

**Concord Securities Co., Ltd. and
Subsidiaries**

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Company name: Concord Securities Co., Ltd.
Chairman: CHENG, TA-YU
Date: March 11, 2025

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, other regulations, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion 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 consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated 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 Group's consolidated 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, 27 and 32 to the consolidated financial statements for 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 financial statements of some of the Group's subsidiaries and investments accounted for using equity method included in the Group's consolidated 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 assets of these subsidiaries and investments in associates amounted to \$587,527 thousand and \$580,106 thousand, accounting for 1.31% and 1.44% of consolidated total assets, respectively; for the years ended December 31, 2024 and 2023, no operating revenue was recognized, and the share of the comprehensive income of these associates accounted for using equity method amounted to \$7,602 thousand and \$25,575 thousand, which accounted for 0.60% and 2.47% of the consolidated total comprehensive income, respectively.

We have also audited the parent company only financial statements of Concord Securities Co., Ltd. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion with Other Matter paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and other regulations, IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated 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 consolidated financial statements shall prevail.

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024		2023	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,618,988	4	\$ 1,740,731	4
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	12,090,064	27	11,220,151	28
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	160,279	-	498,471	1
Margin loans receivable (Notes 4, 11 and 32)	8,069,999	18	6,533,218	16
Refinancing margin (Notes 4 and 11)	83	-	525	-
Refinancing collateral receivable (Notes 4 and 11)	69	-	437	-
Customer margin account (Notes 4 and 9)	8,396,485	19	6,308,796	16
Security borrowing collateral price (Notes 4 and 11)	117,763	-	78,997	-
Security borrowing margin (Notes 4 and 11)	336,720	1	71,860	-
Notes and accounts receivable (Notes 4 and 11)	4,986,875	11	6,150,076	15
Prepayments	11,662	-	9,242	-
Other receivables (Notes 4 and 11)	87,968	-	116,465	-
Other financial assets - current (Notes 4 and 12)	636,433	2	664,620	2
Restricted assets - current (Note 33)	183,932	-	169,040	-
Amounts held for each customer in the account (Note 32)	539,176	1	187,534	1
Other current assets	252,641	1	205,070	1
Total current assets	37,489,137	84	33,955,233	84
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 7 and 33)	-	-	10,041	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 5 and 8)	4,240,022	10	3,305,210	8
Investments accounted for using equity method (Notes 4 and 14)	585,898	1	575,955	2
Property and equipment (Notes 4, 15 and 33)	1,038,025	2	1,055,970	3
Right-of-use assets (Notes 4, 16 and 32)	83,267	-	98,910	-
Investment property (Notes 4, 17 and 33)	317,957	1	318,400	1
Intangible assets (Notes 4 and 18)	64,377	-	60,377	-
Deferred tax assets (Notes 4 and 27)	24,486	-	38,443	-
Other non-current assets (Notes 4 and 19)	872,967	2	896,474	2
Total non-current assets	7,226,999	16	6,359,780	16
TOTAL	\$ 44,716,136	100	\$ 40,315,013	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 20 and 33)	\$ 1,218,700	3	\$ 809,500	2
Commercial paper payable (Notes 20 and 33)	7,522,937	17	5,761,973	14
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 32)	2,482,618	5	1,984,310	5
Liabilities for bonds with attached repurchase agreements (Notes 4, 21 and 32)	5,320,733	12	5,166,781	13
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 (Note 4)	37,435	-	70,168	-
Futures traders' equity (Notes 4 and 9)	8,410,985	19	6,348,423	16
Equity for each customer in the account (Note 32)	539,030	1	187,803	1
Accounts payable (Note 22)	4,957,977	11	5,776,899	14
Other payables	706,331	2	543,264	1
Other financial liabilities - current (Note 23)	1,415,192	3	2,525,707	6
Current tax liabilities (Notes 4 and 28)	147,822	-	128,563	-
Provisions - current (Notes 4 and 24)	27,358	-	26,666	-
Lease liabilities - current (Notes 4, 16 and 32)	29,551	-	49,889	-
Other current liabilities	230,155	-	144,630	1
Total current liabilities	33,732,347	75	30,099,486	75
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	1,039,128	3	1,177,976	3
Provisions - non-current (Notes 4 and 24)	14,509	-	15,083	-
Lease liabilities - non-current (Notes 4, 16 and 32)	51,567	-	46,483	-
Deferred tax liabilities (Notes 4 and 28)	60,074	-	20,912	-
Guarantee deposits received (Note 32)	2,478	-	2,468	-
Net defined benefit liabilities - non-current (Notes 4 and 25)	20,680	-	24,410	-
Total non-current liabilities	1,188,436	3	1,287,332	3
Total liabilities	34,920,783	78	31,386,818	78
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4, 8, 14, 25, 26, 28 and 31)				
Share capital	6,241,777	14	5,944,550	15
Capital surplus	175,331	1	175,331	-
Retained earnings				
Legal reserve	337,355	1	239,393	1
Special reserve	1,283,817	3	1,087,890	3
Unappropriated retained earnings	1,096,136	2	979,629	2
Total retained earnings	2,717,308	6	2,306,912	6
Other equity	596,960	1	441,856	1
Total equity attributable to owners of the Corporation	9,731,376	22	8,868,649	22
NON-CONTROLLING INTERESTS	63,977	-	59,546	-
Total equity	9,795,353	22	8,928,195	22
TOTAL	\$ 44,716,136	100	\$ 40,315,013	100

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

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

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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 27)				
Brokerage handling fee revenue (Note 32)	\$ 1,833,748	46	\$ 1,541,164	45
Income from securities lending	42,366	1	43,940	1
Revenue from underwriting commission	18,042	-	33,033	1
Gains on sale of operating securities, net	1,676,831	43	297,332	9
Revenue from providing agency service for stock affairs	30,663	1	28,529	1
Interest income (Note 32)	442,127	11	350,093	10
Dividend income	185,680	5	1,632,764	48
Valuation gains on operating securities at fair value through profit or loss, net	144,094	4	393,698	11
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)	(2)
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)	(7)	(97,412)	(3)
Losses on derivative instruments - futures, net	(223,047)	(6)	(148,135)	(4)
Losses on derivative instruments - OTC, net (Note 32)	(88,983)	(2)	(585,419)	(17)
Impairment gain and reversal of impairment loss (impairment loss) (Notes 8 and 11)	4,109	-	(639)	-
Other operating income (Note 32)	144,149	4	72,121	2
Total revenue	3,938,237	100	3,424,191	100
COSTS AND EXPENSES (Notes 4 and 27)				
Brokerage handling fee expenses	(233,560)	(6)	(195,570)	(6)
Proprietary handling fee expenses	(8,438)	-	(10,464)	-
Refinancing handling fee expenses	(197)	-	(350)	-
Finance costs (Note 32)	(260,653)	(6)	(210,147)	(6)
Loss from securities borrowing transactions	(40,140)	(1)	(7,415)	-
Futures commission expenses	(71,859)	(2)	(79,194)	(3)
Clearing and settlement expenses	(77,535)	(2)	(71,541)	(2)
Other operating costs	(40,303)	(1)	(36,919)	(1)
Employee benefits expenses (Notes 25 and 32)	(1,532,070)	(39)	(1,305,767)	(38)
Depreciation and amortization expenses (Notes 15, 16, 17 and 18)	(110,052)	(3)	(106,779)	(3)
Other operating expenses (Note 32)	(584,558)	(15)	(592,775)	(18)
Total costs and expenses	(2,959,365)	(75)	(2,616,921)	(77)

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CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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	%
OPERATING PROFIT	\$ 978,872	25	\$ 807,270	23
NON-OPERATING INCOME AND EXPENSES				
(Notes 4 and 27)				
Share of profit or loss of associates accounted for using equity method (Note 14)	9,977	-	25,425	1
Other gains and losses (Note 32)	299,564	8	237,966	7
Total non-operating income and expenses	309,541	8	263,391	8
PROFIT BEFORE INCOME TAX	1,288,413	33	1,070,661	31
INCOME TAX EXPENSE (Notes 4 and 28)	(190,440)	(5)	(66,394)	(2)
NET PROFIT FOR THE YEAR	1,097,973	28	1,004,267	29
OTHER COMPREHENSIVE INCOME (Notes 4, 8, 14, 25, 26, 28 and 31)				
Items that will not be reclassified subsequently to profit or loss				
Gains (losses) on remeasurement of defined benefit plans	1,939	-	(25,198)	-
Unrealized gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	168,161	4	(702)	-
Share of other comprehensive income or loss of associates accounted for using equity method	(34)	-	3,789	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(388)	-	5,040	-
	169,678	4	(17,071)	-
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	1
	(10,962)	-	46,779	1
Other comprehensive income for the year, net of income tax	158,716	4	29,708	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 1,256,689	32	\$ 1,033,975	30

