Concord Securities Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
110016 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110016, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023. 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, 2023 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 the equity method included in the Group's consolidated financial statements for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, the total assets of these subsidiaries and investments in associates amounted to $580,106 thousand and $548,093 thousand, accounting for 1.44% and 1.53% of consolidated total assets, respectively; for the years ended December 31, 2023 and 2022, no operating revenue was recognized, and the share of the comprehensive income or loss of these associates accounted for using the equity method amounted to $25,575 thousand and $(18,032) thousand, which accounted for 2.47% and 16.72% of the consolidated total comprehensive income or loss, 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, 2023 and 2022 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, 2023 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

February 27, 2024

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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,740,731	4	$ 4,588,277	13
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	11,220,151	28	7,935,375	22
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	498,471	1	177,633	1
Margin loans receivable (Notes 4, 11 and 32)	6,533,218	16	4,229,493	12
Refinancing margin (Notes 4 and 11)	525	-	40,461	-
Refinancing collateral receivable (Notes 4 and 11)	437	-	31,124	-
Customer margin account (Notes 4 and 9)	6,308,796	16	4,790,287	13
Futures exchanges margins receivable (Notes 4 and 10)	-	-	12	-
Security borrowing collateral price (Notes 4 and 11)	78,997	-	960,904	3
Security borrowing margin (Notes 4 and 11)	71,860	-	1,046,647	3
Notes and accounts receivable (Notes 4 and 11)	6,150,076	15	4,428,567	12
Prepayments	9,242	-	9,149	-
Other receivables (Notes 4 and 11)	116,465	-	54,615	-
Other financial assets - current (Notes 4 and 12)	664,620	2	646,120	2
Current tax assets (Notes 4 and 28)	-	-	1,263	-
Restricted assets - current (Note 33)	169,040	-	167,705	1
Amounts held for each customer in the account (Note 32)	187,534	1	-	-
Other current assets	205,070	1	160,577	-
Total current assets	33,955,233	84	29,268,209	82
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)	3,305,210	8	3,535,019	10
Investments accounted for using equity method (Notes 4 and 14)	575,955	2	546,741	1
Property and equipment (Notes 4, 15 and 33)	1,055,970	3	1,051,657	3
Right-of-use assets (Notes 4, 16 and 32)	98,910	-	117,489	-
Investment property (Notes 4, 17 and 33)	318,400	1	319,975	1
Intangible assets (Notes 4 and 18)	60,377	-	65,137	-
Deferred tax assets (Notes 4 and 28)	38,443	-	29,090	-
Net defined benefit assets - non-current (Notes 4 and 25)	-	-	3,854	-
Other non-current assets (Notes 4 and 19)	896,474	2	909,856	3
Total non-current assets	6,359,780	16	6,578,818	18
TOTAL	$ 40,315,013	100	$ 35,847,027	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 20 and 33)	$ 809,500	2	$ 690,000	2
Commercial paper payable (Notes 20 and 33)	5,761,973	14	5,222,701	15
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 32)	1,984,310	5	2,522,930	7
Liabilities for bonds with attached repurchase agreements (Notes 4, 21 and 32)	5,166,781	13	4,498,096	13
Securities financing refundable deposits (Note 4)	272,431	1	675,595	2
Deposits payable for securities financing (Note 4)	302,479	1	620,246	2
Refinancing borrowings (Note 4)	-	-	100,240	-
Securities lending refundable deposits (Note 4)	70,168	-	16,185	-
Futures traders' equity (Notes 4 and 9)	6,348,423	16	4,769,767	13
Equity for each customer in the account (Note 32)	187,803	1	-	-
Accounts payable (Note 22)	5,776,899	14	3,580,010	10
Other payables	543,264	1	277,062	1
Other financial liabilities - current (Note 23)	2,525,707	6	3,622,333	10
Current tax liabilities (Notes 4 and 28)	128,563	-	54,513	-
Provisions - current (Notes 4 and 24)	26,666	-	26,186	-
Lease liabilities - current (Notes 4, 16 and 32)	49,889	-	49,337	-
Other current liabilities	144,630	1	162,146	-
Total current liabilities	30,099,486	75	26,887,347	75
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	1,177,976	3	913,241	3
Provisions - non-current (Notes 4 and 24)	15,083	-	12,560	-
Lease liabilities - non-current (Notes 4, 16 and 32)	46,483	-	67,305	-
Deferred tax liabilities (Notes 4 and 28)	20,912	-	63,871	-
Guarantee deposits received (Note 32)	2,468	-	2,468	-
Net defined benefit liabilities - non-current (Notes 4 and 25)	24,410	-	2,464	-
Total non-current liabilities	1,287,332	3	1,061,909	3
Total liabilities	31,386,818	78	27,949,256	78
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4, 8, 14, 25, 26, 28 and 31)				
Share capital	5,944,550	15	5,944,550	17
Capital surplus	175,331	-	175,320	-
Retained earnings				
Legal reserve	239,393	1	265,503	1
Special reserve	1,087,890	3	1,087,890	3
Unappropriated retained earnings (accumulated deficits)	979,629	2	(26,110)	-
Total retained earnings	2,306,912	6	1,327,283	4
Other equity	441,856	1	391,181	1
Total equity attributable to owners of the Corporation	8,868,649	22	7,838,334	22
NON-CONTROLLING INTERESTS	59,546	-	59,437	-
Total equity	8,928,195	22	7,897,771	22
TOTAL	$ 40,315,013	100	$ 35,847,027	100

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

(With Deloitte & Touche auditors’ report dated February 27, 2024)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
REVENUE (Notes 4 and 27)				
Brokerage handling fee revenue (Note 32)	$ 1,541,164	45	$ 1,543,234	75
Income from securities lending	43,940	1	43,420	2
Revenue from underwriting commission	33,033	1	34,993	2
Gains (losses) on sale of operating securities, net	297,332	9	(1,827,681)	(89)
Revenue from providing agency service for stock affairs	28,529	1	26,633	1
Interest income (Note 32)	350,093	10	349,939	17
Dividend income	1,632,764	48	1,448,951	71
Valuation gains (losses) on operating securities at fair value through profit or loss, net	393,698	11	(650,731)	(32)
Gains (losses) on covering of borrowed securities and bonds with resale agreements - short sales, net	(61,058)	(2)	16,012	1
Valuation gains (losses)on borrowed securities and bonds with resale agreements - short sales at fair value through profit or loss, net	(70,314)	(2)	140,680	7
Realized losses on investments in debt instruments measured at fair value through other comprehensive income, net	(5,506)	-	-	-
Gains (losses) on issuance of call (put) warrants, net	(97,412)	(3)	423,225	21
Losses on derivative instruments - futures, net	(148,135)	(4)	(15,172)	(1)
Gains (losses) on derivative instruments - OTC, net (Note 32)	(585,419)	(17)	368,562	18
Futures administrative fee revenues	-	-	1	-
Impairment gain and reversal of impairment loss (impairment loss) (Notes 8, 10 and 11)	(639)	-	3,707	-
Other operating income (Note 32)	72,121	2	151,005	7
Total revenue	3,424,191	100	2,056,778	100
COSTS AND EXPENSES (Notes 4 and 27)				
Brokerage handling fee expenses	(195,570)	(6)	(199,517)	(10)
Proprietary handling fee expenses	(10,464)	-	(12,584)	(1)
Refinancing handling fee expenses	(350)	-	(737)	-
Finance costs (Note 32)	(210,147)	(6)	(96,734)	(5)
Loss from securities borrowing transactions	(7,415)	-	(4,558)	-
Futures commission expenses	(79,194)	(3)	(88,377)	(4)
Clearing and settlement expenses	(71,541)	(2)	(85,498)	(4)
Other operating costs	(36,919)	(1)	(25,542)	(1)
Employee benefits expenses (Notes 25 and 32)	(1,305,767)	(38)	(965,708)	(47)

(Continued)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2023		2022	
	Amount	%	Amount	%
Depreciation and amortization expenses (Notes 15, 16, 17 and 18)	$ (106,779)	(3)	$ (92,252)	(4)
Other operating expenses	(592,775)	(18)	(587,321)	(29)
Total costs and expenses	(2,616,921)	(77)	(2,158,828)	(105)
OPERATING PROFIT (LOSS)	807,270	23	(102,050)	(5)
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 27)				
Share of profit or loss of associates accounted for using equity method (Note 14)	25,425	1	(8,844)	-
Other gains and losses (Notes 32)	237,966	7	147,558	7
Total non-operating income and expenses	263,391	8	138,714	7
PROFIT BEFORE INCOME TAX	1,070,661	31	36,664	2
INCOME TAX EXPENSE (Notes 4 and 28)	(66,394)	(2)	(180,364)	(9)
NET PROFIT (LOSS) FOR THE YEAR	1,004,267	29	(143,700)	(7)
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	(25,198)	-	134,620	6
Unrealized gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	(702)	-	25,910	1
Share of other comprehensive income or loss of associates accounted for using equity method	3,789	-	(5,836)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	5,040	-	(26,924)	(1)
	(17,071)	-	127,770	6

