate of claim has been reissued. Now the debtor is in the process of paying off the debt. This case does not have a material impact on shareholders' rights and interests or securities prices.
- r) The Corporation's Neihu Branch customer was reported to have defaulted on June 12, 2023, the Corporation filed a motion to Taiwan Taipei District Court for ruling on promissory notes in a total amount of NT\$639 thousand on August 11, 2023, and a certificate of claim has been reissued. Now the debtor is in the process of paying off the debt. This case does not have a material impact on shareholders' rights and interests or securities prices.
- s) The Corporation's Yenping Branch customer was reported for default on July 14, 2023. On the same day, the Corporation filed a promissory note ruling request with the Taiwan Taipei District Court in the amount of NT\$100 thousand. The ruling has been finalized, and a certificate of claim has been reissued. The debtor is currently making ongoing repayments. This case does not have a material impact on shareholders' rights and interests or securities prices.

- t) The Corporation's Kaohsiung Branch customer was reported to have defaulted on July 4, 2023, the Corporation filed a motion to Taiwan New Taipei District Court for issuance of a payment order in a total amount of NT\$494 thousand on August 10, 2023. The payment order has been determined. The Corporation applied for compulsory enforcement; however, the amount is not paid off, which has been replaced with a Certificate of the Obligatory Claim. The Corporation will continue to claim for recovery from the debtor. This case does not have a material impact on shareholders' rights and interests or securities prices.
- u) The Corporation's Kaohsiung Branch customer was reported to have defaulted on September 13, 2023. Accordingly, on September 28, 2023, the Corporation filed a promissory note ruling request with the Taiwan Taipei District Court in the amount of NT\$904 thousand. The ruling has been finalized, and a certificate of claim has been issued. The Corporation will continue to pursue recovery from the debtor. This case does not have a material impact on shareholders' rights and interests or securities prices.
- v) The Corporation's Taichung Branch customer was reported to have defaulted on October 27, 2023, the Corporation filed a motion to Taiwan Taipei District Court for ruling on promissory notes in a total amount of NT\$1,159 thousand on November 2, 2023. Now the debtor is in the process of paying off the debt. This case does not have a material impact on shareholders' rights and interests or securities prices.
- w) The Corporation's Taichung Branch customer was reported to have defaulted on December 19, 2023, for a total of NT\$317 thousand. The debtor fully repaid the outstanding amount on December 16, 2024. This case does not have a material impact on shareholders' rights and interests or securities prices.
- x) The Corporation's Tainan Branch customer was reported to have defaulted on March 24, 2022 and March 28, 2022. The Corporation filed a complaint against the defendant claiming the payment of stock payment, NT\$407 thousand, on August 1, 2022. On December 14, 2022, the Corporation received the final and irrevocable judgment rendered by Taiwan Taipei District Court in favor of the Corporation. The Corporation applied for compulsory enforcement; however, the amount is not paid off. The Corporation will continue to claim for recovery from the debtor. This case does not have a material impact on shareholders' rights and interests or securities prices.
- y) The Corporation's Taipei Branch customer was reported to have defaulted on February 21, 2024. Consequently, on March 13, 2024, the Corporation filed for a payment order with the Taiwan Taichung District Court in the amount of NT\$79 thousand. The payment order has been finalized. As enforcement proceedings did not result in repayment, the Corporation will continue to pursue recovery from the debtor. This case does not have a material impact on shareholders' rights and interests or securities prices.
- z) The Corporation's Kaohsiung Branch customer was reported to have defaulted on September 4, 2024. Accordingly, on November 4, 2024, the Corporation filed for a payment order with the Taiwan Hsinchu District Court in the amount of NT\$72 thousand. The payment order has been finalized, and the Corporation will proceed with recovery from the debtor. This case does not have a material impact on shareholders' rights and interests or securities prices.
- aa) The Corporation's Yonghe Branch customer was reported to have default on October 15, 2024, the Corporation filed a motion to Taiwan Kaohsiung District Court for issuance of a payment order in a total amount of NT\$73 thousand on November 11, 2024. The payment order has been determined. Now the debtor is in the process of paying off the debt. This case does not have a material impact on shareholders' rights and interests or securities prices.