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CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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	%
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 1,092,481	28	\$ 999,752	29
Non-controlling interests	<u>5,492</u>	<u>-</u>	<u>4,515</u>	<u>-</u>
	<u>\$ 1,097,973</u>	<u>28</u>	<u>\$ 1,004,267</u>	<u>29</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 1,249,123	32	\$ 1,030,304	30
Non-controlling interests	<u>7,566</u>	<u>-</u>	<u>3,671</u>	<u>-</u>
	<u>\$ 1,256,689</u>	<u>32</u>	<u>\$ 1,033,975</u>	<u>30</u>
EARNINGS PER SHARE (Note 29)				
Basic	<u>\$ 1.75</u>		<u>\$ 1.60</u>	
Diluted	<u>\$ 1.74</u>		<u>\$ 1.60</u>	

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

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

(Concluded)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Corporation (Notes 4, 8, 14, 25, 26, 28 and 31)								Non-controlling Interests	Total Equity
	Retained Earnings					Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on the Translation of Foreign Operations	Unrealized Gains on Financial Assets at Fair Value Through Other Comprehensive Income	Total		
BALANCE AT JANUARY 1, 2023	\$ 5,944,550	\$ 175,320	\$ 265,503	\$ 1,087,890	\$ (26,110)	\$ 1,614	\$ 389,567	\$ 7,838,334	\$ 59,437	\$ 7,897,771
Compensation for 2022 deficits										
Legal reserve used to offset accumulated deficits	-	-	(26,110)	-	26,110	-	-	-	-	-
Other changes in capital surplus										
Unpaid dividends	-	11	-	-	-	-	-	11	-	11
Net profit for the year ended December 31, 2023	-	-	-	-	999,752	-	-	999,752	4,515	1,004,267
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(20,123)	(449)	51,124	30,552	(844)	29,708
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	979,629	(449)	51,124	1,030,304	3,671	1,033,975
Change in non-controlling interests	-	-	-	-	-	-	-	-	(3,562)	(3,562)
BALANCE AT DECEMBER 31, 2023	5,944,550	175,331	239,393	1,087,890	979,629	1,165	440,691	8,868,649	59,546	8,928,195
Appropriation for 2023 earnings										
Legal reserve	-	-	97,962	-	(97,962)	-	-	-	-	-
Special reserve	-	-	-	195,927	(195,927)	-	-	-	-	-
Cash dividends - ordinary shares	-	-	-	-	(386,396)	-	-	(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	5,492	1,097,973
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	1,538	3,787	151,317	156,642	2,074	158,716
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	1,094,019	3,787	151,317	1,249,123	7,566	1,256,689
Change in non-controlling interests	-	-	-	-	-	-	-	-	(3,135)	(3,135)
BALANCE AT DECEMBER 31, 2024	\$ 6,241,777	\$ 175,331	\$ 337,355	\$ 1,283,817	\$ 1,096,136	\$ 4,952	\$ 592,008	\$ 9,731,376	\$ 63,977	\$ 9,795,353

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

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

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,288,413	\$ 1,070,661
Adjustments for:		
Depreciation expense	91,528	90,388
Amortization expense	18,524	16,391
Expected credit loss (gain)	(4,109)	639
Net gain on financial assets and liabilities at fair value through profit or loss	(165,030)	(327,775)
Finance costs	260,653	210,147
Interest income (including financial income)	(596,804)	(457,427)
Dividend income	(211,478)	(1,657,038)
Share of loss (profit) of associates accounted for using equity method	(9,977)	(25,425)
Gain on disposal of property and equipment	(85)	-
Loss (gain) on disposal of investments	(3,548)	633
Gain on lease modification	(179)	-
Changes in operating assets and liabilities		
Increase in financial assets at fair value through profit or loss	(716,135)	(2,897,443)
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
Increase in customer margin account	(2,087,689)	(1,518,509)
Increase in futures exchanges margins receivable	(324)	(12)
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	1,176,041	(1,713,542)
Increase in prepayments	(2,420)	(93)
Decrease in net defined benefit assets	-	3,854
Decrease (increase) in other receivables	36,344	(59,045)
Decrease (increase) in other financial assets	28,187	(18,500)
Increase in amounts held for each customer in the account	(351,642)	(187,534)
Increase in other current assets	(62,463)	(45,828)
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 in futures traders' equity	2,062,562	1,578,656
Increase (decrease) in accounts payable	(820,276)	2,197,625
Increase in other payables	162,314	266,238
Decrease in net defined benefit liabilities	(2,179)	(3,252)
Increase (decrease) in provisions	(382)	480

(Continued)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
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	85,524	(17,516)
Cash used in operations	(1,807,788)	(5,221,057)
Interest received	581,921	447,657
Dividends received	184,228	1,631,165
Interest paid	(262,582)	(200,768)
Income tax paid	(118,062)	(38,353)
Net cash used in operating activities	(1,422,283)	(3,381,356)
CASH FLOWS FROM INVESTING ACTIVITIES		
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	(22,781)	(40,082)
Proceeds from disposal of property and equipment	160	-
Decrease in clearing and settlement fund	1,553	1,936
Decrease in refundable deposits	21,752	14,065
Acquisition of intangible assets	(18,322)	(10,166)
Increase in other non-current assets	(4,052)	(4,084)
Dividends received	25,798	24,274
Net cash used in investing activities	(443,150)	(59,401)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	409,200	119,500
Increase in commercial paper payable	1,765,000	530,000
Increase in guarantee deposits received	10	-
Payments of lease liabilities	(49,314)	(53,091)
Cash dividends paid	(386,396)	-
Change in non-controlling interests	(3,135)	(3,562)
Unpaid dividends	-	11
Net cash generated from financing activities	1,735,365	592,858
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	8,325	353

(Continued)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (121,743)	\$ (2,847,546)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,740,731</u>	<u>4,588,277</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,618,988</u>	<u>\$ 1,740,731</u>

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

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

(Concluded)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

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

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. 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 consolidated financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
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.

The Group has assessed that the application of above standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
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 Group as a whole, the Group 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.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, other regulations and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

Basis of Preparation

The consolidated 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.

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 Group 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.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

See Note 13 and Table 1 for detailed information on subsidiaries (including percentages of ownership and main businesses).

Foreign Currencies

In preparing the financial statements of each individual entity, 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 consolidated financial statements, the financial statements of the Group'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 Associates

An associate is an entity over which the Group has significant influence and which is not a subsidiary.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate 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 Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to its additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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 is properties held to earn rental and/or for capital appreciation.

Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is 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. Intangible assets with indefinite useful lives that are measured at cost less accumulated impairment loss.

On derecognition of an intangible assets, 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 Group 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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 Group 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 31: 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, other receivables and other financial assets, 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, etc., 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 Group 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 Group'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 Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable) and investments in debt instruments that are measured at FVTOCI at the end of each reporting period.

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Group 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 Group 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 Group 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 Group 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 Group 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 losses. Fair value is determined in the manner described in Note 31.

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 31.

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 Group 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 Group 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 Group, the Group 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 Group will recognize the transaction through a memo entry. If the refinancing collateral are used to lend to others, the Group will not recognize any asset on the ground the collateral belong to the customers.

The Group 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.

Customer Margin Account and Futures Traders Equity

The subsidiary, Concord Futures, engages in futures brokerage and receives margin deposits from customers as required under existing regulations. The proceeds are deposited in banks and debited to “customer margin account” and credited to “futures traders equity”. The fair value is adjusted daily according to the difference between the carrying amount and the settlement price. When losses result in futures traders equity to have debit balance, the debit balance is recognized as futures exchanges margins receivable. Futures traders equity accounts cannot be offset against each other unless the equity accounts are of the same type and belong to the same trader.

Operation Guarantee Deposits

According to the Rules Governing Securities Firms and Rules Governing Futures 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 Group’s provisions are primarily short-term paid vacation entitlements and lease restoration costs.