(Continued)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss				
Exchange differences on the translation of foreign operations	$ (449)	-	$ 9,046	1
Unrealized gains (losses) on investments in debt instruments measured at fair value through other comprehensive income	47,228	1	(100,992)	(5)
	46,779	1	(91,946)	(4)
Other comprehensive income for the year, net of income tax	29,708	1	35,824	2
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 1,033,975	30	$ (107,876)	(5)
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ 999,752	29	$ (148,735)	(7)
Non-controlling interests	4,515	-	5,035	-
	$ 1,004,267	29	$ (143,700)	(7)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ 1,030,304	30	$ (115,256)	(5)
Non-controlling interests	3,671	-	7,380	-
	$ 1,033,975	30	$ (107,876)	(5)
EARNINGS (LOSS) PER SHARE (Note 29)				
Basic	$ 1.68		$ (0.25)	
Diluted	$ 1.68		$ (0.25)	

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

(With Deloitte & Touche auditors' report dated February 27, 2024) (Concluded)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation (Notes 4, 8, 14, 25, 26, 28 and 31)									
			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 (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2022	$ 5,944,550	$ 175,320	$ 132,144	$ 821,171	$ 1,338,562	$ (7,432)	$ 470,680	$ 8,874,995	$ 54,985	$ 8,929,980
Appropriation of 2021 earnings										
Legal reserve	-	-	133,359	-	(133,359)	-	-	-	-	-
Special reserve	-	-	-	266,719	(266,719)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(921,405)	-	-	(921,405)	-	(921,405)
Net loss for the year ended December 31, 2022	-	-	-	-	(148,735)	-	-	(148,735)	5,035	(143,700)
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	107,646	9,046	(83,213)	33,479	2,345	35,824
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	(41,089)	9,046	(83,213)	(115,256)	7,380	(107,876)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(2,100)	-	2,100	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	(2,928)	(2,928)
BALANCE AT DECEMBER 31, 2022	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 of 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

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 1,070,661	$ 36,664
Adjustments for:		
Depreciation expense	90,388	81,017
Amortization expense	16,391	11,235
Expected credit loss (gain)	639	(3,707)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(327,775)	514,989
Finance costs	210,147	96,734
Interest income (including financial income)	(457,427)	(387,663)
Dividend income	(1,657,038)	(1,478,597)
Share of loss (profit) of associates accounted for using equity method	(25,425)	8,844
Loss on disposal of property and equipment	-	9
Loss (gain) on disposal of investments	633	(33)
Changes in operating assets and liabilities		
Decrease (increase) in financial assets at fair value through profit or loss	(2,897,443)	18,799
Decrease (increase) in margin loans receivable	(2,303,647)	3,401,223
Decrease (increase) in refinancing margin	39,936	(33,551)
Decrease (increase) in refinancing collateral receivable	30,687	(24,392)
Decrease (increase) in customer margin account	(1,518,509)	412,822
Decrease (increase) in futures exchanges margins receivable	(12)	2,402
Decrease (increase) in security borrowing collateral price	881,907	(437,881)
Decrease (increase) in security borrowing margin	974,787	(572,090)
Decrease in notes receivable	25	51
Decrease (increase) in accounts receivable	(1,713,542)	2,437,950
Decrease (increase) in prepayments	(93)	30
Decrease (increase) in net defined benefit assets	3,854	(3,854)
Decrease (increase) in other receivables	(59,045)	33,303
Increase in other financial assets	(18,500)	(257,360)
Decrease (increase) in other current assets	(233,362)	1,689,706
Increase in liabilities for bonds with attached repurchase agreements	668,685	399,629
Increase (decrease) in financial liabilities at fair value through profit or loss	(344,199)	294,669
Increase (decrease) in securities financing refundable deposits	(403,164)	361,694
Increase (decrease) in deposits payable for securities financing	(317,767)	116,413
Decrease in refinancing borrowings	(100,240)	(1,700,316)
Increase in securities lending refundable deposits	53,983	16,185
Increase (decrease) in futures traders' equity	1,578,656	(375,484)
Increase (decrease) in accounts payable	2,197,625	(2,162,897)
Increase (decrease) in other payables	266,238	(528,596)
Decrease in net defined benefit liabilities	(3,252)	(97,900)

(Continued)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Increase in provisions	$ 480	$ 979
Increase (decrease) in other financial liabilities	(1,096,626)	2,865,655
Increase in equity for each customer in the account	187,803	-
Decrease in other current liabilities	(17,516)	(1,546,162)
Cash generated from (used in) operations	(5,221,057)	3,190,519
Interest received	447,657	383,275
Dividends received	1,631,165	1,448,632
Interest paid	(200,768)	(107,389)
Income tax paid	(38,353)	(78,711)
Net cash generated from (used in) operating activities	(3,381,356)	4,836,326
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(1,130,755)	(1,059,750)
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,081,902	147,249
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	3,509	1,526
Acquisition of property and equipment	(40,082)	(48,581)
Proceeds from disposal of property and equipment	-	5
Decrease in clearing and settlement fund	1,936	17,257
Increase in refundable deposits	-	(124,503)
Decrease in refundable deposits	14,065	-
Acquisition of intangible assets	(10,166)	(16,030)
Increase in other non-current assets	(4,084)	(3,705)
Dividends received	24,274	29,646
Net cash used in investing activities	(59,401)	(1,056,886)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	119,500	-
Decrease in short-term borrowings	-	(960,000)
Increase in commercial paper payable	530,000	1,073,000
Payments of lease liabilities	(53,091)	(47,332)
Cash dividends paid	-	(921,405)
Change in non-controlling interests	(3,562)	(2,928)
Unpaid dividends	11	-
Net cash generated from (used in) financing activities	592,858	(858,665)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	353	12,236

(Continued)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ (2,847,546)	$ 2,933,011
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,588,277	1,655,266
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,740,731	$ 4,588,277

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

(With Deloitte & Touche auditors' report dated February 27, 2024) (Concluded)

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, 2023, 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 February 27, 2024.

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 would not have a material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, 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 1)
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 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the above 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 the 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 the 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 an unconditional right 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 used by the Corporation. All intra-group transactions, balances, income and expenses are eliminated 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 Group's interests 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.

Refer to Note 13 and Table 1 for the detailed information of subsidiaries (including the percentage of ownership and main business).

Foreign Currencies

In preparing the financial statements of each individual entity in the Group, 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 measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the translation 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 fair value changes are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, assets and liabilities of the Group's foreign operations (including subsidiaries in other countries or those that use currencies that are different from that used by the Corporation) are translated into New Taiwan dollars using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences are recognized in other comprehensive income.

Investments in Associates

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

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

Under the equity method, an investment 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 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 at the acquisition date is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of the 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 the 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 if the investee had 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 equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing the recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, which 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, property and equipment are depreciated on a straight-line basis over their estimated useful lives. Each significant part is depreciated separately. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

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

Investment Property

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

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

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

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

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognized 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 over estimated useful lives. The estimated useful life, residual value, and amortization method are reviewed by the Group at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives are measured at cost less accumulated impairment loss.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized 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 asset 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 individual asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit should be reduced to its recoverable amount and the impairment loss is recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (after deducting depreciation or amortization) 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 immediately 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.

When financial assets and financial liabilities are initially not recognized at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities 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 category

      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 measured at FVTPL when such a financial asset is mandatorily measured at FVTPL. Financial assets mandatorily measured 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.

b) Financial assets at amortized cost

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

i. The financial asset is 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 asset 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, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

i. Purchased or originated credit-impaired financial assets, 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 assets that are not credit impaired on purchase or origination but have 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

Investments in 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, they 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 a 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 assets 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.

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, issue or cancellation of the Corporation’s own equity instruments.

c. Financial liabilities

1) Subsequent measurement

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

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

Financial liabilities held for trading are stated at fair value, and any interest paid on such financial liabilities is recognized in finance costs; any remeasurement gains or losses on such financial liabilities are recognized in profit or loss. Fair value is determined in the manner described in Note 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 Group’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 gain or loss accumulated in other comprehensive income will be reclassified to retained earnings when the financial liability is derecognized. The remaining amount of changes in the fair value of that liability is presented in profit or loss. If the fair value changes recognized in other comprehensive are attributable to credit risk, and this accounting treatment would create or enlarge an accounting mismatch, all changes in 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

Upon derecognition of financial liabilities, the difference between the carrying amount of the financial liability 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.

Derivative financial instruments are initially recognized at fair value at the date 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. For a derivative that is designated and effective as a hedging instrument, the timing of the recognition of gain or loss in profit or loss depends on the nature of the hedging relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments 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 consideration required to settle the obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the estimated of the discounted cash flows needed to settle the obligation, its carrying amount is the present value of those cash flows. The Group's provisions are primarily short-term paid vacation entitlements and lease restoration costs.