- bb) The Corporation was appointed by OO Corporation to serve as its shareholder meeting stock affairs service consultant. However, the debtor failed to pay the service fee as stipulated in the contract. Consequently, on October 29, 2024, the Corporation filed for a payment order with the Taiwan Shilin District Court in the amount of NT\$281 thousand. The case is currently under review by the Taiwan Shilin District Court. This case does not have a material impact on shareholders' rights and interests or securities prices.
- cc) The Corporation's Shihpai Branch customer was reported to have default on November 6, 2024. As a result, on December 17, 2024, the Corporation filed for a payment order with the Taiwan Hsinchu District Court in the amount of NT\$69 thousand. The Corporation will pursue recovery from the debtor. This case does not have a material impact on shareholders' rights and interests or securities prices.
- dd) Due to excess-of-loss event on February 6, 2018, Concord Futures, one of the Corporation's important subsidiaries, has conducted civil debt settlement and compensation for damages with a total of 8 investors since June 2018, a lawsuit requesting a total of NT\$177,815 thousand. So far, both parties have reached settlement for most cases. Meanwhile, the judgment rendered by Taiwan Taipei District Court in favor of Concord Futures became final and irrevocable. The remaining one case is pending trial by Taiwan High Court. This case does not have a material impact on shareholders' rights and interests or securities prices.
- ee) Due to the event of a negative price of overseas small light crude oil on April 21, 2020, Concord Futures, one of the Corporation's important subsidiaries, has conducted civil debt settlement and compensation for damages with a total of 3 investors since October 2020. Two cases have been concluded with judgments from the Taipei District Court, ruling in favor of Concord Futures Co., Ltd. The remaining case, totaling NT\$757 thousand is currently review by Taiwan High Court. This case does not have a material impact on shareholders' rights and interests or securities prices.
- ff) A former salesperson of the Corporation's important subsidiary, Concord Futures, was deemed by the plaintiffs to have deceived the plaintiff about the true nature of the transaction for the purpose of unlawful gain, resulting in damages. The plaintiffs, amounting to 28 investors, filed a civil lawsuit against Concord Futures and the former salesperson to bear joint and several liabilities for damages and settlement of debts from February 2022 to May 2023, amounting to a total of NT\$553,821 thousand. The case is now pending before the Taiwan Taipei District Court and the Taiwan New Taipei District Court. This case does not have a material impact on shareholders' rights and interests or securities prices.

g. Crisis management and contingency measures

In accordance with the Corporation's regulation on material contingency reporting and emergency procedures, events that have a significant impact on the Corporation's reputation, jeopardize its normal operations, cause damage to customers' rights, or affect financial order are described as follows:

- 1) Man-made or natural disaster (e.g., earthquake, flood, fire, wind disaster, etc.)
- 2) Fraud case involving poor internal controls, or occurrence of a material deficiency in operations.
- 3) Security maintenance related (e.g., robbery, major theft, vandalism of business premises or equipment, or intimidation, etc.)
- 4) Material deficiency or loss in business or finances, with the assessed loss amounting to over NT\$300,000 thousand.
- 5) Media reporting on a matter that may affect the reputation or operations of the Corporation.

- 6) Occurrence of a material information security incident.
- 7) Violation of anti-money laundering or counter-terrorism financing regulations by a related enterprise in which the corporation has made overseas investment.
- 8) A material credit risk case overseas or in the mainland China area, in which the assessed claims or loss on investment reaches the equivalent of US\$10,000 thousand or more.
- 9) Other material event

Material contingencies under the preceding paragraph are not limited by the amount of loss as an absolute requirement. Non-quantifiable events that do not result in any monetary loss, but affect the reputation of the Corporation, or jeopardize the normal operation of the Corporation, or the financial order, also constitute material contingencies.

When a material contingency occurs, if necessary, the “Emergency Response Team” shall be convened by the Corporation’s chairman as the convenor, and the president as both the vice convenor and the business executive supervisor, and the relevant department heads shall be convened to deal with any contingencies immediately.

The Corporation also values the severity of the operation crisis. If necessary, an interim board of directors meeting shall be convened. Report to directors about the occurrence, cause, response procedures, etc., and organize emergency countermeasures with the directors.

In addition, the Corporation has also established “Emergencies Countermeasures Operation Procedures” to identify potential accidents or emergencies, aiming to prevent or minimize personal injuries, property losses and impacts on working environment in order to maintain business operations and ensure employees’ safety.

h. Other important matters: None.

#### 4. CPA INFORMATION

a. Information on CPA professional fees

Expressed in Thousands of NT\$

Name of Accounting Firm	Name of CPA	CPA Audit Period	Audit Fees	Non-audit Fees	Subtotal	Remark
Deloitte Taiwan	CHUANG, PI-YU	Full-year of 2024	\$ 2,800	\$ 300	\$ 3,100	Note 1
	CHANG, CHENG-HSIU					
	HSU, YING-YING					
EY Taiwan	XIE, SHEN-AN	May 2024-Jul. 2024	-	780	780	Note 3
	YANG, HONG-BIN					
PwC Taiwan	WU, SHANG-TUN	Full-year of 2022-2023	-	520	520	Note 4
ATAX Accounting Firm	CHENG, YU-DA	Full-year of 2024	-	300	300	Note 5

Note 1: Non-audit Fees including Tax Compliance Audit.

Note 2: Non-audit Fees including the execution of surplus-to-capital-increase services.

Note 3: Non-audit Fees including the project audit of internal control within specific scopes.

Note 4: Non-audit Fees including ESG assurance service.

Note 5 Non-audit Fees including TCFD report.

- 1) When the Corporation changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year: None.
- 2) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more: None.

b. Information on replacement of certified public accountant

Because of job rotation within the accounting firm, Chang, Cheng-Hsiu, CPA and Chuang, Pi-Yu, CPA were replaced by Chang, Cheng-Hsiu, CPA and Huang, Hsiu-Chun, CPA on 2025.

- c. Information of the Corporation's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at certified public accounting firm or its affiliated enterprises: None.