Revenue Recognition

The Group 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 Group assesses whether the contract is, or contains, a lease.

a. The Group 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 Group as lessee

The Group 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 consolidated 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 Group 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 consolidated 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 retirement 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 retirement 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 Group'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 Group 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 Group 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 Group'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 Group 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 Group determines the fair value of financial instruments with no public quotes in an active market using valuation methods. Refer to Note 31 for the related assumptions, estimates and book value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand and working fund	\$ 211	\$ 218
Checking and demand deposits	635,749	740,357
Foreign currency deposits	370,175	544,805
Cash equivalents		
Time deposits with original maturities within 3 months	-	16,888
Excess futures trading margin	462,920	438,463
Short-term bills	149,933	-
	<u>\$ 1,618,988</u>	<u>\$ 1,740,731</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	\$ 153,225	\$ 142,452
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	18,887	45,954
Derivative assets - OTC		
Value of asset swap IRS contracts	29,298	9,951
Asset swap options	129,669	254,272
	<u>\$ 12,090,064</u>	<u>\$ 11,220,151</u>

(Continued)

	December 31	
	2024	2023
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily measured at FVTPL		
Operating securities - proprietary	\$ <u>-</u>	\$ <u>10,041</u>
<u>Financial liabilities at FVTPL - current</u>		
Financial liabilities held for trading		
Warrants 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>
<u>Financial liabilities at FVTPL - non-current</u>		
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

	December 31	
	2024	2023
Open-end funds and money market instruments	\$ 157,648	\$ 142,972
Valuation adjustments	<u>(4,423)</u>	<u>(520)</u>
	<u>\$ 153,225</u>	<u>\$ 142,452</u>

b. Operating securities - proprietary

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

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%	0.50%-1.75%

As of December 31, 2024 and 2023, the face values of the Group'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 33 for the details.)

c. Operating securities - underwriting

	December 31	
	2024	2023
Listed and OTC shares and convertible bonds	\$ 32,757	\$ 33,075
Valuation adjustments	<u>(1,316)</u>	<u>957</u>
	<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	<u>(49,004)</u>	<u>11,412</u>
	<u>\$ 1,433,811</u>	<u>\$ 1,020,490</u>

e. Warrant liabilities and warrants redeemed

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

f. Liabilities on sale of borrowed securities

	December 31	
	2024	2023
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

	December 31	
	2024	2023
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-US	Seller	7	26,419	26,073
Futures	OSE JMT	Seller	11	6,335	6,434
Futures	CBT S	Seller	12	19,635	19,878
Futures	CBT YK	Seller	2	654	663
Futures	NYM HG	Seller	7	24,219	23,102
Futures	NYM MHG	Seller	6	2,074	1,980

		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
Futures	OSE JMT	Seller	4	2,016	2,056
Futures	OSE JTI	Seller	2	10,161	10,278
Futures	CBT S	Seller	12	24,995	23,913
Futures	CBT YK	Seller	4	1,666	1,594
Futures	NYM HG	Seller	7	20,248	20,905
Futures	NYM MHG	Seller	9	2,576	2,688
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 \$18,887 thousand and \$45,954 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	\$ <u>160,279</u>	\$ <u>498,471</u>
<u>Non-current</u>		
Investments in equity instruments	\$ 1,025,872	\$ 861,220
Investments in debt instruments	<u>3,214,150</u>	<u>2,443,990</u>
	<u>\$ 4,240,022</u>	<u>\$ 3,305,210</u>

a. Investments in equity instruments

	December 31	
	2024	2023
<u>Non-current</u>		
Non-public ordinary shares		
Taiwan Futures Exchange	\$ 484,138	\$ 412,951
Taiwan Stock Exchange	274,144	217,666
Taiwan Depository & Clearing Corporation	173,051	127,488
Guoyuan Futures Co., Ltd.	80,313	75,507
Asia Pacific Emerging Industry Venture Capital Co., Ltd.	7,411	21,293
FundRich Securities Co., Ltd.	<u>6,815</u>	<u>6,315</u>
	<u>\$ 1,025,872</u>	<u>\$ 861,220</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 Group's strategy of holding these investments for long-term purposes.

In July 2024 and August 2023, the Group 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 Group decreased its number of shares by 350,907 shares and 350,906 shares, respectively, receiving the capital reduction of \$3,509 thousand, respectively.

The Group recognized dividend revenues of \$25,798 thousand and \$24,274 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 Group 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 Group'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	(485)	-	-
Balance at December 31, 2024	<u>\$ 1,266</u>	<u>\$ -</u>	<u>\$ -</u>
Balance at January 1, 2023	\$ 1,630	\$ -	\$ -
Recognized expected credit loss	121	-	-
Balance at December 31, 2023	<u>\$ 1,751</u>	<u>\$ -</u>	<u>\$ -</u>

9. CUSTOMER MARGIN ACCOUNT AND FUTURES TRADERS' EQUITY

	December 31	
	2024	2023
Customer margin account		
Cash in banks	\$ 5,969,428	\$ 4,358,015
Futures clearing institution	2,048,592	1,444,174
Other futures commission merchant	378,304	506,607
Securities	<u>161</u>	<u>-</u>
Customer margin account	8,396,485	6,308,796
Adjustment		
Brokerage handling fee revenue and futures transactions tax	(55,564)	(38,365)
Timing differences in receiving customers' deposits	<u>70,064</u>	<u>77,992</u>
Futures traders' equity	<u>\$ 8,410,985</u>	<u>\$ 6,348,423</u>

10. FUTURES EXCHANGES MARGINS RECEIVABLE

As of December 31, 2024 and 2023, futures exchanges margins receivable and allowance for doubtful accounts were as follows:

	December 31	
	2024	2023
Futures exchanges margins receivable	\$ 348	\$ 24
Less: Allowance for impairment loss	<u>(348)</u>	<u>(24)</u>
	<u>\$ -</u>	<u>\$ -</u>

The movements of the allowance for futures exchange margin receivable allowance were as follows:

	December 31	
	2024	2023
Balance at January 1	\$ 24	\$ 564
Less: Net remeasurement of loss allowance	324	24
Less: Amounts written off	<u>-</u>	<u>(564)</u>
Balance at December 31	<u>\$ 348</u>	<u>\$ 24</u>

11. 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 Group'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 Group 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	12,193	11,370
Less: Allowance for impairment loss	(341)	(313)
	<u>4,986,668</u>	<u>6,150,006</u>
	<u>\$ 4,986,875</u>	<u>\$ 6,150,076</u>

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

	December 31	
	2024	2023
0 to 120 days	\$ 4,986,751	\$ 6,150,013
121 to 180 days	154	63
Over 180 days	<u>311</u>	<u>313</u>
	<u>\$ 4,987,216</u>	<u>\$ 6,150,389</u>

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

	December 31	
	2024	2023
Other receivables	\$ 166,522	\$ 202,659
Less: Allowance for impairment loss	<u>(78,554)</u>	<u>(86,194)</u>
	<u>\$ 87,968</u>	<u>\$ 116,465</u>

The Group 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 Group 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 Group 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 Group's credit risk was significantly reduced.

The Group 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 Group'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 Group'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 Group'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	\$ 4,987,216	\$ 8,071,260	\$ 69	\$ 454,566	\$ 166,522	\$ 13,679,633
Loss allowance (Lifetime ECLs)	(341)	(1,261)	-	-	(78,554)	(80,156)
Amortized cost	<u>\$ 4,986,875</u>	<u>\$ 8,069,999</u>	<u>\$ 69</u>	<u>\$ 454,566</u>	<u>\$ 87,968</u>	<u>\$ 13,599,477</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	\$ 6,150,389	\$ 6,534,212	\$ 437	\$ 151,382	\$ 202,659	\$ 13,039,079
Loss allowance (Lifetime ECLs)	(313)	(994)	-	-	(86,194)	(87,501)
Amortized cost	<u>\$ 6,150,076</u>	<u>\$ 6,533,218</u>	<u>\$ 437</u>	<u>\$ 151,382</u>	<u>\$ 116,465</u>	<u>\$ 12,951,578</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	-	-	(3,397)	(3,397)
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	-	-	(622)	(622)
Balance at December 31, 2023	<u>\$ 313</u>	<u>\$ 994</u>	<u>\$ 86,194</u>	<u>\$ 87,501</u>

12. OTHER FINANCIAL ASSETS - CURRENT

	December 31	
	2024	2023
Time deposits	\$ 636,433	\$ 664,620

The market rates for time deposits with original maturities of more than three months at the end of each reporting period were summarized as follows:

	December 31	
	2024	2023
Time deposits	1.53%-5.15%	1.40%-5.62%

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were summarized as follows:

Investor	Investee	Main Business	Percentage of Ownership (%)		Remarks
			December 31		
			2024	2023	
The Corporation	Concord Futures Corp. (Concord Futures)	Foreign and domestic futures proprietary, brokerage and consulting services	95.71	95.71	
The Corporation	Concord Capital Management Corp (Concord Capital Management)	Securities investment advisory services	100.00	100.00	
The Corporation	Con Lian Asset Management Service Co., Ltd. (Con-Lian AMC)	Investment, business management advisory services and asset management services	100.00	100.00	Note
The Corporation	Concord Insurance Agency Co., Ltd. (Concord Insurance)	Life insurance agency and property insurance agency	100.00	100.00	

Note: 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.