Time of 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 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 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 Group uses the lessee's incremental borrowing rate.

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.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease less than the consideration for the lease immediately preceding the charge. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as a deduction of depreciation expense of right-of-use assets and other non-operating income, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

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 rendered by employees.

b. Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the 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 they occur. It 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 retirement plans.

Taxation

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

a. Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined in accordance with the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated retained earnings is recognized in the year the shareholders approve the appropriation of 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 deductible temporary differences to the extent that it is probable that taxable profit 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 timing of 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 are only recognized 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 they 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. Deferred tax asset which originally not recognized 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 liability is settled or the asset 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 for the year

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 on the cash flow projections, growth rate, discount rate, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation and Uncertainty

<u>Fair value of financial instruments with no public quotes in an active market</u>

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	
	2023	**2022**
Cash on hand and working fund	$ 218	$ 210
Checking and demand deposits	740,357	719,011
Foreign currency deposits	544,805	170,566
Cash equivalents		
Time deposits with original maturities within three months	16,888	-
Excess futures trading margin	438,463	378,187
Short-term bills	-	3,320,303
	$ 1,740,731	$ 4,588,277

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

	December 31	
	2023	**2022**
Time deposits with original maturities within three months	5.1%	-
Short-term bills	-	0.9%-1.0%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	**2022**
Financial assets at FVTPL - current		
Financial assets mandatorily measured at FVTPL		
Open-end funds and money market instruments	$ 142,452	$ 80,090
Operating securities - proprietary	9,713,000	6,309,864
Operating securities - underwriting	34,032	50,818
Operating securities - hedging	1,020,490	1,053,477
Futures margin - own funds	45,954	225,157
Derivative assets - OTC		
Value of asset swap IRS contracts	9,951	6,225
Asset swap options	254,272	209,744
	$ 11,220,151	$ 7,935,375
Financial assets at FVTPL - non-current		
Financial assets mandatorily measured at FVTPL		
Operating securities - proprietary	$ 10,041	$ -

(Continued)

	December 31	
	2023	2022
Financial liabilities at FVTPL - current		
Financial liabilities held for trading		
Warrants liabilities	$ 1,056,815	$ 2,098,112
Warrants redeemed	(1,017,002)	(1,934,273)
Sell options - TAIFEX	405	-
Liabilities on sale of borrowed securities - hedging	95,853	907,024
Liabilities on sale of borrowed securities - non-hedging	253,159	52,355
Derivative liabilities - OTC		
Value of asset swap IRS contracts	28,389	31,586
Asset swap options	992,679	662,121
Structured instruments	11,742	23,572
Equity derivatives	146,630	74,426
	1,568,670	1,914,923
Financial liabilities designated as at FVTPL		
Structured instruments	415,640	608,007
	$ 1,984,310	$ 2,522,930
Financial liabilities at FVTPL - non-current		
Financial liabilities designated as at FVTPL		
Structured instruments	$ 1,177,976	$ 913,241

(Concluded)

a. Open-end funds and money market instruments

	December 31	
	2023	2022
Open-end funds and money market instruments	$ 142,972	$ 85,000
Valuation adjustments	(520)	(4,910)
	$ 142,452	$ 80,090

b. Operating securities - proprietary

	December 31	
	2023	2022
Current		
Government bonds	$ 1,188,626	$ 353,794
Listed shares	1,633,966	516,164
Shares and convertible bonds traded in the OTC market	5,621,055	4,862,071
Emerging shares	229,795	197,265
Foreign shares and bonds	250,166	126,184
Beneficiary securities	354,148	170,079
	9,277,756	6,225,557
Valuation adjustments	435,244	84,307
	$ 9,713,000	$ 6,309,864

(Continued)

	December 31	
	2023	**2022**
Non-current		
Government bonds	$ 10,083	$ -
Valuation adjustments	(42)	-
	$ 10,041	$ -

(Concluded)

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

	December 31	
	2023	**2022**
Government bonds	0.50%-1.75%	0.50%-1.75%

As of December 31, 2023 and 2022, 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 $5,188,433 thousand and $4,460,507 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	
	2023	**2022**
Listed and OTC shares and convertible bonds	$ 33,075	$ 51,157
Valuation adjustments	957	(339)
	$ 34,032	$ 50,818

d. Operating securities - hedging

	December 31	
	2023	**2022**
Listed shares, beneficiary certificates and shares and warrants	$ 477,001	$ 737,815
Shares, beneficiary certificates, warrants and convertible bonds traded in the OTC market	532,077	345,676
	1,009,078	1,083,491
Valuation adjustments	11,412	(30,014)
	$ 1,020,490	$ 1,053,477

e. Warrants

	December 31	
	2023	2022
Warrants liabilities	$ 1,133,518	$ 4,294,041
Gains on changes in fair value	(76,703)	(2,195,929)
	1,056,815	2,098,112
Warrants redeemed	1,059,848	3,422,996
Losses on changes in fair value	(42,846)	(1,488,723)
	1,017,002	1,934,273
Net warrants liabilities	$ 39,813	$ 163,839

f. Liabilities on sale of borrowed securities

	December 31	
	2023	2022
Hedging		
Listed and OTC shares and beneficiary certificates	$ 91,562	$ 964,657
Valuation adjustments	4,291	(57,633)
	$ 95,853	$ 907,024
Non-hedging		
Beneficiary certificates	$ 250,030	$ 57,616
Valuation adjustments	3,129	(5,261)
	$ 253,159	$ 52,355

g. Futures and Options

	December 31	
	2023	2022
Put options - TAIFEX		
Index options	$ (477)	$ -
Gain on open positions	72	-
Fair value	$ (405)	$ -

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

		December 31, 2023			
		Open Position		Carrying Amount/	
Item	Transaction Type	Buyer/ Seller	Volume	Premium Paid (Received)	Fair Value
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)

		December 31, 2022			
		Open Position		Carrying Amount/	
Item	Transaction Type	Buyer/ Seller	Volume	Premium Paid (Received)	Fair Value
Futures	TAIEX futures	Buyer	62	$ 176,901	$ 174,894
Futures	TAIEX futures	Seller	4	11,288	11,308
Futures	MTX	Buyer	4	2,827	2,827
Futures	MTX	Seller	200	143,429	140,970
Futures	Share futures	Buyer	7,195	1,043,675	993,478
Futures	Share futures	Seller	693	102,397	100,608
Futures	TE	Seller	4	10,494	10,300
Futures	YM	Seller	1	5,280	5,111
Futures	LCO	Seller	43	111,668	113,446
Futures	GC	Seller	1	5,492	5,608
Futures	CBOT-UB	Seller	1	4,198	4,125
Futures	TWN	Seller	16	24,397	24,406
Futures	USDX	Seller	2	6,373	6,347

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, 2023 and 2022, futures margin arising from futures contracts amounted to $45,954 thousand and $225,157 thousand, respectively.

h. Derivative instruments - OTC

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

	Nominal Amount	
	December 31	
	2023	2022
Convertible bond asset swaps	$ 6,144,400	$ 6,930,200
Structured instruments	4,129,975	5,181,267
Equity derivatives	716,926	318,764

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
Current		
Investments in debt instruments	$ 498,471	$ 177,633
Non-current		
Investments in equity instruments	$ 861,220	$ 865,431
Investments in debt instruments	2,443,990	2,669,588
	$ 3,305,210	$ 3,535,019

a. Investments in equity instruments

	December 31	
	2023	2022
Non-current		
Non-public ordinary shares		
Taiwan Futures Exchange	$ 412,951	$ 419,156
Taiwan Stock Exchange	217,666	216,475
Taiwan Depository & Clearing Corporation	127,488	119,247
Guoyuan Futures Co., Ltd.	75,507	90,595
Asia Pacific Emerging Industry Venture Capital Co., Ltd.	21,293	12,317
FundRich Securities Co., Ltd.	6,315	7,641
	$ 861,220	$ 865,431

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 August 2023 and 2022, the Group participated in the cash capital increase of Taiwan Stock Exchange, and obtained 36 shares and 48 shares at the issue price of $10 per share, respectively.

In December 2023 and 2022, Asia Pacific Emerging Industry Venture Capital Co., Ltd. implemented cash capital reduction, in which the Group reduced its number of shares by 350,906 shares and 152,568 shares, receiving the capital reduction of $3,509 thousand and $1,526 thousand, respectively.

In September 2022, the Group sold all shares of Foursun Tech. Inc. for $10 thousand, and other equity - unrealized losses on financial assets measured at fair value through other comprehensive income of $2,100 thousand was transferred to retained earnings.