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investment in Associates	December 31			
	2024		2023	
	Carrying Amount	Percentage of Shareholding (%)	Carrying Amount	Percentage of Shareholding (%)
Individually immaterial associates:				
HWA-HO Asset Management Corp.	\$ 585,898	46.59	\$ 575,955	46.59

The summarized information of individually immaterial associates was as follows:

	For the Year Ended December 31	
	2024	2023
The Group's share of:		
Net profit for the year	\$ 9,977	\$ 25,425
Other comprehensive (loss) income	<u>(34)</u>	<u>3,789</u>
Total comprehensive income for the year	<u>\$ 9,943</u>	<u>\$ 29,214</u>

The Group's share of profit or loss and other comprehensive income or loss of associates accounted for using equity method was calculated based on the audited financial statements for the years ended December 31, 2024 and 2023.

15. PROPERTY AND EQUIPMENT

	For the Year Ended December 31, 2024				
	Balance at January 1, 2024	Additions	Reductions	Reclassifications	Balance at December 31, 2024
<u>Cost</u>					
Land	\$ 805,083	\$ -	\$ -	\$ (841)	\$ 804,242
Buildings	317,619	-	-	(559)	317,060
Equipment	150,682	20,699	(14,918)	-	156,463
Leasehold improvements	<u>25,320</u>	<u>2,134</u>	<u>(424)</u>	<u>-</u>	<u>27,030</u>
	<u>1,298,704</u>	<u>\$ 22,833</u>	<u>\$ (15,342)</u>	<u>\$ (1,400)</u>	<u>1,304,795</u>
<u>Accumulated depreciation</u>					
Buildings	157,271	\$ 5,632	\$ -	\$ (191)	162,712
Equipment	72,102	28,718	(14,843)	-	85,977
Leasehold improvements	<u>11,677</u>	<u>5,144</u>	<u>(424)</u>	<u>-</u>	<u>16,397</u>
	<u>241,050</u>	<u>\$ 39,494</u>	<u>\$ (15,267)</u>	<u>\$ (191)</u>	<u>265,086</u>
<u>Accumulated impairment</u>					
Buildings	<u>1,684</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,684</u>
Net book value	<u>\$ 1,055,970</u>				<u>\$ 1,038,025</u>
	For the Year Ended December 31, 2023				
	Balance at January 1, 2023	Additions	Reductions	Reclassifications	Balance at December 31, 2023
<u>Cost</u>					
Land	\$ 805,137	\$ -	\$ -	\$ (54)	\$ 805,083
Buildings	317,656	-	-	(37)	317,619
Equipment	119,158	35,656	(4,132)	-	150,682
Leasehold improvements	<u>30,484</u>	<u>4,426</u>	<u>(9,590)</u>	<u>-</u>	<u>25,320</u>
	<u>1,272,435</u>	<u>\$ 40,082</u>	<u>\$ (13,722)</u>	<u>\$ (91)</u>	<u>1,298,704</u>
<u>Accumulated depreciation</u>					
Buildings	151,655	\$ 5,636	\$ -	\$ (20)	157,271
Equipment	51,846	24,388	(4,132)	-	72,102
Leasehold improvements	<u>15,593</u>	<u>5,674</u>	<u>(9,590)</u>	<u>-</u>	<u>11,677</u>
	<u>219,094</u>	<u>\$ 35,698</u>	<u>\$ (13,722)</u>	<u>\$ (20)</u>	<u>241,050</u>
<u>Accumulated impairment</u>					
Buildings	<u>1,684</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,684</u>
Net book value	<u>\$ 1,051,657</u>				<u>\$ 1,055,970</u>

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

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

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

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

Some property and equipment were pledged as collaterals for loans (refer to Note 33 for the details).

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
<u>Carrying amount</u>		
Buildings	\$ 80,464	\$ 96,080
Equipment	<u>2,803</u>	<u>2,830</u>
	<u>\$ 83,267</u>	<u>\$ 98,910</u>
	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	<u>\$ 54,998</u>	<u>\$ 34,465</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 48,637	\$ 50,514
Equipment	<u>1,745</u>	<u>2,530</u>
	<u>\$ 50,382</u>	<u>\$ 53,044</u>

Besides aforementioned addition and recognized depreciation expenses, the Group 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

	December 31	
	2024	2023
<u>Carrying amount</u>		
Current	<u>\$ 29,551</u>	<u>\$ 49,889</u>
Non-current	<u>\$ 51,567</u>	<u>\$ 46,483</u>

Ranges of discount rates for lease liabilities were as follows:

	December 31	
	2024	2023
Buildings	0.610%-2.475%	0.532%-1.826%
Equipment	0.521%-1.950%	0.521%-1.792%

The Group leases buildings for operational uses with lease terms of 1.5 to 5 years. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

c. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term or low-value asset leases	<u>\$ 4,886</u>	<u>\$ 1,215</u>
Total cash outflow for leases	<u>\$ 55,059</u>	<u>\$ 54,306</u>

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

17. INVESTMENT PROPERTY

	For the Year Ended December 31, 2024			
	Balance at January 1, 2024	Additions	Reductions	Balance at December 31, 2024
<u>Cost</u>				
Land	\$ 278,889	\$ -	\$ -	\$ 279,730
Buildings	<u>92,354</u>	<u>-</u>	<u>-</u>	<u>92,913</u>
	371,243	<u>\$ -</u>	<u>\$ -</u>	372,643
<u>Accumulated depreciation</u>				
Buildings	52,609	<u>\$ 1,652</u>	<u>\$ -</u>	<u>\$ 191</u>
				54,452
<u>Accumulated impairment</u>				
Buildings	<u>234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
				234
Net book value	<u>\$ 318,400</u>			<u>\$ 317,957</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	\$ 278,835	\$ -	\$ -	\$ 54	\$ 278,889
Buildings	<u>92,317</u>	<u>-</u>	<u>-</u>	<u>37</u>	<u>92,354</u>
	371,152	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91</u>	371,243
<u>Accumulated depreciation</u>					
Buildings	50,943	<u>\$ 1,646</u>	<u>\$ -</u>	<u>\$ 20</u>	52,609
<u>Accumulated impairment</u>					
Buildings	<u>234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>234</u>
Net book value	<u>\$ 319,975</u>				<u>\$ 318,400</u>

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

The Group'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 Group's investment property amounted to \$538,747 thousand and \$470,316 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 33 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:

	December 31	
	2024	2023
Year 1	\$ 10,200	\$ 9,793
Year 2	<u>710</u>	<u>648</u>
	<u>\$ 10,910</u>	<u>\$ 10,441</u>

18. INTANGIBLE ASSETS

	December 31	
	2024	2023
Memberships in foreign futures exchanges	\$ 33,392	\$ 33,392
Computer software	<u>30,985</u>	<u>26,985</u>
	<u>\$ 64,377</u>	<u>\$ 60,377</u>

	For the Year Ended December 31, 2024			
	Balance at January 1, 2024	Additions	Reductions	Balance at December 31, 2024
<u>Cost</u>				
Computer software	\$ 47,454	\$ 21,960	\$ (9,729)	\$ 59,685
Memberships in foreign futures exchanges	<u>33,392</u>	<u>-</u>	<u>-</u>	<u>33,392</u>
	80,846	<u>\$ 21,960</u>	<u>\$ (9,729)</u>	93,077
<u>Accumulated amortization</u>				
Computer software	<u>20,469</u>	<u>\$ 17,960</u>	<u>\$ (9,729)</u>	<u>28,700</u>
Net book value	<u>\$ 60,377</u>			<u>\$ 64,377</u>

	For the Year Ended December 31, 2023			
	Balance at January 1, 2023	Additions	Reductions	Balance at December 31, 2023
<u>Cost</u>				
Computer software	\$ 48,238	\$ 11,276	\$ (12,060)	\$ 47,454
Memberships in foreign futures exchanges	<u>33,392</u>	<u>-</u>	<u>-</u>	<u>33,392</u>
	81,630	<u>\$ 11,276</u>	<u>\$ (12,060)</u>	80,846
<u>Accumulated amortization</u>				
Computer software	<u>16,493</u>	<u>\$ 16,036</u>	<u>\$ (12,060)</u>	<u>20,469</u>
Net book value	<u>\$ 65,137</u>			<u>\$ 60,377</u>

The above-mentioned intangible assets with definite useful lives are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3-4 years
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For the purpose of business development, the subsidiary, Concord Futures, acquired memberships in three foreign futures exchanges - CME, CBOT and COMEX. The subsidiary treats the memberships as intangible assets with an indefinite useful life with estimated net cash inflows over an indefinite time span. Memberships in foreign futures exchanges will not be amortized until the memberships turn into intangible assets with a definite useful life. Memberships are tested for impairment at least annually if there is an indication that the asset may be impaired.