The Group recognized dividend revenue of $24,274 thousand and $29,646 thousand during 2023 and 2022, which generated from the investments held as of December 31, 2023 and 2022, respectively.

b. Investments in debt instruments

	December 31	
	2023	**2022**
Current		
Government bonds	$ 299,410	$ -
Corporate bonds	199,061	99,572
Foreign bonds	-	78,061
	$ 498,471	$ 177,633
Non-current		
Government bonds	$ -	$ 297,138
Corporate bonds	1,504,203	1,096,680
Foreign bonds	939,787	1,275,770
	$ 2,443,990	$ 2,669,588

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

	December 31	
	2023	**2022**
Gross carrying amount	$ 3,002,167	$ 2,953,314
Less: Allowance for impairment loss	(1,751)	(1,630)
Amortized cost	3,000,416	2,951,684
Adjustment to fair value	(57,955)	(104,463)
	$ 2,942,461	$ 2,847,221

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, 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

Category	Description	Basis for Recognizing Expected Credit Losses (ECLs)	Expected Loss Rate	Gross Carrying Amount on December 31, 2022
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%-0.51%	$ 2,953,314

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, 2023	$ 1,630	$ -	$ -
Recognized expected credit loss	121	-	-
Balance at December 31, 2023	$ 1,751	$ -	$ -
Balance at January 1, 2022	$ 1,972	$ -	$ -
Reversed expected credit loss	(342)	-	-
Balance at December 31, 2022	$ 1,630	$ -	$ -

9. CUSTOMER MARGIN ACCOUNT AND FUTURES TRADERS' EQUITY

	December 31	
	2023	2022
Customer margin account		
Cash in banks	$ 4,358,015	$ 3,652,300
Futures clearing institution	1,444,174	929,624
Other futures commission merchant	506,607	208,363
Customer margin account	6,308,796	4,790,287
Adjustment		
Brokerage handling fee revenue and futures transactions tax	(38,365)	(44,560)
Timing differences in receiving customers' deposits	77,992	24,040
Futures traders' equity	$ 6,348,423	$ 4,769,767

10. FUTURES EXCHANGES MARGINS RECEIVABLE

As of December 31, 2023 and 2022, futures exchanges margins receivable and allowance for doubtful accounts were as follows:

	December 31	
	2023	2022
Futures exchanges margins receivable	$ 24	$ 576
Less: Allowance for impairment loss	(24)	(564)
	$ -	$ 12

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

	December 31	
	2023	2022
Balance at January 1	$ 564	$ 5,316
Less: Net remeasurement of loss allowance	24	(2,388)
Less: Amounts written off	(564)	(2,364)
Balance at December 31	$ 24	$ 564

11. MARGIN LOANS RECEIVABLE, NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2023	2022
Margin loans receivable	$ 6,534,212	$ 4,230,565
Less: Allowance for impairment loss	(994)	(1,072)
	$ 6,533,218	$ 4,229,493

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, 2023 and 2022, the Group had recognized allowance for impairment loss of $77,510 thousand and $77,814 thousand, respectively, for the receivables, and the balance of the related receivable was reclassified as other receivables.

	December 31	
	2023	**2022**
Notes receivable	$ 70	$ 95
Accounts receivable		
Accounts receivable for settlement - brokerage	5,622,505	3,388,985
Accounts receivable for settlement - proprietary	391,101	896,372
Brokerage handling fee revenue and refinancing interest receivable	100,247	111,909
Bond interest receivable	25,096	18,703
Others	11,370	12,816
Less: Allowance for impairment loss	(313)	(313)
	6,150,006	4,428,472
	$ 6,150,076	$ 4,428,567

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

	December 31	
	2023	**2022**
0 to 120 days	$ 6,150,013	$ 4,428,504
121 to 180 days	63	344
Over 180 days	313	32
	$ 6,150,389	$ 4,428,880

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

	December 31	
	2023	**2022**
Other receivables	$ 202,659	$ 140,859
Less: Allowance for impairment loss	(86,194)	(86,244)
	$ 116,465	$ 54,615

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 trade receivables based on lifetime expected credit losses. The expected credit losses on trade receivables 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 trade receivables based on the Group's provision matrix:

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	$ 6,150,076	$ 6,533,218	$ 437	$ 151,382	$ 116,465	$ 12,951,578

December 31, 2022

	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%	0.03%	0%	0%	0%; 100%	
Gross carrying amount	$ 4,428,880	$ 4,230,565	$ 31,124	$ 2,048,012	$ 140,859	$ 10,879,440
Loss allowance (Lifetime ECLs)	(313)	(1,072)	-	-	(86,244)	(87,629)
Amortized cost	$ 4,428,567	$ 4,229,493	$ 31,124	$ 2,048,012	$ 54,615	$ 10,791,811

The movements of the loss allowance of trade receivables for the years ended December 31, 2023 and 2022, respectively, were as follows:

	Notes and Accounts Receivable	Margin Loans Receivable	Other Receivables	Total
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	$ 313	$ 994	$ 86,194	$ 87,501
Balance at January 1, 2022	$ -	$ 2,040	$ 86,566	$ 88,606
Add: Net remeasurement of loss allowance	313	(968)	(322)	(977)
Balance at December 31, 2022	$ 313	$ 1,072	$ 86,244	$ 87,629

12. OTHER FINANCIAL ASSETS - CURRENT

	December 31	
	2023	2022
Time deposits	$ 664,620	$ 646,120

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

	December 31	
	2023	2022
Time deposits	1.400%-5.620%	1.025%-5.300%

13. SUBSIDIARIES

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

			Percentage of Ownership (%)		
			December 31		
Investor	Investee	Main Business	2023	2022	Remarks
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 THE EQUITY METHOD

	December 31			
	2023		2022	
Investment in Associates	Carrying Amount	Percentage of Shareholding (%)	Carrying Amount	Percentage of Shareholding (%)
Individually immaterial associates:				
HWA-HO Asset Management Corp.	$ 575,955	46.59	$ 546,741	46.59

The summarized information of individually immaterial associates was as follows:

	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Net profit (loss) for the year	$ 25,425	$ (8,844)
Other comprehensive income (loss)	3,789	(5,836)
Total comprehensive income (loss) for the year	$ 29,214	$ (14,680)

The Group's share of profit or loss and other comprehensive income or loss of associates accounted for using the equity method was calculated based on the audited financial statements for the years ended December 31, 2023 and 2022.

15. PROPERTY AND EQUIPMENT

	For the Year Ended December 31, 2023				
	Balance at January 1, 2023	Additions	Reductions	Reclassifi-cations	Balance at December 31, 2023
Cost					
Land	$ 805,137	$ -	$ -	$ (54)	$ 805,083
Buildings	317,656	-	-	(37)	317,619
Equipment	119,158	35,656	(4,132)	-	150,682
Leasehold improvements	30,484	4,426	(9,590)	-	25,320
	1,272,435	$ 40,082	$ (13,722)	$ (91)	1,298,704
Accumulated depreciation					
Buildings	151,655	$ 5,636	$ -	$ (20)	157,271
Equipment	51,846	24,388	(4,132)	-	72,102
Leasehold improvements	15,593	5,674	(9,590)	-	11,677
	219,094	$ 35,698	$ (13,722)	$ (20)	241,050
Accumulated impairment					
Buildings	1,684	$ -	$ -	$ -	1,684
Net book value	$ 1,051,657				$ 1,055,970

	For the Year Ended December 31, 2022				
	Balance at January 1, 2022	Additions	Reductions	Reclassifi-cations	Balance at December 31, 2022
Cost					
Land	$ 804,351	$ -	$ -	$ 786	$ 805,137
Buildings	317,133	-	-	523	317,656
Equipment	100,102	48,236	(29,180)	-	119,158
Leasehold improvements	41,842	1,045	(12,403)	-	30,484
	1,263,428	$ 49,281	$ (41,583)	$ 1,309	1,272,435
Accumulated depreciation					
Buildings	$ 145,874	$ 5,630	$ -	$ 151	$ 151,655
Equipment	62,116	18,897	(29,167)	-	51,846
Leasehold improvements	20,461	7,534	(12,402)	-	15,593
	228,451	$ 32,061	$ (41,569)	$ 151	219,094
Accumulated impairment					
Buildings	1,684	$ -	$ -	$ -	1,684
Net book value	$ 1,033,293				$ 1,051,657

The Group didn't recognized impairment loss or reversal of impairment loss in 2023 and 2022 respectively.

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

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

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

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

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	**2022**
Carrying amount		
Buildings	$ 96,080	$ 113,040
Equipment	2,830	4,449
	$ 98,910	$ 117,489

	For the Year Ended December 31	
	2023	**2022**
Additions to right-of-use assets	$ 34,465	$ 41,880
Depreciation charge for right-of-use assets		
Buildings	$ 50,514	$ 44,886
Equipment	2,530	2,416
	$ 53,044	$ 47,302

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, 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	**2022**
Carrying amount		
Current	$ 49,889	$ 49,337
Non-current	$ 46,483	$ 67,305

Ranges of discount rates for lease liabilities were as follows:

	December 31	
	2023	2022
Buildings	0.532%-1.826%	0.514%-1.572%
Equipment	0.521%-1.792%	0.521%-1.336%

The Group leases buildings for operational uses with lease terms of 2 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. Material leasing activities and terms

Due to the severe impact of COVID-19 on the market economy in 2022, the lessor agreed to provide unconditional rent reductions of 20%. The Group recognized the impact of rent concessions at $453 thousand (recognized as deduction of depreciation expenses and other non-operating income) for the years ended December 31, 2022.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term or low-value asset leases	$ 1,215	$ 5,157
Total cash outflow for leases	$ 54,306	$ 52,489

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, 2023				
	Balance at January 1, 2023	Additions	Reductions	Reclassifi-cations	Balance at December 31, 2023
Cost					
Land	$ 278,835	$ -	$ -	$ 54	$ 278,889
Buildings	92,317	-	-	37	92,354
	371,152	$ -	$ -	$ 91	371,243
Accumulated depreciation					
Buildings	50,943	$ 1,646	$ -	$ 20	52,609
Accumulated impairment					
Buildings	234	$ -	$ -	$ -	234
Net book value	$ 319,975				$ 318,400

	For the Year Ended December 31, 2022				
	Balance at January 1, 2022	**Additions**	**Reductions**	**Reclassifi-cations**	**Balance at December 31, 2022**
Cost					
Land	$ 279,621	$ -	$ -	$ (786)	$ 278,835
Buildings	92,840	-	-	(523)	92,317
	372,461	$ -	$ -	$ (1,309)	371,152
Accumulated depreciation					
Buildings	49,440	$ 1,654	$ -	$ (151)	50,943
Accumulated impairment					
Buildings	234	$ -	$ -	$ -	234
Net book value	$ 322,787				$ 319,975

Besides the recognition of depreciation expenses and transfers of their own use properties to investment properties, the Group did not have significant addition, disposal and impairment of investment properties for the years ended December 31, 2023 and 2022.

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

As of December 31, 2023 and 2022, the fair value of the Group's investment properties amounted to $470,316 thousand and $412,576 thousand, respectively. The fair value was quoted based on the market price of similar properties.

Some investment properties were pledged as collateral for loans and loan credit line (refer to Note 33 for the details).

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

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

	December 31	
	2023	**2022**
Year 1	$ 9,793	$ 9,793
Year 2	648	9,456
Year 3	-	648
	$ 10,441	$ 19,897

18. INTANGIBLE ASSETS

	December 31 2023	December 31 2022
Memberships in foreign futures exchanges	$ 33,392	$ 33,392
Computer software	26,985	31,745
	$ 60,377	$ 65,137

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

	For the Year Ended December 31, 2022			
	Balance at January 1, 2022	Additions	Reductions	Balance at December 31, 2022
Cost				
Computer software	$ 29,026	$ 26,289	$ (7,077)	$ 48,238
Memberships in foreign futures exchanges	33,392	-	-	33,392
	62,418	$ 26,289	$ (7,077)	81,630
Accumulated amortization				
Computer software	12,684	$ 10,886	$ (7,077)	16,493
Net book value	$ 49,734			$ 65,137

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

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	
	2023	2022
Operation guarantee deposits	$ 520,000	$ 520,000
Clearing and settlement fund	193,969	195,905
Refundable deposits	174,045	188,110
Prepayments for equipment	7,351	4,834
Deferred expense	1,109	1,007
	$ 896,474	$ 909,856

20. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	2022
Secured borrowings	$ 270,000	$ 50,000
Unsecured borrowings	539,500	640,000
	$ 809,500	$ 690,000

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

	December 31	
	2023	2022
Short-term borrowings	1.75%-2.35%	1.45%-1.99%

As of December 31, 2023, 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 company's shareholding ratio of Con-Lian AMC must be maintain at 100%.

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

b. Commercial paper payable

	December 31	
	2023	2022
Commercial paper payable	$ 5,770,000	$ 5,240,000
Less: Discount of commercial paper payable	(8,027)	(17,299)
	$ 5,761,973	$ 5,222,701

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

	December 31 2023	December 31 2022
Commercial paper payable	1.50%-1.69%	0.65%-1.72%

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

21. LIABILITIES FOR BONDS WITH ATTACHED REPURCHASE AGREEMENTS

	December 31 2023	December 31 2022
Government bonds	$ 1,466,773	$ 649,910
Corporate bonds	3,700,008	3,848,186
	$ 5,166,781	$ 4,498,096

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

	December 31 2023	December 31 2022
Government bonds	0.92%-1.40%	0.70%-0.75%
Corporate bonds	1.15%-5.65%	0.95%-5.16%

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.

Liabilities for bonds with attached repurchase agreements that were outstanding as of December 31, 2022 had been repurchased for $4,505,709 thousand by February 22, 2023.

22. ACCOUNTS PAYABLE

	December 31 2023	December 31 2022
Accounts payable for settlement - brokerage	$ 5,634,036	$ 3,377,383
Accounts payable for settlement - proprietary	27,541	102,071
Others	115,322	100,556
	$ 5,776,899	$ 3,580,010

23. OTHER FINANCIAL LIABILITIES - CURRENT

	December 31	
	2023	2022
Principle value of structured notes - current		
Principal guaranteed notes	$ 2,525,707	$ 3,622,333

24. PROVISIONS

	December 31	
	2023	2022
Current		
Employee benefits	$ 26,666	$ 26,186
Non-current		
Decommissioning provision	$ 15,083	$ 12,560

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, Ministry of Labor (the "Bureau"); 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	
	2023	2022
Present value of defined benefit obligation	$ 248,220	$ 220,928
Fair value of plan assets	(223,810)	(222,318)
Net defined benefit (assets) liabilities	$ 24,410	$ (1,390)

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

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	$ 361,696	$ (153,686)	$ 208,010
Service cost			
Current service cost	3,911	-	3,911
Net interest expense (income)	2,532	(1,051)	1,481
Expected return on plan assets	-	(32)	(32)
Recognized in profit or loss	6,443	(1,083)	5,360
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(5,307)	(5,307)
Actuarial loss (income)			
Changes in financial assumptions	(8,355)	-	(8,355)
Experience adjustments	(120,958)	-	(120,958)
Recognized in other comprehensive income	(129,313)	(5,307)	(134,620)
Contributions from the employer	(920)	(79,610)	(80,530)
Benefits paid	(16,978)	17,368	390
Balance at December 31, 2022	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 (income)			
Experience adjustments	32,176	-	32,176
Recognized in other comprehensive (income) loss	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

As of December 31, 2022, net defined benefit assets $1,390 thousand are recognized as net defined benefit assets - non-current $3,854 thousand and net defined benefit liabilities - non-current $2,464 thousand.

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, 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%

	December 31, 2022	
	The Corporation	**Concord Futures**
Discount rate	1.2%	1.3%
Expected incremental rate of salaries	1.5%	1.5%
Expected rate of return on plan assets	1.2%	1.3%

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	
	2023	**2022**
Discount rate		
0.1% increase	$ (1,604)	$ (1,606)
0.1% decrease	$ 1,620	$ 1,624
Expected incremental rate of salaries		
0.1% increase	$ 1,368	$ 1,398
0.1% decrease	$ (1,358)	$ (1,386)

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, 2023	
	The Corporation	**Concord Futures**
Expected contributions to the plan within a year	$ 1,727	$ -
Average duration of the defined benefit obligation	6.4 years	7.2 years

	December 31, 2022	
	The Corporation	Concord Futures
Expected contributions to the plan within a year	$ 1,850	$ -
Average duration of the defined benefit obligation	7.2 years	7.9 years

26. EQUITY

a. Share capital

	December 31	
	2023	2022
Number of shares authorized (in thousands)	1,500,000	1,500,000
Share capital authorized	$ 15,000,000	$ 15,000,000
Number of shares issued and fully paid (in thousands)	594,455	594,455
Share capital issued	$ 5,944,550	$ 5,944,550

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

b. Capital surplus

	December 31	
	2023	2022
Treasury share transactions	$ 173,203	$ 173,203
Gain on sale of fixed assets	682	682
Unclaimed dividends	137	126
Others	1,309	1,309
	$ 175,331	$ 175,320

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

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

The capital surplus arising from investments accounted for using the 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 appropriation of earnings for 2021, which was approved in the shareholders' meeting on June 8, 2022, was as follows:

	The Appropriation of Earnings	**Cash Dividends Per Share (NT$)**
Legal reserve	$ 133,359	
Special reserve	266,719	
Cash dividends	921,405	$ 1.55
	$ 1,321,483	

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

The appropriation of earnings for 2023, which was proposed by the Corporation's board of directors on February 27, 2024, was as follows:

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

The appropriations of earnings for 2023 are subject to the resolution of the shareholders in the shareholders' meeting to be held on June 6, 2024.