19. OTHER NON-CURRENT ASSETS

	December 31	
	2024	2023
Operation guarantee deposits	\$ 520,000	\$ 520,000
Clearing and settlement fund	192,416	193,969
Refundable deposits	152,293	174,045
Prepayments for equipment	6,386	7,351
Deferred expense	<u>1,872</u>	<u>1,109</u>
	<u>\$ 872,967</u>	<u>\$ 896,474</u>

20. BORROWINGS

a. Short-term borrowings

	December 31	
	2024	2023
Secured borrowings	\$ 300,000	\$ 270,000
Unsecured borrowings	<u>918,700</u>	<u>539,500</u>
	<u>\$ 1,218,700</u>	<u>\$ 809,500</u>

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

	December 31	
	2024	2023
Short-term borrowings	1.890%-2.475%	1.750%-2.350%

As of December 31, 2024, the balance of the credit loan from the subsidiary Con-Lian AMC to Yuanta Commercial Bank was \$6,500 thousand. During the borrowing period, the Corporation's shareholding ratio of Con-Lian AMC must be maintained at 100%.

Some demand deposits, time deposits, property and equipment, and investment property were provided as collateral for bank borrowings and credit line (refer to Note 33 for the details).

b. Commercial paper payable

	December 31	
	2024	2023
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 as follows:

	December 31	
	2024	2023
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.

21. 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.

22. 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>150,778</u>	<u>115,322</u>
	<u>\$ 4,957,977</u>	<u>\$ 5,776,899</u>

23. 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>

24. PROVISIONS

	December 31	
	2024	2023
<u>Current</u>		
Employee benefits	<u>\$ 27,358</u>	<u>\$ 26,666</u>
<u>Non-current</u>		
Decommissioning provision	<u>\$ 14,509</u>	<u>\$ 15,083</u>

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Group 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 Group 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 Group makes monthly contributions to a pension fund based on a fixed percentage of gross salaries. Pension contributions are deposited in several banks in the pension fund committee's name. Before the end of each year, the Group 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 Group 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 (the "Bureau") under the Ministry of Labor; the Group has no right to influence the investment policy and strategy.

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

	December 31	
	2024	2023
Present value of defined benefit obligation	\$ 253,742	\$ 248,220
Fair value of plan assets	<u>(233,062)</u>	<u>(223,810)</u>
Net defined benefit liabilities	<u>\$ 20,680</u>	<u>\$ 24,410</u>

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit (Assets) Liabilities
Balance at January 1, 2023	\$ 220,928	\$ (222,318)	\$ (1,390)
Service cost			
Current service cost	2,634	-	2,634
Net interest expense (income)	2,658	(2,683)	(25)
Recognized in profit or loss	5,292	(2,683)	2,609
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(6,978)	(6,978)
Actuarial loss			
Experience adjustments	32,176	-	32,176
Recognized in other comprehensive loss (income)	32,176	(6,978)	25,198
Contributions from the employer	-	(1,721)	(1,721)
Benefits paid	(10,176)	9,890	(286)
Balance at December 31, 2023	248,220	(223,810)	24,410
Service cost			
Current service cost	2,683	-	2,683
Net interest expense (income)	2,979	(2,696)	283
Recognized in profit or loss	5,662	(2,696)	2,966
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(18,902)	(18,902)
Actuarial loss (income)			
Changes in financial assumptions	(5,899)	-	(5,899)
Experience adjustments	22,862	-	22,862
Recognized in other comprehensive loss (income)	16,963	(18,902)	(1,939)
Contributions from the employer	-	(4,757)	(4,757)
Benefits paid	(17,103)	17,103	-
Balance at December 31, 2024	\$ 253,742	\$ (233,062)	\$ 20,680

Through the defined benefit plans under the Labor Standards Act, the Group 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 Group's defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2024	
	The Corporation	Concord Futures
Discount rate	1.6%	1.6%
Expected incremental rate of salaries	1.5%	1.5%
Expected rate of return on plan assets	1.6%	1.6%

	December 31, 2023	
	The Corporation	Concord Futures
Discount rate	1.2%	1.2%
Expected incremental rate of salaries	1.5%	1.5%
Expected rate of return on plan assets	1.2%	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:

	December 31	
	2024	2023
Discount rate		
0.1% increase	<u>\$ (1,441)</u>	<u>\$ (1,604)</u>
0.1% decrease	<u>\$ 1,454</u>	<u>\$ 1,620</u>
Expected incremental rate of salaries		
0.1% increase	<u>\$ 1,205</u>	<u>\$ 1,368</u>
0.1% decrease	<u>\$ (1,197)</u>	<u>\$ (1,358)</u>

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.

	December 31, 2024	
	The Corporation	Concord Futures
Expected contributions to the plan within a year	<u>\$ 1,660</u>	<u>\$ -</u>
Average duration of the defined benefit obligation	5.7 years	6.5 years

	December 31, 2023	
	The Corporation	Concord Futures
Expected contributions to the plan within a year	<u>\$ 1,727</u>	<u>\$ -</u>
Average duration of the defined benefit obligation	6.4 years	7.2 years

26. EQUITY

a. Share capital

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

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 disbursement 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 27.

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:

	The Appropriation of Earnings	Dividends Per Share (NT\$)
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:

	The Appropriation of Earnings	Dividends Per Share (NT\$)
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 appropriations 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

	For the Year Ended December 31	
	2024	2023
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

	For the Year Ended December 31	
	2024	2023
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	166,100	107
Share from associates accounted for using equity method	<u>(34)</u>	<u>3,789</u>
Other comprehensive income recognized for the year	<u>151,317</u>	<u>51,124</u>
Balance at December 31	<u>\$ 592,008</u>	<u>\$ 440,691</u>

27. ANALYSIS OF STATEMENT OF COMPREHENSIVE INCOME ITEMS

a. Brokerage handling fee revenue

	For the Year Ended December 31	
	2024	2023
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 brokered futures trading	603,337	578,520
Handling fee revenue from securities financing	5,464	5,151
Others	<u>59,882</u>	<u>47,550</u>
	<u>\$ 1,833,748</u>	<u>\$ 1,541,164</u>

b. Revenue from underwriting business

	For the Year Ended December 31	
	2024	2023
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	<u>3,435</u>	<u>4,670</u>
	<u>\$ 18,042</u>	<u>\$ 33,033</u>

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

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

d. Interest income

	For the Year Ended December 31	
	2024	2023
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

	For the Year Ended December 31	
	2024	2023
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

	For the Year Ended December 31	
	2024	2023
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

	For the Year Ended December 31	
	2024	2023
<u>Losses on derivative instruments - futures, net</u>		
Futures contract	\$ (222,566)	\$ (146,010)
Options trading	<u>(481)</u>	<u>(2,125)</u>
	<u>\$ (223,047)</u>	<u>\$ (148,135)</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 loss)

	For the Year Ended December 31	
	2024	2023
Financial assets at amortized cost	\$ 3,624	\$ (518)
Financial assets at fair value through other comprehensive income	<u>485</u>	<u>(121)</u>
	<u>\$ 4,109</u>	<u>\$ (639)</u>

i. Other operating income

	For the Year Ended December 31	
	2024	2023
Processing revenue	\$ 71,362	\$ 46,811
Foreign exchange gains (losses), net	37,338	(2,020)
Commission revenue	17,705	10,730
Management revenue	13,421	13,734
Others	<u>4,323</u>	<u>2,866</u>
	<u>\$ 144,149</u>	<u>\$ 72,121</u>

j. Finance costs

	For the Year Ended December 31	
	2024	2023
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	20,716	10,801
Interest of securities financing	1,155	1,332
Interest of lease liabilities	859	879
Refinancing interest	-	159
Others	<u>12,763</u>	<u>4,118</u>
	<u>\$ 260,653</u>	<u>\$ 210,147</u>

k. Employee benefit expenses

	For the Year Ended December 31	
	2024	2023
Retirement benefits		
Defined contribution plan	\$ 39,418	\$ 36,817
Defined benefit plan	<u>2,966</u>	<u>2,609</u>
	42,384	39,426
Short-term employee benefits		
Salaries	1,365,066	1,156,890
Labor and health insurance	79,438	72,578
Others	<u>45,182</u>	<u>36,873</u>
	<u>\$ 1,532,070</u>	<u>\$ 1,305,767</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:

	For the Year Ended December 31	
	2024	2023
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 consolidated 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 consolidated 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

	For the Year Ended December 31	
	2024	2023
<u>Depreciation expenses</u>		
Property and equipment	\$ 39,494	\$ 35,698
Right-of-use assets	50,382	53,044
Investment property	<u>1,652</u>	<u>1,646</u>
	<u>91,528</u>	<u>90,388</u>
<u>Amortization expenses</u>		
Intangible assets	17,960	16,036
Deferred expense	<u>564</u>	<u>355</u>
	<u>18,524</u>	<u>16,391</u>
	<u>\$ 110,052</u>	<u>\$ 106,779</u>

n. Other operating expenses

	For the Year Ended December 31	
	2024	2023
Taxes	\$ 193,959	\$ 232,144
Information technology expenses	89,630	83,812
Securities borrowing fees	40,593	43,484
Custody fees	37,179	30,390
Postage expenses	36,535	34,421
Repair and maintenance expenses	30,068	26,597
Professional service fees	28,866	31,542
Others	<u>127,728</u>	<u>110,385</u>
	<u>\$ 584,558</u>	<u>\$ 592,775</u>

o. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Financial income	\$ 154,677	\$ 107,334
Rental revenue from the use of venue and equipment	84,810	73,724
Dividend income	25,798	24,274
Other rental income from investment property	9,899	9,881
Valuation gains (losses) on non-operating financial assets at fair value through profit or loss, net	(3,903)	4,390
Gains (losses) on disposal of investments	3,548	(633)
Exchange gains (losses), net	11,807	(1,089)
Others	<u>12,928</u>	<u>20,085</u>
	<u>\$ 299,564</u>	<u>\$ 237,966</u>

28. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	\$ 137,769	\$ 118,446
Adjustment for prior year	<u>(60)</u>	<u>(4,780)</u>
	<u>137,709</u>	<u>113,666</u>
Deferred tax		
In respect of the current year	52,728	(47,272)
Adjustment for prior year	<u>3</u>	<u>-</u>
	<u>52,731</u>	<u>(47,272)</u>
Income tax expense recognized in profit or loss	<u>\$ 190,440</u>	<u>\$ 66,394</u>

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

	For the Year Ended December 31	
	2024	2023
Profit before tax from continuing operations	<u>\$ 1,288,413</u>	<u>\$ 1,070,661</u>
Income tax expense calculated at the statutory rate	\$ 282,197	\$ 237,056
Nondeductible expenses in determining taxable income	(33,730)	(88,732)
Tax-exempt income	(121,403)	(161,085)
Additional income tax under the Alternative Minimum Tax Act	51,973	68,729
Adjustments for prior years' tax expense	(57)	(4,780)
Others	<u>11,460</u>	<u>15,206</u>
Income tax expense recognized in profit or loss	<u>\$ 190,440</u>	<u>\$ 66,394</u>

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement of defined benefit plans	\$ 388	\$ (5,040)
Total income tax expense (benefit) recognized in other comprehensive income	<u>\$ 388</u>	<u>\$ (5,040)</u>

c. Current tax assets and liabilities

	December 31	
	2024	2023
Current tax liabilities		
Income tax payable	<u>\$ 147,822</u>	<u>\$ 128,563</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

	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	\$ 17,833	\$ 8	\$ (388)	\$ 17,453
Unrealized losses	6	64	-	70
Payables for annual leave	4,731	154	-	4,885
Unrealized exchange losses	11,219	(9,188)	-	2,031
Valuation losses on foreign futures	55	(55)	-	-
Losses on derivative financial instruments	4,552	(4,552)	-	-
Others	<u>47</u>	<u>-</u>	<u>-</u>	<u>47</u>
	<u>\$ 38,443</u>	<u>\$ (13,569)</u>	<u>\$ (388)</u>	<u>\$ 24,486</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>477</u>	<u>-</u>	<u>477</u>
	<u>\$ 20,912</u>	<u>\$ 39,162</u>	<u>\$ -</u>	<u>\$ 60,074</u>

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	\$ 12,787	\$ 6	\$ 5,040	\$ 17,833
Unrealized losses	113	(107)	-	6
Payables for annual leave	4,627	104	-	4,731
Unrealized exchange losses	10,831	388	-	11,219
Valuation losses on foreign futures	335	(280)	-	55
Losses on derivative financial instruments	-	4,552	-	4,552
Others	<u>397</u>	<u>(350)</u>	<u>-</u>	<u>47</u>
	<u>\$ 29,090</u>	<u>\$ 4,313</u>	<u>\$ 5,040</u>	<u>\$ 38,443</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 and unused loss carryforwards that have not been recognized as deferred tax assets in the consolidated balance sheets

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Asset impairment	<u>\$ 1,918</u>	<u>\$ 1,918</u>
Loss carryforwards		
Expiry in 2024	\$ -	\$ 3,974
Expiry in 2025	4,605	4,605
Expiry in 2026	9,225	9,225
Expiry in 2027	7,024	7,024
Expiry in 2028	714	714
Expiry in 2029	4,105	4,105
Expiry in 2030	6,211	6,211
Expiry in 2031	9,357	9,357
Expiry in 2032	8,338	8,338
Expiry in 2033	11,576	11,576
Expiry in 2034	<u>10,081</u>	<u>-</u>
	<u>\$ 71,236</u>	<u>\$ 65,129</u>

f. Income tax assessments

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

Concord Futures, Concord Insurance, Concord Capital Management and Con Lian AMC through 2022 have been examined by the tax authorities.

29. 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

	Before Retrospective Adjustment	After Retrospective Adjustment
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:

	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, 2024</u>			
Basic earnings per share			
Earnings attributable to ordinary shareholders of the Corporation	\$ 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 Corporation	<u>\$ 1,092,481</u>	<u>627,030</u>	<u>\$ 1.74</u>
<u>For the year ended December 31, 2023</u>			
Basic earnings per share			
Earnings attributable to ordinary shareholders of the Corporation	\$ 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 Corporation	<u>\$ 999,752</u>	<u>626,002</u>	<u>\$ 1.60</u>

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.

30. 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 Group 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.

31. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Financial instruments not measured at fair value

The management of the Group 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	\$ 6,896,433	\$ 5,193,631	\$ -	\$ 12,090,064
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Unlisted shares	-	-	1,025,872	1,025,872
Investments in debt instruments				
Corporate bonds	-	1,589,896	\$ -	1,589,896
Foreign bonds	1,401,047	383,486	-	1,784,533
	<u>\$ 8,297,480</u>	<u>\$ 7,167,013</u>	<u>\$ 1,025,872</u>	<u>\$ 16,490,365</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<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>
				(Concluded)

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Financial assets mandatorily measured at FVTPL	\$ 6,471,536	\$ 4,758,656	\$ -	\$ 11,230,192
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Unlisted shares	-	-	861,220	861,220
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>\$ 6,588,375</u>	<u>\$ 7,584,278</u>	<u>\$ 861,220</u>	<u>\$ 15,033,873</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 Group'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

	<u>For the Year Ended December 31</u>	
	2024	2023
Balance at January 1	\$ 861,220	\$ 865,431
Recognized in other comprehensive income (included in unrealized gains (losses) on financial assets at FVTOCI)	168,161	(702)
Proceeds from capital reduction	(3,509)	(3,509)
Balance at December 31	<u>\$ 1,025,872</u>	<u>\$ 861,220</u>

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

Financial Instrument	Valuation Techniques and Inputs
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:

	December 31	
	2024	2023
Discount for lack of marketability		
10% increase	<u>\$ (17,422)</u>	<u>\$ (14,438)</u>
10% decrease	<u>\$ 17,385</u>	<u>\$ 14,422</u>

b. Categories of financial instruments

	December 31	
	2024	2023
<u>Financial assets</u>		
FVTPL		
Mandatorily measured at FVTPL	\$ 12,090,064	\$ 11,230,192
Financial assets at amortized cost (Note 1)	24,974,491	22,022,299
		(Continued)

	December 31	
	2024	2023
FVTOCI		
Equity instrument investments	\$ 1,025,872	\$ 861,220
Debt instrument investments	3,374,429	2,942,461
Operation guarantee deposits	520,000	520,000
Clearing and settlement fund	192,416	193,969
Refundable deposits	152,293	174,045

Financial liabilities

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)	30,814,843	27,765,428
Guarantee deposits received	2,478	2,468
		(Concluded)

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, customer margin account (excluding securities), futures exchanges margins receivable, security borrowing collateral price, security borrowing margin, notes and accounts receivable, other receivables, other financial assets - current and 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, futures traders equity, equity for each customer in the account, accounts payable, other payables, 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 Group 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 Group'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 Group'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	\$ 13,683,696	\$ 11,157,665
Financial liabilities	14,852,746	12,470,204
Interest rate risk of cash flow		
Financial assets	11,888,791	9,747,809
Financial liabilities	8,963,715	6,545,726

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 Group. The Group 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 Group 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 consolidated balance sheets and the collateral held were as follows:

	Maximum Exposure to Credit Risk	
	December 31	
	2024	2023
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 Group'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 Group was likely to be required to pay.