d. Other equity

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 1,614	$ (7,432)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(449)	9,046
Balance at December 31	$ 1,165	$ 1,614

2) Unrealized gains on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 389,567	$ 470,680
Recognized for the year		
Unrealized gains (losses) - debt instruments	47,228	(100,992)
Unrealized gains - equity instruments	107	23,615
Share from associates accounted for using the equity method	3,789	(5,836)
Other comprehensive income recognized for the year	51,124	(83,213)
Cumulative unrealized gains of equity instruments transferred to retained earnings due to disposal	-	2,100
Balance at December 31	$ 440,691	$ 389,567

27. ANALYSIS OF STATEMENT OF COMPREHENSIVE INCOME ITEMS

a. Brokerage handling fee revenue

	For the Year Ended December 31	
	2023	2022
Handling fee revenue from brokered trading - TWSE	$ 697,943	$ 617,636
Handling fee revenue from brokered trading - OTC	212,000	185,249
Handling fee revenue from brokered futures trading	578,520	696,195
Handling fee revenue from securities financing	5,151	7,441
Others	47,550	36,713
	$ 1,541,164	$ 1,543,234

b. Revenue from underwriting business

	For the Year Ended December 31	
	2023	2022
Processing fee revenue from underwriting operations	$ 17,000	$ 11,430
Revenue from underwriting securities on a firm commitment basis	6,533	10,983
Revenue from underwriting consultation	4,830	6,730
Others	4,670	5,850
	$ 33,033	$ 34,993

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

	For the Year Ended December 31	
	2023	2022
Proprietary	$ 1,431,464	$ (83,640)
Underwriting	14,603	3,950
Hedging	(1,148,735)	(1,747,991)
	$ 297,332	$ (1,827,681)

d. Interest income

	For the Year Ended December 31	
	2023	2022
Financing interest	$ 251,088	$ 291,548
Bond interest	83,642	57,717
Others	15,363	674
	$ 350,093	$ 349,939

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

	For the Year Ended December 31	
	2023	2022
Proprietary	$ 350,976	$ (563,984)
Underwriting	1,296	(3,931)
Hedging	41,426	(82,561)
Settlement coverage bonds payables of short sale	-	(255)
	$ 393,698	$ (650,731)

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

	For the Year Ended December 31	
	2023	2022
Gains on change in fair value of warrant liabilities	$ 4,361,803	$ 11,158,182
Gains (losses) on exercise of warrants before maturity	(11,581)	1,438
Losses on change in fair value of warrants redeemed - realized	(4,377,740)	(9,188,375)
Losses on change in fair value of warrants redeemed - unrealized	(42,846)	(1,488,723)
Call (put) warrants issuance expenses	(27,048)	(59,297)
	$ (97,412)	$ 423,225

g. Gains (losses) on derivative instruments, net

	For the Year Ended December 31	
	2023	2022
Losses on derivative instruments - futures, net		
Futures contract	$ (146,010)	$ (11,719)
Options trading	(2,125)	(3,453)
	$ (148,135)	$ (15,172)
Gains (losses) on derivative instruments - OTC, net		
Asset swap options	$ (422,435)	$ 451,088
Equity derivatives	(44,707)	(30,055)
Structured instruments	(99,507)	(41,213)
Value of asset swap IRS contracts	(18,770)	(11,243)
Losses from when-issued trading of government bonds	-	(15)
	$ (585,419)	$ 368,562

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

	For the Year Ended December 31	
	2023	2022
Financial assets at amortized cost	$ (518)	$ 3,365
Financial assets at fair value through other comprehensive income	(121)	342
	$ (639)	$ 3,707

i. Other operating income

	For the Year Ended December 31	
	2023	2022
Processing revenue	$ 46,811	$ 40,560
Management revenue	13,734	13,072
Commission revenue	10,730	7,400
Advisory revenue	2,738	5,893
Loss on error trading, net	(605)	(656)
Foreign exchange gains (losses), net	(2,020)	83,897
Others	733	839
	$ 72,121	$ 151,005

j. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest of commercial paper payable	$ 106,592	$ 48,357
Interest of liabilities for bonds with attached repurchase agreements	86,266	34,886
Bank loan interest	10,801	8,225
Interest of securities financing	1,332	1,930
Interest of lease liabilities	879	817
Refinancing interest	159	725
Others	4,118	1,794
	$ 210,147	$ 96,734

k. Employee benefits expenses

	For the Year Ended December 31	
	2023	2022
Retirement benefits		
Defined contribution plan	$ 36,817	$ 38,872
Defined benefit plan	2,609	5,360
	39,426	44,232

(Continued)

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits		
Salaries	$ 1,156,890	$ 805,612
Labor and health insurance	72,578	78,916
Others	36,873	36,948
	$ 1,305,767	$ 965,708

(Concluded)

l. Compensation of employees and remuneration of directors

According to the Articles before the amendments, the Company accrued employees' compensation and remuneration of directors at rates of 1% to 2% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In addition, the amendment to the Article to revise the accrued rate of employees compensation at the rate from 1% to 3% was approved in the shareholders' meeting in June 2022.

The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Corporation's board of directors on February 27, 2024 and March 9, 2023, respectively, were as follows:

	For the Year Ended December 31	
	2023	2022
Compensation of employees	$ 28,111	$ 112
Remuneration of directors	$ 55,097	$ 290

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 2022 and 2021 and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

The information of 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	
	2023	2022
Depreciation expenses		
Property and equipment	$ 35,698	$ 32,061
Right-of-use assets	53,044	47,302
Investment property	1,646	1,654
	90,388	81,017

(Continued)

	For the Year Ended December 31	
	2023	2022
Amortization expenses		
Intangible assets	$ 16,036	$ 10,886
Deferred expense	355	349
	16,391	11,235
	$ 106,779	$ 92,252

(Concluded)

n. Other operating expenses

	For the Year Ended December 31	
	2023	2022
Taxes	$ 232,144	$ 233,945
Information technology expenses	83,812	84,295
Custody fees	30,390	27,372
Postage expenses	34,421	35,161
Professional service fees	31,542	27,042
Repair and maintenance expenses	26,597	26,329
Securities borrowing fees	43,484	37,750
Others	110,385	115,427
	$ 592,775	$ 587,321

o. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Financial income	$ 107,334	$ 37,724
Rental revenue from the use of venue and equipment	73,724	51,141
Dividend income	24,274	29,646
Other rental income from investment properties	9,881	8,655
Valuation gains (losses) on non-operating financial assets at fair value through profit or loss, net	4,390	(4,938)
Gains (losses) on disposal of investments	(633)	33
Exchange gains (losses), net	(1,089)	2,940
Others	20,085	22,357
	$ 237,966	$ 147,558

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	
	2023	2022
Current tax		
In respect of the current year	$ 118,446	$ 40,082
Income tax on unappropriated retained earnings	-	607
Adjustment for prior year	(4,780)	(2)
	113,666	40,687
Deferred tax		
In respect of the current year	(47,272)	139,614
Adjustment for prior year	-	63
	(47,272)	139,677
Income tax expense recognized in profit or loss	$ 66,394	$ 180,364

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

	For the Year Ended December 31	
	2023	2022
Profit before tax from continuing operations	$ 1,070,661	$ 36,664
Income tax expense calculated at the statutory rate	$ 237,056	$ 28,119
Nondeductible expenses in determining taxable income	(88,732)	99,011
Tax-exempt income	(161,085)	42,077
Additional income tax under the Alternative Minimum Tax Act	68,729	-
Adjustments for prior years' tax expense	(4,780)	61
Income tax on unappropriated retained earnings	-	607
Others	15,206	10,489
Income tax expense recognized in profit or loss	$ 66,394	$ 180,364

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year		
Remeasurement of defined benefit plans	$ (5,040)	$ 26,924
Total income tax expense (benefit) recognized in other comprehensive income	$ (5,040)	$ 26,924

c. Current tax assets and liabilities

	December 31	
	2023	**2022**
Current tax assets		
Tax refund receivable	$ -	$ 1,263
Current tax liabilities		
Income tax payable	$ 128,563	$ 54,513

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income (Loss)**	**Closing Balance**
Deferred tax assets				
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	397	(350)	-	47
	$ 29,090	$ 4,313	$ 5,040	$ 38,443
Deferred tax liabilities				
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	50,782	(50,782)	-	-
	$ 63,871	$ (42,959)	$ -	$ 20,912

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Deferred tax assets				
Temporary differences				
Defined benefit plans	$ 42,083	$ (2,372)	$ (26,924)	$ 12,787
Unrealized losses	1,063	(950)	-	113
Payables for annual leave	4,382	245	-	4,627
Unrealized exchange losses	28,220	(17,389)	-	10,831
Valuation losses on foreign futures	82	253	-	335
Losses on derivative financial instruments	52,759	(52,759)	-	-
Others	4,007	(3,610)	-	397
	$ 132,596	$ (76,582)	$ (26,924)	$ 29,090
Deferred tax liabilities				
Temporary differences				
Difference between tax reporting and financial reporting - payables for pension	$ -	$ 12,478	$ -	$ 12,478
Valuation gains on foreign operating securities	776	(165)	-	611
Gains on derivative financial instruments	-	50,782	-	50,782
	$ 776	$ 63,095	$ -	$ 63,871

e. Deductible temporary differences and unused loss carryforwards that have not been recognized as deferred tax assets in the consolidated balance sheets

	December 31 2023	December 31 2022
Asset impairment	$ 1,918	$ 1,918
Loss carryforwards		
Expiry in 2023	$ -	$ 8,747
Expiry in 2024	3,974	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

(Continued)

	December 31	
	2023	2022
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	7,936	-
	$ 61,489	$ 62,300

(Concluded)

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 2021 have been examined by the tax authorities.