December 31, 2024

	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	\$ 1,162,381	\$ -	\$ -	\$ -	\$ 1,162,381
Fixed interest rate	3,691,395	-	-	-	3,691,395
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	6,313,538	-	2,478	-	6,316,016
Variable interest rate	8,963,715	-	-	-	8,963,715
Fixed interest rate	14,783,691	-	-	-	14,783,691
Lease liabilities	<u>59,349</u>	<u>28,981</u>	<u>23,313</u>	<u>-</u>	<u>111,643</u>
	<u>\$ 34,974,069</u>	<u>\$ 28,981</u>	<u>\$ 25,791</u>	<u>\$ -</u>	<u>\$ 35,028,841</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
					(Continued)

	Within 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 6,669,175	\$ -	\$ 2,468	\$ -	\$ 6,671,643
Variable interest rate	6,545,726	-	-	-	6,545,726
Fixed interest rate	12,381,859	-	-	-	12,381,859
Lease liabilities	<u>50,699</u>	<u>25,209</u>	<u>25,404</u>	<u>-</u>	<u>101,312</u>
	<u>\$ 32,082,232</u>	<u>\$ 25,209</u>	<u>\$ 27,872</u>	<u>\$ -</u>	<u>\$ 32,135,313</u>
					(Concluded)

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>	
	<u>2024</u>	<u>2023</u>
Financing facilities	<u>\$ 20,280,000</u>	<u>\$ 17,390,000</u>
Unused amount	<u>\$ 13,466,300</u>	<u>\$ 12,600,500</u>

d. Transfers of financial assets

In the daily transactions of the Group, 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 Group 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 Group 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	\$ 4,986,668	\$ -	\$ 4,986,668	\$ -	\$ -	\$ 4,986,668
Accounts payable	\$ (4,957,977)	\$ -	\$ (4,957,977)	\$ -	\$ -	\$ (4,957,977)
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	\$ 6,206,693	\$ (56,687)	\$ 6,150,006	\$ (1,124)	\$ -	\$ 6,148,882
Accounts payable	\$ (5,833,586)	\$ 56,687	\$ (5,776,899)	\$ 1,124	\$ -	\$ (5,775,775)
Liabilities for bonds with attached repurchase agreements	\$ (5,166,781)	\$ -	\$ (5,166,781)	\$ 5,166,781	\$ -	\$ -

32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of major transactions between the Group and other related parties are summarized as below:

Related party names and categories

Related Party Name	Related Party Category
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.	Investments accounted for using equity method
Tai-Yang Development Co., Ltd.	Other related party
The Corporation's directors, president, vice presidents, assistant vice presidents, and department heads	Key management personnel

a. Margin loans receivable

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

b. Liabilities for bonds with attached repurchase agreements

	December 31	
	2024	2023
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.

c. Equity for each customer in the account

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

d. Brokerage handling fee revenue

	For the Year Ended December 31	
	2024	2023
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.

e. Interest income

	For the Year Ended December 31	
	2024	2023
Key management personnel	<u>\$ 1,906</u>	<u>\$ 1,229</u>

f. Finance costs

	For the Year Ended December 31	
	2024	2023
Key management personnel	<u>\$ 3,613</u>	<u>\$ 3,251</u>

g. Lease agreements

	December 31	
	2024	2023
<u>Lease liabilities</u>		
Supervisor of the subsidiary and the legal representative of the Corporation's board of directors from June 6, 2024	\$ -	\$ 4,400
	For the Year Ended December 31	
	2024	2023
<u>Finance costs</u>		
Supervisor of the subsidiary and the legal representative of the Corporation's board of directors from June 6, 2024	\$ 11	\$ 39
<u>Lease expense</u>		
Other related party	\$ 2,941	\$ -

The leasing agreements between the Group 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.

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

Related Party Category/Name	Lease Term	Underlying Asset	Rental Payment - Timing	Rental Payment - Basis	Rental Amount
<u>For the year ended December 31, 2024</u>					
Investments accounted for using equity method	2023.01.01-2024.12.31	B3, No. 176, Section 1, Keelung Road, Xinyi District, Taipei City	Monthly	Contract	\$ 54
<u>For the year ended December 31, 2023</u>					
Investments accounted for using equity method	2023.01.01-2024.12.31	B3, No. 176, Section 1, Keelung Road, Xinyi District, Taipei City	Monthly	Contract	\$ 54
Investments accounted for using equity method	2023.01.01-2023.06.30	B3, No. 176, Section 1, Keelung Road, Xinyi District, Taipei City	Monthly	Contract	27
					\$ 81

As of December 31, 2024 and 2023, the balance of the rental deposits received by the Group from related parties was \$10 thousand.

i. Equity derivative transactions

The Group's key management personnel bought equity derivatives from the Group, 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	\$ 281	\$ 239
Other operating income (processing revenue)	\$ 37	\$ 25

j. Remuneration of key management personnel

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

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	\$ 240,483	\$ 195,099
Retirement benefits	15,769	2,605
	<u>\$ 256,252</u>	<u>\$ 197,704</u>

The Group 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.

33. PLEDGED OR MORTGAGED ASSETS

At the end of each reporting period, the Group 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 and guarantees for equipment leasing.

	December 31	
	2024	2023
Restricted demand and time deposits	\$ 183,932	\$ 169,040
Government bonds	-	10,041
Property and equipment, net		
Land	715,507	715,507
Buildings	121,990	126,743
Investment property, net		
Land	190,700	277,264
Buildings	<u>30,994</u>	<u>32,408</u>
	<u>\$ 1,243,123</u>	<u>\$ 1,331,003</u>

34. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

- a. 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.
- b. From February 2022 to September 2024, the subsidiary Concord Futures received a civil complaint. The 28 plaintiffs filed a complaint claiming that Miss Chen, a natural person, and Mr. Chen, a sales representative of Concord Futures, deceived them into investing in fake futures trading. Miss Chen and Mr. Chen intended to deceive the plaintiffs with unjust enrichment. Therefore, the plaintiffs jointly filed a civil lawsuit against Miss Chen and Mr. Chen and demanded that the subsidiary Concord Futures be jointly liable for the damages totaling \$553,821 thousand. The case is currently under trial in the Taiwan Taipei District Court and in the Taiwan New Taipei District Court. The Corporation's management assessed that there is no significant impact of the aforementioned case on the corporation and the subsidiary Concord Futures operations and financial performance.

35. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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

36. FINANCIAL RATIOS BASED ON THE FUTURES TRADING LAW

All financial ratios of the subsidiary, Concord Futures, were in conformity with the Futures Trading Law and were summarized as follows:

Calculation Formula		December 31				Benchmark	Conclusion
		2024		2023			
		Equation	Ratio (%)	Equation	Ratio (%)		
1)	<div>Equities</div> <div>Total liabilities - Futures traders equity</div>	<div>1,492,125</div> <div>164,174</div>	=9.09 multiple	<div>1,388,789</div> <div>160,214</div>	=8.67 multiple	≥ 1	Conform with law
2)	<div>Current assets</div> <div>Current liabilities</div>	<div>9,849,082</div> <div>8,986,449</div>	=1.10 multiple	<div>7,712,336</div> <div>6,913,788</div>	=1.12 multiple	≥ 1	Conform with law
3)	<div>Equities</div> <div>Minimum paid-in capital</div>	<div>1,492,125</div> <div>630,000</div>	=236.85 %	<div>1,388,789</div> <div>630,000</div>	=220.44 %	≥ 60% ≥ 40%	Conform with law
4)	<div>Adjusted net capital</div> <div>Amount of customer margin account for open position of futures traders equity</div>	<div>1,236,241</div> <div>1,773,220</div>	=69.72 %	<div>1,097,243</div> <div>1,412,613</div>	=77.67 %	≥ 20% ≥ 15%	Conform with law

37. SPECIFIC RISK OF FUTURES PROPRIETARY AND BROKERAGE

Futures Proprietary

When the subsidiary, Concord Futures engages in futures proprietary, the specific risk is the market price risk of the underlying assets. The Group set stop-loss limits for the futures transactions so that any loss incurred can be controlled within the expected range.