29. EARNINGS (LOSS) PER SHARE

The calculation of earnings (loss) per share was as follows:

	Amount (Numerator) After Income Tax	Number of Shares (Denominator) (In Thousands)	Earnings (Loss) Per Share After Income Tax (In Dollars)
For the year ended December 31, 2023			
Basic earnings per share			
Earnings attributable to ordinary shareholders of the Corporation	$ 999,752	594,455	$ 1.68
Effect of potentially dilutive ordinary shares			
Compensation of employees	-	2,024	
Diluted earnings per share			
Earnings attributable to ordinary shareholders of the Corporation	$ 999,752	596,479	$ 1.68
For the year ended December 31, 2022			
Basic loss per share			
Loss attributable to ordinary shareholders of the Corporation	$ (148,735)	594,455	$ (0.25)

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.

The Corporation had a net loss in 2022, and due to the anti-dilution effect of compensation of employees, the diluted earnings per share will not be calculated.

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 296% and 277% for the years ended December 31, 2023 and 2022, 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, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Financial assets mandatorily measured at FVTPL	$ 6,471,536	$ 4,758,656	$ -	$ 11,230,192
Financial assets at FVTOCI				
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
	$ 6,588,375	$ 7,584,278	$ 861,220	$ 15,033,873
Financial liabilities at FVTPL				
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
	$ 389,230	$ 2,773,056	$ -	$ 3,162,286

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Financial assets mandatorily measured at FVTPL	$ 3,738,253	$ 4,197,122	$ -	$ 7,935,375
Financial assets at FVTOCI				
Investments in equity instruments				
Unlisted shares	-	-	865,431	865,431
Investments in debt instruments				
Government bonds	-	297,138	-	297,138
Corporate bonds	-	1,196,252	-	1,196,252
Foreign bonds	144,814	1,209,017	-	1,353,831
	$ 3,883,067	$ 6,899,529	$ 865,431	$ 11,648,027
Financial liabilities at FVTPL				
Financial liabilities held for trading	$ 1,123,218	$ 791,705	$ -	$ 1,914,923
Financial liabilities designated as at FVTPL	-	1,521,248	-	1,521,248
	$ 1,123,218	$ 2,312,953	$ -	$ 3,436,171

Transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022 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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 865,431	$ 841,057
Disposal	-	(10)
Recognized in other comprehensive income (included in unrealized gains (losses) on financial assets at FVTOCI)	(702)	25,910
Proceeds from capital reduction	(3,509)	(1,526)
Balance at December 31	$ 861,220	$ 865,431

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	
	2023	2022
Discount for lack of marketability		
10% increase	$ (14,438)	$ (14,027)
10% decrease	$ 14,422	$ 13,941

b. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
FVTPL		
Mandatorily measured at FVTPL	$ 11,230,192	$ 7,935,375
Financial assets at amortized cost (Note 1)	22,022,299	20,984,212
FVTOCI		
Equity instrument investments	861,220	865,431
Debt instrument investments	2,942,461	2,847,221
Operation guarantee deposits	520,000	520,000
Clearing and settlement fund	193,969	195,905
Refundable deposits	174,045	188,110
Financial liabilities		
FVTPL		
Held for trading	1,568,670	1,914,923
Designated as at FVTPL	1,593,616	1,521,248
Financial liabilities at amortized cost (Note 2)	27,765,428	24,072,235
Guarantee deposits received	2,468	2,468

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, refinancing borrowings, 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	
	2023	2022
Financial liabilities designated as at FVTPL	$ 1,593,616	$ 1,521,248
Amount payable at maturity	(1,687,707)	(1,608,942)
	$ (94,091)	$ (87,694)

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

<u>Policies of risk management</u>

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.

<u>The process of formulating and approving risk management policies</u>

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.

<u>Organizational structure of the risk management system</u>

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, 2023			December 31	
	Average	Minimum	Maximum	2023	2022
Type of risk					
Equity securities	$ 133,498	$ 69,215	$ 174,042	$ 109,251	$ 89,396
Interest rate	12,489	1,866	27,697	9,105	13,599
Diversification of risks	(24,040)			(19,811)	(25,408)
Total VaR exposure	$ 121,947			$ 98,545	$ 77,587

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 $2,109 thousand and $887 thousand as of December 31, 2023 and 2022, 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 $23,479 thousand and $30,563 thousand for the years ended December 31, 2023 and 2022, 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	
	2023	2022
Interest rate risk of fair value		
Financial assets	$ 11,157,665	$ 12,459,355
Financial liabilities	12,470,204	11,909,705
Interest rate risk of cash flow		
Financial assets	9,747,809	7,493,990
Financial liabilities	6,545,726	4,799,767

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	
	2023	2022
Margin loans receivable	$ 6,533,218	$ 4,229,493

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, 2023

	Within 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years	Total
Derivative financial liabilities					
Non-interest bearing	$ 1,191,269	$ -	$ -	$ -	$ 1,191,269
Fixed interest rate	5,243,504	-	-	-	5,243,504
Non-derivative financial liabilities					
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	50,699	25,209	25,404	-	101,312
	$ 32,082,232	$ 25,209	$ 27,872	$ -	$ 32,135,313

December 31, 2022

	Within 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years	Total
Derivative financial liabilities					
Non-interest bearing	$ 923,958	$ -	$ -	$ -	$ 923,958
Fixed interest rate	6,665,557	-	-	-	6,665,557
Non-derivative financial liabilities					
Non-interest bearing	4,816,451	-	2,468	-	4,818,919
Variable interest rate	4,799,767	-	-	-	4,799,767
Fixed interest rate	11,810,362	-	-	-	11,810,362
Lease liabilities	50,055	42,093	25,046	-	117,194
	$ 29,066,150	$ 42,093	$ 27,514	$ -	$ 29,135,757

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:

	December 31	
	2023	2022
Financing facilities	$ 17,390,000	$ 16,230,000
Unused amount	$ 12,600,500	$ 12,739,760

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, 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

December 31, 2022

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	$ 7,822,544	$ 4,498,096	$ 7,822,544	$ 4,498,096	$ 3,324,448

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, 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	$ -	$ -

December 31, 2022

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	$ 4,497,768	$ (69,296)	$ 4,428,472	$ (51,578)	$ -	$ 4,376,894
Accounts payable	$ (3,649,306)	$ 69,296	$ (3,580,010)	$ 51,578	$ -	$ (3,528,432)
Liabilities for bonds with attached repurchase agreements	$ (4,498,096)	$ -	$ (4,498,096)	$ 4,498,096	$ -	$ -

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
Hwa-Ho Asset Management Corp.	Investments accounted for using the equity method
CHENG, TAI-CHENG	Supervisor of the subsidiary
The Corporation’s directors, president, vice presidents, assistant vice presidents, and department heads	Key management personnel

a. Margin loans receivable

	December 31	
	2023	2022
Key management personnel	$ 26,733	$ 20,508

b. Liabilities for bonds with attached repurchase agreements

	December 31	
	2023	2022
Key management personnel	$ 260,969	$ 340,547

The transaction terms of bonds with attached repurchase agreements with related parties were not significantly different compared to those with third parties.

c. Equity for each customer in the account

	December 31	
	2023	2022
Key management personnel	$ 31,315	$ -

d. Brokerage handling fee revenue

	For the Year Ended December 31	
	2023	2022
Key management personnel	$ 2,928	$ 2,331

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

e. Interest income

	For the Year Ended December 31	
	2023	2022
Key management personnel	$ 1,229	$ 1,455

f. Finance costs

	For the Year Ended December 31	
	2023	2022
Key management personnel	$ 3,251	$ 926

g. Lease agreements

	December 31	
	2023	2022
Lease liabilities		
Supervisor of the subsidiary	$ 4,400	$ 8,772