Futures Brokerage

Since futures transactions are leveraged transactions with low margin, the risks include the following: When the futures market price is not favorable to the futures contract held by the traders, futures commission merchants can require the traders to top up their margin deposits in order to maintain the margin level; if the traders fail to do so in the required period, futures commission merchants have the duty to offset the futures contracts on behalf of the traders. In addition, there is also the risk of increased losses due to the inability of traders to settle their futures contracts as a result of dramatic changes in the market.

38. 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	\$ 89,519	32.7850	\$ 2,934,871	\$ 69,990	30.7050	\$ 2,149,033
CNY	31,016	4.4780	138,889	118,689	4.3270	513,569
HKD	10,568	4.2220	44,618	9,733	3.9290	38,240
JPY	183,862	0.2099	38,593	204,995	0.2172	44,525
EUR	3,530	34.1400	120,499	578	33.9800	19,625
GBP	71	41.1900	2,913	91	39.1500	3,573
SGD	56	24.1300	1,355	71	23.2900	1,644
VND	3,267,409	0.0013	4,248	2,978,703	0.0012	3,574
Non-monetary items						
USD	16,918	32.7850	554,664	8,146	30.7050	250,114
CNY	39,842	4.4780	178,415	28,645	4.3270	123,948
JPY	71,303	0.2099	14,966	-	0.2172	-
HKD	13,810	4.2220	58,306	-	3.9290	-
<u>Financial liabilities</u>						
Monetary items						
USD	72,851	32.7850	2,388,405	45,551	30.7050	1,398,637
JPY	166,214	0.2099	34,888	118,073	0.2172	25,645
HKD	9,055	4.2220	38,231	6,274	3.9290	24,651
EUR	284	34.1400	9,711	412	33.9800	14,035
GBP	65	41.1900	2,666	82	39.1500	3,207
SGD	56	24.1300	1,348	70	23.2900	1,622
CNY	9	4.4780	38	191	4.3270	827

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains or losses were gain \$49,145 thousand and loss \$3,109 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 entities in the Group.

39. 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.
 - 7) Intercompany relationships and significant intercompany transactions: Table 2 (attached).
- 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 3 (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.

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

The Corporation have 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.

41. SEGMENT INFORMATION

Information which is provided to the chief operating decision-maker for the purposes of allocating resources and evaluating the segment performance focuses on types of services provided. According to primary revenues, proprietary, brokerage and underwriting departments' information should be reported by the Group.

The proprietary department engages in trading securities and futures transactions for hedging. The brokerage department engages in securities brokerage and margin purchase and short sale. The underwriting department engages in best efforts underwriting or firm commitment underwritings. The financial performance of each reporting segments was as follows:

Segment revenue and results

The following was an analysis of the Group's revenue and operating performance from continuing operations by reporting segments.

Unit: NT\$ Thousand

Item	For the Year Ended December 31, 2024				Total
	Proprietary	Brokerage	Underwriting	Other	
Profit and loss attributed to each segment					
Revenue	\$ 1,608,344	\$ 2,242,302	\$ 55,542	\$ 32,049	\$ 3,938,237
Costs and expenses	(570,206)	(1,533,108)	(55,526)	(48,327)	(2,207,167)
Profit and loss - by segment	<u>\$ 1,038,138</u>	<u>\$ 709,194</u>	<u>\$ 16</u>	<u>\$ (16,278)</u>	1,731,070
Profit and loss not attributed to segments					(442,657)
Profit before income tax					1,288,413
Income tax expense					(190,440)
Net profit for the year					1,097,973
Other comprehensive income					158,716
Total comprehensive income for the year					<u>\$ 1,256,689</u>

Item	For the Year Ended December 31, 2023				Total
	Proprietary	Brokerage	Underwriting	Other	
Profit and loss attributed to each segment					
Revenue	\$ 1,483,337	\$ 1,840,473	\$ 75,430	\$ 24,951	\$ 3,424,191
Costs and expenses	(536,075)	(1,323,043)	(64,834)	(45,032)	(1,968,984)
Profit and loss - by segment	<u>\$ 947,262</u>	<u>\$ 517,430</u>	<u>\$ 10,596</u>	<u>\$ (20,081)</u>	1,455,207
Profit and loss not attributed to segments					(384,546)
Profit before income tax					1,070,661
Income tax expense					(66,394)
Net profit for the year					1,004,267
Other comprehensive income					29,708
Total comprehensive income for the year					<u>\$ 1,033,975</u>

TABLE 1

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

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					
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 (Note)
	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 (Note)
	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 (Notes)
	Concord Insurance Agency Co., Ltd.	10th Floor, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	October 4, 2013	Jan. 10, 2013 No. Financial-Supervisory -Securities-Firms-101 0056608 and Jun. 23, 2020 No. Jin-Guan-Bao-Zong-Zi-1090421845	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 (Note)
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		Real estate commerce, development and business management advisory services	195,668	195,668	56,472,021	46.59	585,898	223,111	21,359	9,977	-	Investments of subsidiary accounted for using equity method

Note: Share of profits (losses) of subsidiaries has been fully eliminated upon consolidation.

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2024

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

No. (Note 2)	Company	Counterparty	Relationship (Note 3)	Transaction Details			
				Financial Statement Account	Amount (Note 1)	Transaction Terms	% of Total Revenues or Total Assets (Note 4)
0	Concord Securities Co., Ltd.	Concord Futures Corp.	a.	Futures trading margin	\$ 421,354 (Note 6)	Not significantly different from those with third parties	0.94
		Concord Futures Corp.	a.	Guarantee deposits received	1,295 (Note 1)	Not significantly different from those with third parties	-
		Concord Futures Corp.	a.	Futures commission revenue	10,122 (Note 1)	In accordance with the contract, no third-party transactions for comparison	0.26
		Concord Futures Corp.	a.	Securities commission expenses	7,588 (Note 1)	In accordance with the contract, no third-party transactions for comparison	0.19
		Concord Futures Corp.	a.	Clearing and settlement expenses	2,257 (Note 1)	In accordance with the contract, no third-party transactions for comparison	0.06
		Concord Futures Corp.	a.	Other gains and losses	18,368 (Note 1)	In accordance with the contract, no third-party transactions for comparison	0.47
		Concord Capital Management Corp.	a.	Other payables	1,050 (Note 1)	Not significantly different from those with third parties	-
		Concord Capital Management Corp.	a.	Other operating expense	12,600 (Note 1)	In accordance with the contract, no third-party transactions for comparison	0.32
		Concord Insurance Agency Co., Ltd.	a.	Other operating income	5,930 (Note 1)	In accordance with the contract, no third-party transactions for comparison	0.15

Note 1: Intercompany transactions have been eliminated upon consolidation.

Note 2: Intercompany transactions between the parent company and its subsidiaries are numbered as follows:

- a. Parent company: 0.
- b. Subsidiaries are sequentially numbered from 1.

Note 3: The flow of transactions between the transacting parties are as follows: (The same transaction between the parent company and its subsidiary or between two subsidiaries is unnecessary to be disclosed again. For example, if the transaction between the parent company and its subsidiary had been disclosed by the parent company, it is unnecessary to be disclosed by the subsidiary. If the transaction between two subsidiaries had been disclosed by a subsidiary, it is unnecessary to be disclosed by the other one).

- a. From parent company to subsidiary.
- b. From subsidiary to parent company.
- c. Between subsidiaries.

Note 4: The transactional amounts are calculated as a percentage of the consolidated total assets or the consolidated total revenues. For balance sheet accounts, it will be calculated based on the ending balance divided by the consolidated total assets. For income statement accounts, it will be calculated based on the cumulative amount divided by the consolidated total revenues.

Note 5: Disclosure of significant intercompany transactions is determined based on the Corporation's principle of materiality.

Note 6: The amount included the futures trading excess margin of \$405,342 thousand, which was accounted for as cash and cash equivalents.

TABLE 3

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

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 of the CNY buying and selling rates for the year ended December 31, 2024.

Note 3: The NTD amount was converted using the average of the 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 of the CNY buying and selling rates in 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.