	For the Year Ended December 31	
	2023	2022
Finance costs		
Supervisor of the subsidiary	$ 39	$ 66

h. For the years ended December 31, 2023 and 2022, 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
For the year ended December 31, 2023					
Investments accounted for using the 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 the equity method	2023.01.01-2023.06.30	B3, No. 176, Section 1, Keelung Road, Xinyi District, Taipei City	Monthly	Contract	27
					$ 81
For the year ended December 31, 2022					
Investments accounted for using the equity method	2022.01.01-2022.12.31	B3, No. 176, Section 1, Keelung Road, Xinyi District, Taipei City	Monthly	Contract	$ 108
Investments accounted for using the equity method	2022.01.01-2022.06.30	B3, No. 176, Section 1, Keelung Road, Xinyi District, Taipei City	Monthly	Contract	27
					$ 135

As of December 31, 2023 and 2022, the balance of the rental deposits received by the Group from related parties were $10 thousand and $20 thousand, respectively.

i. Equity derivative transactions

The Group's key management personnel bought equity derivatives from the Group, and the unexpired amount as of December 31, 2023 and 2022 were $391 thousand and $414 thousand (recognized as financial liabilities at fair value through profit or loss - current). The related gains in 2023 and 2022, were as follows:

	For the Year Ended December 31	
	2023	**2022**
Gains on derivative instruments, net	$ 239	$ 19
Other operating income (processing revenue)	$ 25	$ 32

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, 2023 and 2022, was as follows:

	For the Year Ended December 31	
	2023	**2022**
Short-term employee benefits	$ 195,099	$ 87,060
Retirement benefits	2,605	3,256
	$ 197,704	$ 90,316

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	
	2023	**2022**
Restricted demand and time deposits	$ 169,040	$ 167,705
Government bonds	10,041	-
Property and equipment, net		
Land	715,507	715,507
Buildings	126,743	131,496
Investment property, net		
Land	277,264	277,264
Buildings	32,408	33,821
	$ 1,331,003	$ 1,325,793

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 May 2023, 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 $544,821 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.

c. As of December 31, 2023, the Corporation applied for a guarantee of $220,000 thousand from financial institutions, which was for the securities lending and borrowing business.

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:

		December 31					
		2023		2022			
	Calculation Formula	Equation	Ratio (%)	Equation	Ratio (%)	Benchmark	Conclusion
1)	Equities / Total liabilities - Futures traders equity	1,388,789 / 160,214	=8.67 multiple	1,386,255 / 183,500	=7.55 multiple	≧1	Conform with law
2)	Current assets / Current liabilities	7,712,336 / 6,913,788	=1.12 multiple	5,912,301 / 5,134,360	=1.15 multiple	≧1	Conform with law
3)	Equities / Minimum paid-in capital	1,388,789 / 630,000	=220.44 %	1,386,255 / 630,000	= 220.04%	≧60% ≧40%	Conform with law
4)	Adjusted net capital / Amount of customer margin account for open position of futures traders equity	1,097,243 / 1,412,613	=77.67 %	1,116,349 / 834,326	=133.80%	≧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					
	2023			2022		
	Foreign Currency	Exchange Rate	New Taiwan Dollars	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial assets						
Monetary items						
USD	$ 69,990	30.7050	$ 2,149,033	$ 58,790	30.7100	$ 1,805,428
CNY	118,689	4.3270	513,569	88,465	4.4080	389,953
HKD	9,733	3.9290	38,240	48,670	3.9380	191,664
JPY	204,995	0.2172	44,525	186,592	0.2324	43,364
EUR	578	33.9800	19,625	906	32.7200	29,659
GBP	91	39.1500	3,573	71	37.0900	2,647
SGD	71	23.2900	1,644	26	22.8800	590
VND	2,978,703	0.0012	3,574	-	0.0012	-
Non-monetary items						
USD	8,146	30.7050	250,114	1,641	30.7100	50,392
CNY	28,645	4.3270	123,948	33,849	4.4080	149,206
HKD	-	3.9290	-	9,212	3.9380	36,275
Financial liabilities						
Monetary items						
USD	45,551	30.7050	1,398,637	32,229	30.7100	989,740
JPY	118,073	0.2172	25,645	77,591	0.2324	18,032
HKD	6,274	3.9290	24,651	5,903	3.9380	23,247
EUR	412	33.9800	14,035	629	32.7200	20,590
GBP	82	39.1500	3,207	49	37.0900	1,807
SGD	70	23.2900	1,622	26	22.8800	590
CNY	191	4.3270	827	22,530	4.4080	99,314

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange gains or losses were loss $3,109 thousand and gain $86,837 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 SFB 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 FSC 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

	For the Year Ended December 31, 2023				
Item	**Proprietary**	**Brokerage**	**Underwriting**	**Other**	**Total**
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	$ 947,262	$ 517,430	$ 10,596	$ (20,081)	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					$ 1,033,975

Item	For the Year Ended December 31, 2022				
	Proprietary	Brokerage	Underwriting	Other	Total
Profit and loss attributed to each segment					
Revenue	$ 82,355	$ 1,888,026	$ 62,849	$ 23,548	$ 2,056,778
Costs and expenses	(356,000)	(1,345,135)	(58,630)	(44,754)	(1,804,519)
Profit and loss - by segment	$ (273,645)	$ 542,891	$ 4,219	$ (21,206)	252,259
Profit and loss not attributed to segments					(215,595)
Profit before income tax					36,664
Income tax expense					(180,364)
Net loss for the year					(143,700)
Other comprehensive income					35,824
Total comprehensive income for the year					$ (107,876)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(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, 2023			Operating Income of the Investee	Net Profit (Loss) of the Investee	Share of Profit (Loss)	Cash Dividends	Note
						December 31, 2023	December 31, 2022	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		Foreign and domestic futures proprietary, brokerage and consulting services	$ 559,654	$ 559,654	78,005,571	95.71	$ 1,329,491	$ 599,119	$ 105,299	$ 100,826	$ 79,511	Subsidiary (Note)
	Con Lian Asset Management Service Co., Ltd.	B2, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City	September 5, 2003	Aug. 5, 2003 No. Tai-Tsai-Cheng (2) 0920135652	Investment, business management advisory services and asset management services	230,000	230,000	54,900,000	100.00	573,072	-	21,786	21,786	-	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	76,437	26,821	(4,790)	(4,790)	-	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	16,314	10,730	(3,162)	(3,162)	-	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	575,955	207,692	54,569	25,425	-	Investments of subsidiary accounted for using the equity method

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

TABLE 2

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(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	$ 422,558 (Note 6)	Not significantly different from those to third parties	1.05
		Concord Futures Corp.	a.	Guarantee deposits received	1,295 (Note 1)	Not significantly different from those to third parties	-
		Concord Futures Corp.	a.	Futures commission revenue	8,677 (Note 1)	In accordance with the contract, no third-party transactions for comparison	0.25
		Concord Futures Corp.	a.	Securities commission expenses	6,189 (Note 1)	In accordance with the contract, no third-party transactions for comparison	0.18
		Concord Futures Corp.	a.	Clearing and settlement expenses	3,955 (Note 1)	In accordance with the contract, no third-party transactions for comparison	0.12
		Concord Futures Corp.	a.	Other gains and losses	18,479 (Note 1)	In accordance with the contract, no third-party transactions for comparison	0.54
		Concord Capital Management Corp.	a.	Other payables	1,050 (Note 1)	Not significantly different from those to 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	0.37
		Concord Insurance Agency Co., Ltd.	a.	Account receivable	1,266 (Note 1)	Not significantly different from those to third parties	-
		Concord Insurance Agency Co., Ltd.	a.	Other operating income	3,845 (Note 1)	In accordance with the contract, no third-party transactions for comparison	0.11

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 relationships between the parties of the transactions 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. Transactions from parent company to subsidiary.
b. Transactions from subsidiary to parent company.
c. Transactions from subsidiary to subsidiary.

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: Including the futures trading excess margin of $380,430 thousand which was accounted for as cash and cash equivalents.

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
DECEMBER 31, 2023
(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, 2022 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, 2022 (Note 1)	Investment Flows		Accumulated Outflow of Investment as of December 31, 2023 (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, 2023 (Note 6)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					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.	$ 3,470,264 (CNY 802,002 thousand)	Others	$ 51,561 (US$ 1,579 thousand)	$ -	$ -	$ 51,561 (US$ 1,579 thousand)	$ 307,820 (CNY 70,029 thousand)	1.21	$ -	$ 75,507	$ -

2. Upper limit of investment in mainland China:

Accumulated Investment in Mainland China as of December 31, 2023 (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)	$49,540 (US$1,613 thousand)	$833,273

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

Note 2: The NTD amount was converted using the average CNY buying and selling rates for the year ended December 31, 2023.

Note 3: The NTD amount was converted using the average USD buying and selling rates for the year ended December 31, 2023.

Note 4: The amount was calculated based on 60% of Concord Futures' net asset value as of December 31, 2023.

Note 5: The NTD amount was converted using the average CNY buying and selling rates during 2023.

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